

The RACE-model™ - Management by RACE-plans and RACE-talks

To be successful in sales you need to work with three different types of objectives. They are RESULTS - ACTIVITY - COMPETENCE. The Results are what you are aiming for in concrete terms - the Activities are the concrete job tasks which contributes to the results - the Competence are the skills and knowledge necessary to perform the activities in such a way that you reach the results you are aiming for. To be successful in sales you need to formulate, plan and follow up objectives on all three levels.

This tool is a major component of the Work Pattern. It should be used by all personnel involved in sales.

Examples on different Objectives:

<u>Results</u>	<-->	<u>Activities</u>	<-->	<u>Competence</u>
<u>Volume</u>		<u>Quantity</u>		<u>Knowledge</u>
- amounts		- field visits		- customer knowledge
- revenue		- offers		- sales planning
<u>Profit</u>		- demonstrations		- product knowledge
- contribution		- tests		- technical knowledge
<u>Product mix</u>		- telephone contacts		- marketing knowl.
- per product		- information meetings		- competition knowl.
- per product group		- sales letters		<u>Skills</u>
- new products		<u>Direction</u>		- establishing contact
<u>Customer mix</u>		- visits per customer type		- building relationship
- per customer		- visits to prospects		- presentation skills
- per cust. group		- different contact people		- analysing client need
- new customers		- visits per product type		- questioning methods
		- time spent on products		- handling objections
		- time spent on different tasks		- closing technique

Quality

- average order size
- visits per order
- offers per order
- average offer size

- writing offers
- telephone booking
- telephone skills
- using sales aids

How to formulate RAC-objectives

- Objectives on different R-A-C - levels must be co-ordinated

The activity objectives should be directly related to the short- and long term results you are aiming for. They should be working in the right overall direction, to reach certain well defined result objectives. The competence development should make it possible for you to perform the necessary activities. With the right quantity and quality.

- Objectives must be concrete and measurable

The more clear the objectives, the better the achievements. They can be quantitative, directional and qualitative as you could see above. Some objectives are of course not exactly, scientifically measurable. But all examples listed above can be estimated and described. It also takes practise to e.g. assess skills.

- Objectives must be possible to refer to periods

It is recommended to make up RAC-plans per year. And then to brake them up into half year and monthly plans. The RAC-plans should be followed up in monthly talks between the sales manager and the salesperson.

- Objectives must be high enough

This is always a problem. How high should we set our objectives? Realistic objectives are based on an analysis of standards. Just note that standards must be dynamic. To stay competitive in sales as well as in sports you all the time need to develop your standards. It is important to push for development and to set challenging and motivating objectives.

- Objectives must be accepted

If you have not yourself accepted the performance you are supposed to work with, you will not achieve it. Therefore the objectives should be set in co-operation between salesperson and manager.

- Objectives must relate to overall company objectives and strategies

The company market and sales plan form the overall framework for the individual planning. There must always be a trade-off and balance between individual goals, team goals and company goals. The Sales Pattern and Work Pattern Standards are policies that set a strategic framework for the individual planning work.

Some comments on the RAC way of working

The RAC - plans are not so much a tool for managing people as a tool for people to manage themselves. There should be individual plans for each salesperson. The plan provides information for monitoring and analysing performance.

For the experienced salesperson this is a tool for your own individual planning. As a professional you should be able to analyse the quantity, direction and quality of your past work. Based on this you should be able to plan the quantity, direction and quality of the work required in the future. You should be able to follow up and supervise yourself on a constant basis, presenting your views on why you are successful/not successful to your sales manager.

For the not so experienced salesman this is the best way to effectively develop your results and professional skills. The best way to learn is learning by doing. All the time testing which things that work and which does not.

Developing our knowledge and skills is a never ending process. Remember that small steps make big changes but big steps make small changes. Choose some concrete things you need to improve in order to carry out the planned activities. Learn the necessary knowledge and skills - good enough. Then go out and try it! All development is the effect of training and practise in combination.

It is important to remember that reaching an activity objective is also an achievement. It proves that you are trying your best to reach the determined results. If then quantity is not enough to reach this result objective, then take a closer look at your direction and/or quality.

RAC - talks (once per month)

Once per month each salesperson should spend 1 hour, or more if needed, to discuss his/her individual RAC-plan with the sales manager. Before each meeting the sales manager goes through the key statistics

and gets a picture of the performance of the month. The salesperson prepares own comments and ideas on how to go on.

The plan for the next month is then decided. Of course linking to the halfyear/year plan of the salesman. Next months key items, joint visits, trainings etc are planned.

RAC and Development talks (once every 6 months)

We recommend a longer and deeper development talk every 6 months.

Here are some short guidelines what to think about before , during and after this talk.

- the purpose of the talk is to support success of the individual
- the information and discussion is confidential from both sides
- the talks should include work tasks, work results, work situation, commitment, leadership style, relations, development
- it is important to plan the place and the time for least disturbance
- follow a pre-set form/agenda
- both parties should be well prepared
- the salesperson should carry out a self analysis on:
 - a. present situation and past results
 - b. future aspirations
 - c. what help and development is needed
 - d. what self-help can be provided
- the manager should consider the persons likely attitudes, analyse past results, activities and knowledge and skills
- when conducting the discussion think about this:

- a. have a two way conversation
 - b. try to let the salesperson start the conversation
 - c. use many open, neutral questions
 - d. listen and observe carefully
 - e. end the discussion with a written plan for the next period
- the things discussed should be followed up in the monthly RAC-talks.

Remember that the purpose is to coach and consult the other person - to ensure personal success.
Adapt your style to the maturity and experience of the other person.

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