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# Take a Sales Manager to Lunch

Last Wednesday, I sat down for coffee (we offered to buy him lunch, but he declined) with Jim Hirsh, a VP of Sales with Wind River. Wind River provides software and services to build embedded and mobile systems. Since 2009, it has been a division of Intel.

 Jim manages a team of 12 people selling to networking hardware companies east of the Mississippi. Wind River has about 100 sales people worldwide, and about 1,000 total employees. 5 of the people on Jim’s team are account managers, 3 are technical support personnel, and 4 are inside sales people at the corporate office. The three technical people each focus on a different area of the business.

 Each of his sales persons has a quota of $4.5 million. The quota is set by him by dividing the quota that he himself is given. He told us that he sets the quotas by knowing the territory, having worked in sales for Wind River, before becoming a sales manager. He tries to get around 40% of his people to hit quota.

 The compensation book is carefully set to encourage the selling of a variety of the company’s products and services. We’ve never talked about it in class, but Wind River actually has a yearly compensation cap. That is new this year, after they did very well last year. Nortel fell apart last year, and because there was a no-transfer clause in the contract, each acquirer of Nortel assets had to buy new licenses from Wind River. Wind River was in a much better position to negotiate than each of the acquirers so they did very well. In addition, Wind River had a provision last year where a company could sign a 3-year deal and pay each year. The sales person would be paid upfront for the entire value of the deal. As a result Jim’s team made 400%, 200%, 150%, 100% and 68% of quota last year. Jim says that the Director of Sales got into big trouble last year for this generous provision.

Jim also told us that his team was very different than when he became the manager of it two years ago. He said that generally the bad people would leave by themselves. If they didn’t he would hint at it by asking “Is this the best job for you?” The three new people he hired were all from previous companies he had worked for. He looks for self-motivated people who do not get intimidated by calling on the execs. He also wants people who look at the companies’ business issues, such as “Why is product development taking so long?” He finds that the best way to find this information is to listen to the answers that the CEO gives to analysts on the conference call. In addition, the old standby, taking people to the bar works well.

Jim told us that because he has mostly experienced sales people, he does not do much training. He holds 1 or 2 review sessions a year on value selling where he brings in an expert to refresh his team. The meetings are small, only his team and perhaps one other team. There is also a companywide “kick off” where new products are reviewed and ideas are shared. He also holds a weekly meeting with his extended team (~35 people) where he reviews the team’s progress and the different members share information.

Most of his day he says is building spreadsheets for his boss. He might also go on a sales call to help a sales person close deals. Jim told us that the sales manager job is different from the job of a normal sales people and it requires different skills. People who are good at being a sales person might not be good sales managers, because the job is so different.

 Jim told us that his sales secret is to build trust and provide guidance and help to the customers – not just hitting them up for deals. The customer wants to know that you have will their back and advocate for them internally. This is actually very similar to what Evan, from National Instruments, told us.