

# Do activity reports drive sales or drive you crazy?



## The perfect activity report in the eyes of a rep

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*Would you believe that some sales management executives spend up to 50% of their time involved in sales reporting activities? Well, they do! These same sales executives admit that it is a time consuming process, but feel it is a necessary tool that helps control and monitor performance. Conversely, there are sales managers who believe that it takes away from precious selling time and that the best way to monitor performance is to, track sales dollar volume. Do you take a position on this important matter? If not, you may have one after reading this article.*

Creative software technology is supposed to make the sales reporting process easier and more informative. Companies like CRM and SFA claim that investing in their reporting systems helps simplify the process and increases sales. However, numerous salespeople and even their employers now claim that these technology investments rarely live up to expectations. Incredibly, there are many cases where the technology investment actually has increased costs and decreased sales. Because of this, some sales organizations still rely on spreadsheets to forecast and report activities – so much for the bad side of reporting systems.

### The Process

Perfecting the sales reporting process is a never ending job. Those who create the reports are constantly tinkering and modifying their forms and formats. Manufacturers' reps who strive to be perfect are trying to maximize their selling time, but are often being chased

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down to get their information (reports) submitted on time. As a result, sales management has: 1) less time to read and analyze the reports, 2) less time for coaching and 3) ultimately the sales reps have much less time to spend in front of their customers to create new business and strengthen relationships.

### Are Reports Helpful?

Since the inception of "sales activity reports" many salespeople view them as painfully tedious homework-like tasks that have little to do with closing orders. They feel that reports often get in the way of doing their jobs. Instead of being on the phone, on line, or preferably in front of their customer, they may be found sitting with their notebooks frantically entering data about opportunity status, who they saw, when, and what was accomplished. All the while, they feel that it is much more important to secure the business. This shouldn't come as a surprise, but many salespeople are also suspicious of call reports. They are told that reports will help them sell more, but they feel that they are used to monitor both their time and activities. In reality, reports are a great tool for the next salesperson who takes over the account or territorial responsibility. However, this fact is rarely mentioned in the genre of sales speak.

### Do Reports Answer the Need?

Like it or not, reporting systems today are based on how we did business in the past. Many reps feel that in a design-centric industry, such as electronics, perfect principals share information with other involved sales and marketing people (including other reps) throughout our globalized world. To that point, split commissions have become the driving force to build a more perfect reporting system. *When was the last time your principal sent you an excerpt from another rep's report?* Many reps feel that reports are used to justify their existence with their principals and that the RSM rarely has a grasp of what is going on with his own territory, let alone others that may be involved. In other words, by using old systems, RSM's have little or no data on what is happening with their customers' divisions in other territories – critical information.

By asking the right questions, the perfect sales manager would be able to gather meaningful information and distribute it to all involved reps and the appropriate people within their own company. A more perfect reporting system would be an extremely powerful tool. As an example, does the information collected give the principal the power to lower costs and increase sales, or is everyone simply going through the process because we have always done it this way? If principals were to change their old reporting system to a new one, the following benefits may occur: 1) Information collected would be useful to create or grow existing business. 2) Filling out the forms would not be an overwhelming task for the salesperson. 3) The principal comments back on the reports on an individual basis.

### People Don't Read Reports

Some reps joke that they would like to have a dollar for each time a principal

has told them that every report is analyzed so that production can be set to satisfy their customers' needs. One missed production schedule or lost commission split quickly tells salespeople that reports are not being read. Not reading or using the details provided by the reports makes filling them out a real money loser for the principal and representative.

### The Positives

No doubt we can all learn and share a great deal from reports. The key is to make certain that essential information is reported and not the same old rhetoric and drivel. If sales management does not find them useful – or worse – does not read them, they should stop asking for them. Frankly, I consider sales call preparation to be far more important than the report itself. To paraphrase Jack Berman and his Call Organizer & Planner, “No call is worth making unless it’s planned for in advance” and that means having major objectives. The purpose of the perfectly written activity report should be to relate *newsworthy information*. However, keep in mind that perfect business people never forestall “action items” waiting for the next monthly report.

### A Voice from the Field

A grizzled old salesman once said, “Some of us hate filling these things out and the rest of us just don’t.” From my experience in the industry, I find that salespeople have a common dislike for all reports, be it call reports, monthly activity reports, quote status, sample status or forecasts – monthly, rolling or annual. That doesn’t include special reports like top 10 accounts, lead and approval status, and unfortunately many more. Truth be known, most salespeople even dislike doing expense reports, but of course it’s a matter of economic necessity. Far be it from me to criticize reporting but many of my colleagues state that call report systems are either poorly designed, poorly executed, or even worse – seldom read.

