

LEADERSHIP AND MANAGEMENT



IS THERE A DIFFERENCE BETWEEN THE TWO? A LONGTIME SALES EXPERT WEIGHS IN

By Bob Schultz

For most small- to medium-size builders, the biggest challenge is one person being assigned a title such as Sales Manager or VP of Sales. The title alone creates a conflict. When considering leadership versus management, it's not a question of which is more important; what's key is understanding the relationship between the two. The purpose of the sales management job requires specific expertise to achieve a level of excellence in both. The true title for this job should probably be something like CRP (Chief Revenue Producer).

LEADING PEOPLE, MANAGING THINGS

Stephen Covey, author of *The 7 Habits of Highly Effective People*, noted that leadership determines if the ladder is leaning

against the proper wall, while management ensures that the climb to success is an efficient one.

To delve further into the relationship between leadership and management, I turned to Mike Moore (makingcustomers.com) a colleague, friend, and industry expert on leadership and coaching. Together we formulated a few universal principles to help you distinguish between leadership and management.

Leadership involves seeing the way things could be, looking to the future, and having a defined vision. A leader chooses the desired result, inspires others to reach expected goals, and sets the path and pace of where a team of people should be going.

A great leader is a likable, trustworthy, caring, and courageous visionary. She or he has a love and a respect for

LEADERSHIP		
BE	DO	HAVE
The visionary	Market research to know the possibilities	Meaningful sales and profit projections
The culture creator	Instill attitudes, mindsets, and beliefs to produce behavior that generates results	A team that is willing to follow and work collectively to achieve results
Driven by excellence	Establish goals and objectives with accountability	Benchmarks for performance

MANAGEMENT		
BE	DO	HAVE
A recruiter	Find coachable candidates	A sales team with bench strength
A teacher/trainer/coach/mentor	Training, role-playing, evaluation, mystery shops, and critiques; follow-through and self-generation of traffic activities	A well-educated, coached, and trained sales team
A “game day” manager	Be on site the equivalent of two weekends per month	Full knowledge of your team’s performance and activities; appropriate retail hours and staffing
Passionate about business management	Interpret and improve all CRM and data related to marketing and sales expenditures, conversion ratios, and provide an appropriate compensation program	Optimum ROI by increased sales revenue and a reduction of unnecessary costs
A customer experience manager	See through the eyes of a customer, directing and managing all aspects of the homebuyer’s experience	A retail sales environment (models, sales office, entranceways, etc.) always customer-ready

people, with a passion for helping others to achieve their goals, which fosters an environment of accountability. A leader must be obsessed with excellence through continuous improvement and be a lifelong learner, always reading and studying. That person leads by example, is inspiring, and is more concerned with being respected for his or her actions than being liked.

Management focuses on the efficiency and effectiveness of the systems and processes of how to get there, adapting daily activities that are directed toward the desired results. Effective managers are good administrators with an in-depth understanding of the systems and processes utilized by the organization. Additionally, they must maintain attention to detail, focus, and determination to get what’s required completed.

CROSSOVER IN NEW-HOME SALES

Sometimes the demands of leadership and management converge and are assigned to one person. A variety of tasks and objectives must then be accomplished, requiring the blending of personas while also maintaining focus on the main purpose.

The late motivational speaker Zig Ziglar said, “You’ve got to *be* before you can *do*, and you’ve got to *do* before you can *have*.” The chart above uses that perspective to offer examples to help understand and then navigate crossover between leadership and management.

BLEND WITH CAUTION

One of the most important things to fully understand in this blending of leadership and management is that very few

people are naturally adept at both. It takes time and dedication to determine the strengths of the people put in positions of authority and responsibility. One of the biggest mistakes builders may make is elevating their best salesperson to the position of sales manager. (Now they’ve screwed up two careers, and probably their company as well.)

In the absence of clearly defined job descriptions, behavioral-style testing, and agreement on the roles and expected results (the *be*, the *do*, the *have*), most people will spend time and work only on those tasks with which they are comfortable, and ignore all the rest.

Learning to identify which activities and roles are not strengths and to either develop those weaknesses into strengths or, when appropriate, to delegate or outsource to others with more expertise is, in and of itself, a sign of leadership.

Of all the attributes a sales leader must develop, the foremost is that of a coach. To excel in this role, she or he must be very good at what they’re coaching. As in professional sports, only a couple of times has an athlete been successful at simultaneously playing and coaching, and when they did, it was thanks in large part to extraordinary leadership and management teams around them.

It’s no different in home building. Expecting someone to be a top sales producer, as well as leading and managing a team, is almost always a recipe for failure. Knowing the difference between leadership and management is crucial to sales success. **PB**

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