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## *Sales Managers' Span of Control*

Companies' efforts to achieve efficient staffing levels combined with ever improving communication technologies cause sales leaders to continually question their subordinate managers' spans of control and the number of reporting levels within their sales organizations. The general rule of thumb used to be one manager could direct seven to nine salespeople. It was held that a greater span of control caused managerial effectiveness to deteriorate. Then, and today, ineffective sales management results in less planning and coaching; inconsistency in the quality of salespeople; variability in sales process execution; and sub-optimal sales performance.

TopMark and other sales effectiveness experts have seen span of control ratios rise in recent years. ZS Associates and The Gallup Management Journal indicate they have seen span of control ratios rise from 7-12 to as many as 30 salespeople per sales manager.<sup>1 2</sup> Attention to costs and the bottom line is a critical priority for every company. But, even the very best sales managers don't have super powers.

Which is the best, and most supportable, way to determine how many salespeople should report to a sales manager? The answer requires consideration of the combined affect of four factors – similarity of sales task, complexity of product sold, salesperson experience, and salesperson performance – on the nature, duration, and frequency of a sales manager's interaction with his/her direct reports.

A broad span of control and fewer reporting levels work when the sales management task is comparatively uncomplicated. Narrower spans of control, and consequently more reporting levels, are common when the managerial task encompasses, for example: training/coaching, customizing new business pursuit and capture strategies to specific situations, making joint sales calls, and tailoring product/service offerings to customers' needs. In either case, an activity-based, workload build-up approach – which considers both the nature and duration of the interactions between a sales manager and each of his/her direct reports – will yield the best and most rational spans of control.

TopMark's span of control computing tool considers the quantity of time a manager has – after personal sales responsibilities, administrative tasks and "other" non-sales activities – to manage his/her salespeople. This time capacity is then divided by the average time required to manage each salesperson to arrive at a span of control. The tool is fully scalable as it can be used to determine the number of managers needed for an entire sales force, or any sub-segment or sales channel, comprised of homogeneous sales roles.



HELPING CLIENTS NAVIGATE TO COMPETITIVE DISTINCTION



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TopMark's *Sales Managers' Span of Control Computing Tool* is free for a limited time.



For information about TopMark's sales effectiveness and sales compensation consulting capabilities, contact John F. Tallitsch, Managing Director at 440.963.1240 or through <http://www.top-mark.com/contact.htm>.

<sup>1</sup> Andris A. Zoltners, Pabhakant Sinha and Sally E. Lorimer, *Sales Force Design for Strategic Advantage*, (Houndsmill, Basingstoke, Hampshire: PALGRAVE MACMILLAN, 2004), page 167.

<sup>2</sup> Benson Smith, "Sales Managers Make a Difference," *The Gallup Management Journal* (Press Release), April 8, 2004.