



## HARRY THE HUSTLER

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### ROCKSTAR SALESPERSON . . . BAD MANAGER

*“Salespeople are a different breed. Competitive. Emotional. Driven with an often myopic focus. What makes a salesperson great doesn’t always translate to greatness as a manager. In fact, those attributes are often in conflict as they move into leadership.”*

– **Scott Leese**, 6X Sales Leader, 3X Founder and 3X  
Author, including *Addicted to the Process*

**M**any entrepreneurs fall into a common trap. As your company grows and expands, it seems only natural to promote loyal lieutenants to your newly minted leadership team. You know: the guys and gals who’ve been by your side every step of the way. And they know you and the business better than anyone!

But the people who’ve been with you from your garage to \$5 million in revenue probably shouldn’t be the ones on your leadership team as you strive for \$10, \$20, or \$50 million. I advise clients that if you have a leadership team of five people—and *all of you* are going

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through exponential growth for the first time—you're going to learn a lot of lessons the hard way. I like to augment your leadership team with a few been-there-done-that veterans, who will help you “get there” faster, cheaper, and with less heartache.

Promoting your loyal lieutenants into leadership positions may seem like the right move—and it may be—especially if they want the promotion. But there's a different set of skills required to scale your business. Believe it or not, being a great foot soldier who performs well in the trenches doesn't necessarily make someone a great leader or strategist.

So, what do you do? These situations provide a number of challenges, and yes, some opportunities. There's definitely no boilerplate solution for dealing with people's emotions, egos, and expectations. I'll outline some of these challenges, provide a few examples, and offer some guidance and suggestions that just might help if you find yourself in a similar situation.

In this chapter, I'll focus on the sales function, but this advice can be applied to any of the departments in your organization. For example, your customer service jack-of-all-trades loyalist may not make a great VP of human resources, and your best Java developer might not have what it takes to lead a tech team. And so on.

### **Who Is Harry the Hustler?**

Over the years I've seen so many entrepreneurial companies whose sales team consists of two people: the founder and a young, wickedly talented employee we'll

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call Harry the Hustler. He learns the ropes by watching you in action, soaking everything in. While he can't perfectly replicate what you do, he's got it down. And he makes it his own. He knows the product inside and out, knows the lingo, knows how to counter objections, and exudes confidence. In short, he can flat-out sell!

Over time, you come to rely on Harry to drive revenue. He's a go-getter, and there's no doubt he's responsible for much of your success. Now what? You both want the company to continue growing exponentially—but that's a lot harder to do at this next stage. Harry was great when you were starting at zero and had nowhere to go but up. But now a different skill set is needed.

This is where I've seen numerous entrepreneurs make critical mistakes with significant ramifications. You know you need to build a sales team to continue growing at this pace, which means you'll need a sales leader. So, what do you do? Many of us promote Harry, of course!

But the skills needed to be a kickass salesperson are completely different from the skills required to build, lead, and manage a next-level sales function. If you play this wrong, you might end up having to fire Harry the Crappy Manager down the road—and you will have lost Harry the Kickass Salesperson as well. Talk about a double whammy!

### **The Sales Leader**

Because sales are usually driven by the founder's entrepreneurial spirit and the hard work of Harry the Hustler, the “plan” is often something like, “Just go hire some

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junior Harrys!” Then we cross our fingers and hope revenue follows. But that’s not how it works. While entrepreneurial companies can get by on the backs of one or two salespeople, they need something more as they try to scale. Simply put, the heroic efforts of a few just won’t get it done anymore.

To truly set yourself up for the next level, you need leadership: someone to set the sales strategy that aligns with the company’s vision and plans for growth; someone to develop and execute a sales process, with commensurate tools and systems; and the icing on the cake—someone to build a great team, manage them, hold them accountable, measure results, and coach people up or out. In other words, you need to professionalize your sales function. Again, we’re talking about the sales function here, but this holds true for virtually every department in your company.

Many entrepreneurs insist on simply adding bodies to the team. This may work from time to time, but over the long haul, I’ve seen that strategy fail more often than it works. Once you’ve realized you can’t build a sustainable sales engine by just throwing more salespeople into a room without a strategy or systems and processes in place, you’re on your way.

### **Good Salesperson = Good Sales Leader?**

Harry probably feels like he’s a lock in for the new sales leader role. He’s been with you for years, and he knows he’s the best salesperson. Hell, you’ve been telling him how important he is to the company since Day One, so

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he's got a bit of an ego about it too!

What makes Harry such a great salesman, anyway? Well, in addition to knowing your product and your company inside and out, he's got a crazy competitive streak, he's driven to succeed, he's tenacious, and he loves money. Don't discount this last one—especially for salespeople!

For most Harrys, being the big shot is important. When you're the go-to sales guy, making a boatload of money on commission and earning the trust of the founder—that drives you. You close a deal, celebrate, count your money, and move on to the next deal. What most successful salespeople don't realize is that there aren't many positions that provide that same level of thrill—and compensation. But when you start talking about growing the team and bringing in a sales leader, Harry immediately goes into competitive mode and wants the job.

