

Six Key Metrics for Sales Managers to Monitor

## **Description**

There are six key metrics all sales managers need to monitor for each of their direct reports to determine if they are thriving, where any areas of opportunity might lie and how best to put a plan of action in place to help them not only meet but exceed their goals.

If youâ??re a sales leader, you know that you have one job to do and one job only: help your direct reports maximize their performance and potential so they can be as successful as possible. However, do you know what to look at in order to measure their progress against their goals and determine the areas in need of improvement to fully help them squeeze the lemon and reach the next level?

## Six Key Metrics for Sales Success

There are six key metrics you should frequently measure and review so that you can determine how successful each salesperson is and where they should focus for maximum improvement.

- 1. **Close ratios.** This is the number of quotes, proposals and RFPs to sales, and if this number is south of 30% itâ??s clear that something in their sales process needs to be tweaked, added to or improved upon.
- 2. Average revenue per client or per sale. If this number is small, they are focusing too much on singles and doubles as opposed to triples, home runs and grand slams.
- 3. Revenue from <u>upselling and cross-selling</u> clients. This number doesnâ??t include any repeat business they can count on from their current clients. Instead, it shows how successful they are at penetrating their existing customers for additional opportunities.
- 4. **Length of sales cycle**. Is it longer than the company average? If so, there might be an opportunity for them to set more defined next steps or create a better sense of urgency when selling.
- 5. **Pipeline level and consistency**. A strong pipeline that is maintained at a certain level consistently is critical to sales success. Managers need to make sure that the pipeline is filled with good, qualified opportunities and that the sum of the opportunities is at the correct dollar value to support the quota and budget.

6. Number of net new appointments per month. Work with each person to reverse engineer their numbers. Subtract the business they already have and can count on from existing customers from their annual goal. This number is how much net new business theya?? Il need to bring in the door the rest of the year. Then, ita??s a matter of applying their ratios a?? close, appointments and proposals a?? to determine how many net new appointments are necessary each month.

Checking Their â??Vitalsâ?• to Make a Plan

When you visit a doctor they check some key information, such as your blood pressure, temperature and weight, so that they can determine how best to treat you. Similarly, as sales leaders we need to know what a??vitalsa?• to check for each person on our team so we know how best to help them. Once we identify their key areas of opportunity, we can then work together to put a plan in place that will help them be more productive, exceed their goals and achieve next-level success.

What a??vitalsa?• do you check for your direct reports on a frequent basis to help them maximize their performance and potential? Are there any key metrics sales managers should monitor that youa??d add to the six above that we might have missed? Let us know below or leave us a comment on Facebook, Twitter or LinkedIn! atermark

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