



E-book

Newsletter #2

Explainer - Role of SM vs. VP of Sales



Counting down my 10 most popular newsletters, here is #2.

A complete library of my newsletters can be found [here on my website](#).

Introduction

Having spent so much time discussing and defining the role of Vice President of Sales for my clients, it was no surprise when this newsletter came in at #2. I just knew it would, at the very least, be in the top 3.

Company leaders have different reasons for creating the Vice President of Sales position within their organization. Leaders promote the current sales manager (if they have one); fill the role internally (with an employee sometimes not even part of the sales organization) or hire an outside candidate.

Often they stop short of asking themselves:

- What is a VP of Sales?
- Why do I feel the company would benefit from having someone in that role?
- Is that the kind of leadership the sales organization need *right now*?
- Do the candidate(s) I'm considering have the skillset for this position?

Janet, the CEO of a manufacturing company, serves as a great example. She wanted her nephew Adam to take on the role of VP of Sales while continuing on with this main job: first time sales manager, no prior sales experience, and in the position less than three months. When I explained the duties and responsibilities of a VP of Sales and the downsides of giving the job to an inexperienced and underqualified employee, she looked at me and said, "Maybe I never knew what a Vice President of Sales was."

Janet, few people do. That's why I wrote this newsletter. I'm glad it resonated with so many readers.

Enjoy the eBook!

Suzanne



Newsletter

A reader writes, "I'm considering promoting my current sales manager to VP of sales. In the past, you've written newsletters about the risks of promoting a top salesperson to sales manager. Are there risks in offering the VP job to a top performing sales manager? If so, what are they?"

Kudos to you for giving this potential promotion serious thought. So many times business leaders neglect to think it through.

The two jobs differ. Just like transitioning from salesperson to sales manager alters what an individual does on a daily basis, the promotion requires the new VP to leave some aspects of their old job behind. They assume many new responsibilities.

To get his perspective, I spoke to [Stan Davis of Standish Executive Search](#), who has placed many senior executives over his 11 years in the executive search business, and who previously served as a corporate resources executive and in-house organizational development leader for over 30 years.

Function versus Leadership

"A sales manager has direct supervisory responsibilities - problem solving, running meetings, disciplinary issues," Stan says. "But a VP of Sales takes part in the leadership of the company - influencing people, enacting change, developing and deploying talent."

Responsibilities

Sales managers manage to the sales plan by accompanying reps on calls, tracking the rep's progress and holding them accountable for achieving quota.

Stan adds, "Vice Presidents of Sales no longer plan just for themselves and the sales team. The sales plan is a component of the company plan. They participate in planning for the whole organization now, and monitor the progress of sales through the sales managers."



Planning

Sales VP's, along with others on the executive team, work 12 - 18 months into the future on company-wide initiatives. They don't sell the product directly to customers anymore. When considering someone for a VP role, Stan asks himself, "Can they build relationships with others to make sure the product works for the company financially, technically, and operationally?"

Compensation

Salespeople typically receive a base salary and commission or bonus based on their individual performance. Sales managers most often get paid with base salary and commission or bonus commensurate with their group's performance. Sales VPs usually get compensated on overall company performance.

Who Does Each Role Serve?

Sales reps call on customers. Sales managers serve the salespeople. Stan says, "Vice Presidents of Sales align themselves more directly with the shareholders, concerning themselves with earnings."

Think Before You Begin

Many companies have a VP of Sales by title but not by actions. Sometimes this occurs because they think they should have one. On occasion companies fear looking small or unsophisticated if they lack someone carrying that title on their website. What does your organization really need?

Final Thoughts

Hiring from within has its benefits. The candidate knows the company culture, customers, products and services. Other employees see promotions as real possibilities. Take the time needed to ensure you make the right decision for the employee and the company.

Sales Manager

VP of Sales

Coach	Develop company sales plan
Motivate	Responsible for revenue production for company
Check daily/weekly sales activity	Visit customers periodically
Monitor CRM reporting	Hire sales managers
Hire new salespeople	Monitor regional or segment activity by teams or sales units



Strategize on deals	
Visit customers regularly	

Additional Resources



The Sales Leader's Problem Solver

Chapter 14: Unqualified Vice President of Sale

[MORE ABOUT THE BOOK >](#)

Further reading:

[VP Title Problematic as the Organization Grows](#)

[Vetting an Internal Candidate for the Sales VP Role](#)