### **To Promote or Not to Promote**

While Harry thinks he's the obvious—if not only—choice for the job, he probably isn't. Being a leader requires a completely different skill set, temperament, and mindset than being an individual contributor. Just look at how we described the role: 1) Set the sales strategy that aligns with the company's vision and growth plans; 2) Develop and execute the sales process; 3) Implement tools and systems; and 4) Build, lead, and manage a great team. Perhaps more importantly, this position needs to be driven more by the success of the team and organization than the leader's individual success. Har-

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ry's a badass salesperson, but does he fit the sales leader description?

He probably doesn't, but founders will often overlook glaring gaps or simply feel pressured to promote Harry. Whether he's openly lobbying for the job, or you just believe you'll lose him if you don't promote him, the pressure is real! And to be fair, some traditional thinking suggests you should promote your A-players to leadership positions, right? I just don't think a star player necessarily has the tools needed to build and lead a team. How many superstar players can you think of who went on to become superstar coaches?

Let's say you promote Harry and increase his base salary substantially—both of which he finds incredibly appealing. But Harry is no longer out there hunting big game. He's hosting meetings, training new hires, and implementing a new CRM. Not only that, he's not in "eat what you kill" mode anymore. Even if his base salary doubled, he's probably making less money now that he's no longer commissioned on his own sales.

You may notice that Harry doesn't appear to be working as hard as he used to (this doesn't happen in every case, but it often does). As a salesperson, Harry busted his ass chasing that next deal. Sure, he loved the chase and wanted to please you, but he also loves money, and selling is his jam! Without the financial incentive and by doing something he's not super passionate about, Harry's work ethic is going to look different. You'll probably need to find other ways to fire him up.

To head some of this off, I've seen many entrepreneurs promote their Harry to sales leader, but

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structure their comp so they still earn commissions on sales they personally make. Be careful here. If Harry divvies up sales leads AND he makes commission on his deals, what prevents him from keeping the best leads for himself? There might not even be an ulterior motive—maybe he just wants to make sure the “important” ones get the VIP treatment. Does his team trust that he’s doing what’s best for them? There’s a lot of egos on a sales team, and putting the manager in direct competition with his employees sure sounds like trouble to me.

### **Making the Right Choice the Wrong Way**

As you read this chapter, you may be thinking, *Kurt says not to promote Harry—got it. Well . . . not exactly.* Harry’s a human being, with emotions and ego. Ignoring the fact that he’s interested in the job (or feels entitled to it) may be a bigger mistake than promoting him! You could look outside and potentially hire a great sales leader to build the infrastructure and the team—but NOW you pissed off your ringer! And if he won’t buy into the new leader, he’s as good as gone.

### **Just Tell Me What the Hell to Do!**

Damned if you do, damned if you don’t, right? Yep—welcome to leadership! Growing pains can be tricky, for sure. There are any number of ways this can play out, most of which I’ve witnessed firsthand. While I can’t give specific advice for every possible scenario, there are some key points you should consider before making your decision.



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It's important to note, no one else can make this decision for you. Every situation is unique. Sure, seek the counsel of your executive coach or YPO forum or read what Jim Collins, Gino Wickman, or Verne Harnish have to say in their best-selling books—but no one has the answer for you. You need to make the best decision with the available information.

In other chapters, I've advised you to simply cut ties with people like Pipeline Paul. Move on! He's not salvageable and it's just getting worse every day. But with Harry the Hustler, it's different. He hasn't done anything wrong. In fact, it's usually the opposite! He's been so good that you're close to promoting him into a job for which he's not qualified. Hell, if he truly knew what the role entailed, he probably wouldn't even want it!

Unfortunately, there's no silver bullet solution to this problem. But thankfully, Harry is still one of your key employees. You trust him and he trusts you. There are several approaches I've seen work here—and several that haven't worked so well.

From having an open and honest conversation about the position, to hiring Harry a coach, there are ways to keep the team engaged and build your sales organization at the same time. Let's walk through a few scenarios. Hopefully a few of them land for you.

## Real-Life Examples: “Let’s Make a Deal” Style

### *Door #1: We Made It Work*

Jessica and Tom are clients I got to know through YPO. They co-founded a successful insurance business in the Midwest. Tom was the rainmaker who knew everyone in the industry, attended conferences, played golf with the movers and shakers, and sold some serious business. Jessica was the company’s CEO and made sure the company delivered on Tom’s promises.

You’ve already guessed the nuance associated with this one. Jessica’s “Harry” was her partner, Tom. I mean, who better to build and run the new sales team than Tom? He wasn’t only the best sales guy in the industry—he was Jessica’s partner!

