



# Taking Your Business Outside

How to Land Your Star in Outside Sales

**T**raining and maintaining a strong staff is one of the keys to running a successful retail operation. Your staff is the face of the business for many of your customers. It could be the customer service associate who builds a rapport with regular customers or the delivery driver who makes regular stops at the same locations. These employees come to symbolize your business to your customers in a personal way.

To collect insight on how best to hire, train and manage outside sales employees, *Hardware Retailing* spoke to two retailers who have grown teams to help build their businesses.

Koopman Lumber and Hardware maintains seven locations in Massachusetts as well as a central lumber distribution center that focuses on building materials. The company employs 27 outside salespeople, with the staff broken up into smaller teams that focus on specific markets. Florence Hardware in Florence, Kentucky, employs two outside sales employees with an emphasis on maintaining a strong presence in a growing county and community. These retailers show that no matter the size of your operation, outside sales can play a factor in your success.



**Florence Hardware** in Florence, Kentucky, has built its business and brand recognition by emphasizing an outside sales force. The company's training program has helped develop talent that can bring sales into the business.

### What Can Outside Sales Do for You?

The goal of any sales team is obvious: growing sales and building business. What sets outside sales apart is the proactive nature of the position. The outside salesperson can seek out businesses and clients to offer services and products offered by a retailer. These clients may not have been aware of the option to use a hardware business for their needs or even that such a service was offered.

For Rob Arnold, general manager of Florence Hardware, outside sales fills a needed category in his business's chain of responsibility. The outside sales team is part of a business plan that is designed to both capture new business while also promoting the culture of Florence Hardware in the surrounding areas.

"All really good companies have behaviors to increase the likelihood of success, and we decided outside sales had to happen to accomplish our goals," Arnold says. "Every department has responsibilities. If you're in purchasing, it's making sure you're in the habit of taking

advantage of deals and margins. For sales, it's increasing sales and margins while selling a full assortment of products. We decided we wanted to invest in ourselves, and that's where outside sales comes in."

Arnold points to his business's focus on heavy commercial and industrial industries, such as manufacturing, local school systems and business maintenance departments as a key factor in maintaining an outside sales team. The salespeople in the community can help sell the kinds of products and services that a client might not think a store with "hardware" in its name can provide.

"You look at today's age of hardware stores and what we can offer, and it's light-years different from what it was in the past. We are the choice for Northern Kentucky in our customer base," Arnold says. "We realized we were finding success locally here in the community. We asked, 'What could we do if we had people out raising awareness of our services and products?'"

Larger operations are prime targets for outside sales teams. This can include residential builders or commercial businesses that oversee large-scale operations, says Tony Brookhouse, chief operating officer and co-owner of Koopman Lumber. Having people keeping in touch with clients on a consistent basis and looking after their needs allows those clients freedom to manage their own priorities and streamline their business.

These businesses expect to make purchases through a contact, not in a storefront, Brookhouse says. Having salespeople on the road and approaching customers at their offices or work sites keeps a retailer at the forefront of their minds.

“Any larger residential builder is not going to order all their stuff by going to locations. They’re too busy,” Brookhouse says. “Anything commercial—from large, superstructure-building companies to a business building multi-unit apartments and banks—they’re not going to come to you.”

Products that can be of use for these clients don’t have to be limited to the construction or industrial markets either. Florence Hardware’s work with governmental and school organizations highlights how other products, like detergents, mops, toilet paper or other bulk and often-ordered items, can be supplied through a local retail store. Outside sales can seek out this business and open up new avenues for sales growth.

### Bringing in the Outside

Outside sales personnel can be a great asset, but they also require different training and management styles than staff members more common in retail hardware stores.

Several key attitudes and traits are common in successful outside sales candidates. Many of these characteristics lend themselves to a strong candidate that is trusted with a fairly autonomous position that can reflect strongly, either positively or negatively, on the employer.

“Being organized, disciplined and a self-starter are really important for candidates, because of the freedom of the position. You also have to go out and find business to be successful,” Brookhouse says. “You want someone out there who can represent you and your company with integrity. That’s what we foster and support.”

Candidates can come from a variety of backgrounds. They may be an experienced outside sales staffer who worked at other businesses or a current employee who has a different role but shows aptitude and interest in the position. Some of the key signs of a strong candidate are strong communication and relational skills, Brookhouse says, as well as a willingness to put the time into training and learning new skills.

That emphasis on training is why Arnold doesn’t look for product knowledge as an essential quality in a strong outside sales candidate, at least in the initial phases. He prefers strong signs of trainability and people skills as the top starting criteria, with much of the sales skills and industry know-how coming during the training process.

“We want a hunter’s mentality. Experience is a plus, and knowledge is helpful, but tenacity is more important. We want people who want the big account, the big fish that’s out there. People who can connect the needs of the client with the services we offer,” Arnold says.

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—Rob Arnold, Florence Hardware



Florence Hardware president Steven Swann (right) works with Jim Schutte of Cincinnati Ventilating Co.

## The Inside Scoop on Outside Sales



Need a few more pointers on outside sales? Here are some frequent hurdles that retailers have encountered.

### What are some of the biggest differences between inside salespeople and an outside sales team?

Some of these are more obvious than others, such as an inside sales team being concerned with the immediate sale and assisting customers coming through the front door. However, both Koopman Lumber and Florence Hardware look to their inside sales team as a crucial piece of infrastructure for the entire sales process.