### Emotional Favorite Status

I recently asked a group of representatives for their definition of their emotional favorite lines(s). They were quick to respond that it is one that does not ask for a mother lode of reports, nor do they make routine quarterly field trips. However, they have no problem asking

for a report when it is truly required or making a field trip because there is a priority or a problem. These are precisely the kinds of lines that reps embrace with “preferred principal status”. In other words, it’s not how big their sales are, it’s how “rep-friendly” they are. The same applies to the world of distribution Manufacturers with distributor-friendly politics earn more mind share, time share and market share. Needless to say, the same applies to the world of repdom.

### Report Frequency

The perfect principal does not ask for customer call reports, because he realizes that, if each principal required a report for each sales call, it would be an impossible task. The same applies to weekly sales activity reports. It’s too frequent and too cumbersome. It typically takes between 1 to 3 months for significant activity to take place. When there hasn’t been any changes, salespeople are inclined to put down words like “same” or “no changes” and this irritates the hell out of sales management people. However, if they asked for it less frequently, they would obviously get more meaningful updates.

### Critical Information

Is there anyone so naive to believe that we would hold critical information for the next reporting cycle! Newsworthy items should be communicated immediately! Many reps feel that the not-so-perfect principal often uses reports as reference material and not action items. What has been your experience? Do you have any knowledge of the monthly report circulation list? Does it flow from the RSM to the NSM to the VP of Sales to the President! Do you know? Should you know? Does anybody really care to know?? Does anybody give a damn? We should, because hundreds of hours a year per rep firm are consumed on monthly reports for each principal who requires them. Just think about it! What if the same hours were spent in front of the customer doing what he does best selling?

### Quality of Life

Would you believe that an overabundance of reports may have a real impact on a salesperson's quality of life? As an example, I know salespeople who don’t get home until 6:00-7:30 p.m., have dinner and then spend the next 2-3 hours

writing reports. How about the single parent, who has to prepare dinner, tend to the children, help with homework and get them to bed! When do they do their sales reports? Those poor souls aren’t getting to bed until close to midnight. I am not suggesting that this is the sales manager’s fault, unless he is asking for meaningless information. And we all know that the perfect sales manager never asks for frivolous feedback – don’t we?

### 5 Year Forecast

Can they possibly be serious! Anyone who asks for long term forecasting is out of touch with reality. What are they smoking? It’s tough enough to forecast one year in advance, let alone five. Additionally, your customers' forecasts are only as good as the sales and marketing people who are doing them, which means we could end up compounding errors. Some companies state that they don’t ask for a 5-year forecast – just a 5-year plan. Give me a break – At the rate that technology changes, that, too, is a tall order. I have numerous friends who forecasted that they would be retired several years ago. Today they are working their asses off with no retirement in sight.

### The Principal's Report Mantra

Sales reps hear all kinds of things from their principals. They range from the following:

- “We demand promptness, thoroughness and accuracy.”
- “We ask for only one forecast per year and assume this complies with the representative's goal.”
- (My favorite) “Paperwork should be kept to a minimum in order to give the representative more time to sell.”
- “We only ask for one monthly report but it should be easy since you have all the data.” (Sure it is, but that report has five sections.)

### Other Commentary

Here are some other comments that I received:

- “The representative's resources are limited and their time is money – Please don't overburden them.” (from a manufacturer)
- “No one can afford to waste effort on reports and procedures that do not bolster sales.”
- “Too many of us principals are asking

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for more and more reports, which take away from our reps' selling time – We are already on information overload.”

- “When our reps spend too much time reporting, it detracts from their selling effort and they could end up losing a good line – including ours.”

- “Reporting is a nightmare. Just how much information does our factory really need? I am not sure what we do with them, but we keep asking for them anyway.”

And, finally, a rep says:

- “I wish we could get paid for all of the reports that we do.”

### **Summary**

Is there really such a thing as a perfect sales activity report – not in my opinion. However, if you are a good communicator – both written and verbal – on a day-in and day-out basis, I don't believe a monthly report is necessary. One thing I would really like to make perfectly clear is that, if a salesperson is a poor communicator on a daily basis, chances are he will be a lousy communicator on a monthly report. More coaching and less reporting may be a newfound path to increased sales. By the way, have you ever heard of a top performing rep firm getting fired for submitting lousy reports even though they keep growing their business by selling the entire product line to old and new accounts? Case closed!

### **Monthly Report Humor**

Sorry, boss, I was so tired after doing reports all night that I had to take the next day off.