Tom became the sales leader and went out and hired three “junior Toms.” And since his book of business was critical to the company’s success, Tom was expected to continue to “carry a bag.” At first, Tom loved the thrill of building his own kingdom: hiring his team, divvying up the pursuits he hadn’t had time to pursue over the years, and setting his team free to conquer the world. But he quickly learned that his team struggled with ambiguity—they couldn’t make shit up like Tom did.

Turns out that his new hires required some actual training and, you know, things like sales collateral, case studies, and a sales process. He spent an inordinate amount of time holding their hands. They weren’t successful by any measure, and his personal numbers tanked.

He doubled down as a sales manager. He implemented a CRM to provide data and tried holding his team

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accountable to metrics, key performance indicators, and the like. He sat in on more internal meetings, sales calls, and customer meetings. He wanted to figure out what the hell was wrong!

He was in his own living hell. There's nothing worse for a kickass salesperson than to find himself conducting internal meetings and tracking their team's calls. AARRGGHH! Not only was Tom doing things he hated, he wasn't doing the things he loved. He was a relationship guy who loved the art of the deal. The last thing he wanted to do was sit in his office and review call reports!

Long story short, Jessica not only saw the numbers decreasing every month, but she knew Tom well enough to know he was struggling and not having fun. Thankfully, their relationship was strong and could handle the open and honest discussion they needed to have.

Tom went back to being a rainmaker and, once he got over the perceived demotion and realized how much more he enjoyed life in this role, he got on board with bringing in a sales leader from the outside. He could be a resource for the sales leader, mentor new hires—AND make it rain!

Obviously, Laura's Harry is different from most, but many of the above points are valid for your situation. I could argue that her case was more challenging than yours because she essentially had to demote a partner and co-founder. Talk about stressful!

The key to Jessica and Tom's success was the relationship they had. She knew Tom wasn't happy, and he trusted that Jessica had his back. With a solid relationship foundation, retaining Harry to do what he does best and bringing in a next-level leader is absolutely possible.

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### *Door #2: What Not to Do*

Laura runs a successful company that caters to the corporate office and commercial real estate market. In the early days, she drove sales through her network. Her Harry was one of her first employees, who demonstrated a knack for sales from the get-go. He tagged along with Laura and soon took over many of her relationships and built his own—freeing up Laura to run the company.

The market was HOT, and Harry was on fire! But Laura had her own Harry the Hustler decision to make as the company grew. She made the decision she felt was in the company's best interest. She looked outside for a sales leader, a builder of teams. She decided Harry wasn't cut out for leadership. He was young and temperamental, and she needed him right where he was—delivering new customers.

Unfortunately, Laura didn't communicate with Harry, so he was blindsided. True, she was the CEO and wasn't required to consult with her employee about bringing in his boss, but remember, we're dealing with human beings here: human beings with emotions and egos, hopes and dreams.

She ended up recruiting an amazing leader who built all the things we've been discussing, including a kickass team. Sadly, the new sales leader had to build the company's next-level team without Harry. He resigned out of frustration six months later and took many of his customer relationships with him. I think she could have kept Harry and they could have successfully worked together for many years if she had been more open and honest with him during this process.

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### *Door #3: You Can Do It*

Suzi founded and ran a high-flying technology company. She was a big fan of her “Harriett the Hustler” and wanted to give her every chance to grow in her career. When Suzi decided she needed a sales leader she discussed it with Harriett, and they mutually decided on a creative solution.

They both agreed Harriett wasn't currently ready for the role but felt like she had the capacity to do it with the proper training and coaching. They decided to bring in a sales strategist on a consulting basis to help build the strategic aspects of the sales function. In the meantime, they sought out a sales-minded executive coach who could serve as Harriett's mentor for the next twelve to twenty-four months.

I could argue that Suzi's company could have reached its goals faster and with fewer hiccups if she had brought in an experienced sales leader from the outside. But she also eliminated much of the risk of introducing an outsider into the company and culture. While there are many reasons to seek the been-there-done-that veteran, there are pros to promoting from within and putting your faith behind your team. But it's not for the faint at heart. There's a lot that should go into making the final decision. Things like Harriet's growth potential and strategic capabilities, shifting her sales quota to members of the team, and her ability to transition from individual contributor to future leader, are just a few of the things to consider.

### One Size Does NOT Fit All

Obviously, there is no right or wrong answer for your own Harry situation—and there are pros and cons with any decision you make. This definitely falls into the more-art-than-science department! A few things to keep in mind:

- 1. Know your goals and what it will take to achieve them.** Knowing this helps you understand what you need out of your new position.
- 2. Understand Harry's goals.** Does he want a title, more money, equity, prestige, flexibility? Knowing this will help you understand his motivations—what he truly wants.
- 3. Invest in him.** Consider hiring an executive coach or maybe pay for his MBA. Find ways to help him achieve his long-term goals.
- 4. Remember, he's a human being and a big part of your success.** Be open, honest, and empathetic. He's going through a range of emotions and needs to know you have his back.

For more tips, tidbits, and insights into Harry the Hustler and other legacy employees, check out *Intermission I*, beginning on page 81.