The outside sales team is concerned with developing clients and drawing in new business. Inside sales can provide support by keeping tabs on long-term accounts or clients that have fallen off on orders. Outside salespeople can assist inside sales on special orders and large-volume orders from customers.

### How do you best structure incentives, bonuses and other compensation?

Each business must decide how to structure outside sales pay, but both retailers we spoke to used a combination of salary and commissions to pay outside sales staff. Recent hires are paid more heavily on salary as they learn sales tactics and build a strong client list that will hopefully allow for greater success and sales numbers as time goes on.

“In some areas of the country it makes more sense to pay a base salary with a smaller amount devoted to commissions. That’s more of a safety net structure,” Brookhouse says.

One area Brookhouse emphasized was using a sliding scale for commissions based on gross profits. This structure allows salespeople to be rewarded for stronger efforts, bringing in new clients and maintaining long-term accounts and not emphasizing any one way to develop business.

### How do you best handle an outside salesperson’s client list?

Lists can be dependent on the work habits of an individual salesperson. How many clients a sales staffer has in their portfolio doesn’t directly reflect how hard they work or how much they are bringing in on sales. Forty smaller accounts can bring in as much as 12 larger ones, just like one major account can need the kind of time and attention that simply can’t be translated to managing smaller clients.

Keep in mind that larger clients, while great for sales numbers, also hold great importance in the health of your business and your outside salesperson. If a salesperson has only a few big-number clients, one loss could mean big changes. Larger producers might be able to live and die by fewer clients, but a diverse client base is more recession-proof and is less likely to leave gaps in sales figures.

The proper attitude for a candidate is also a tough fit because, as both Arnold and Brookhouse say, the position requires confidence and resiliency in equal measure. A top candidate cannot get easily discouraged by rejection, but also must pursue leads doggedly and expect success.

Often, Arnold will gauge a candidate's attitude and possible future choices by intentionally slipping "mistakes" into the interview process. Such methods, like intentionally using the incorrect name for a candidate in an email and seeing how they react, can offer insight into future client relationships. Being able to continue building a relationship without allowing small errors to derail the interview process is a plus.

"You need to be knowledgeable and able to run scenarios with them to see how they will react," Brookhouse says. "Otherwise you could be hiring someone who represents you in a way you don't want."

### Managing the Team

Once an outside sales team is assembled, it falls to management to create the kind of environment that fosters success. This is true for any employee in a retail business, but developing an outside sales team can have unique factors involved that aren't found in other areas.

Training and support play major roles in determining the success of a retailer's salesforce. Training not only encompasses the details of a retailer's business and what a trainee will be selling, but the essential sales tactics that each employer wants its people to use.

The importance of training is at the center of Florence Hardware's introduction program, which Arnold has developed and improved over the years. Through his experience in the industry and in sales, he's built a training program that he feels best takes a new outside sales candidate from just entering the industry to closing deals.

The training takes new hires through each step of a sale, from presentations and sales calls to finding new clients and how to manage their travel times and routes to different customers throughout a day.

"We teach each step of the sales cycle, from the moment you walk in the door to when you close the sale. We teach them how to interact with clients, from the owner to the guy in the backroom stocking inventory. We're willing to invest in these employees and build them into what we want and need them to be," Arnold says.

Training also consists of role-playing and mentorship programs, allowing trainees to grow comfortable with potential business interactions and experiencing the workday with a more experienced colleague.

"These first interactions can be intimidating. Your employees want to make an impression, but they don't know where to start," Arnold says. "If you want to get value from your people on the road, there has to be a plan."

While Florence Hardware's training methods were developed in-house, Arnold suggests any retailer take advantage of distributor or association relationships to build training programs for salespeople. Trainers can tweak these programs with specific methods or inspirations to mold a sales team for their particular markets.

### All In on Infrastructure

Another aspect of managing an outside sales team is support throughout the company. Koopman Lumber has built an infrastructure that backs up its team, with one inside salesperson for every two that works outside to offer support. Another example of a way Koopman Lumber's outside sales team is supported is through the in-house engineering department, which specs and rates products for specific tasks, like building in a hurricane zone.

These backup structures keep an outside sales force informed while freeing them to care for their clients, Brookhouse says.

"Our sales guys just need to pick up a phone and get an adviser to get that information for a client. It really helps streamline information for both salespeople and clients," Brookhouse says.

Equipment is another area of support where Koopman Lumber has invested. The company has three mobile showrooms that can accompany a salesperson to a job site for a client to peruse. It also has a mobile point-of-sale system that allows salespeople access to the full inventory when on the road.

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—Tony Brookhouse, Koopman Lumber



Koopman Lumber and Hardware maintains a significant outside sales presence. The business has built a strong infrastructure around its outside sales team that offers support and helps its salespeople maintain client relationships and bring in sales.



Most POS providers now have mobile options among their packages, Brookhouse says, but it's not the equipment that is necessarily difficult to put together. Building a secure and fast network that can allow access from remote devices and outside portals is the key.

Even with all the tools and training that can be used to expand an outside sales role, both Brookhouse and Arnold put attitude and culture as the true linchpins of a successful team. Empathy and the ability to buy in on serving a customer's needs are the true calling cards of success.

"If you have people who are genuine, who understand that they're there not to sell the newest, most expensive item but to help their client be successful, you're on the right track," Brookhouse says. "If you get people that grasp that concept, the results speak for themselves." ➡