



Ensuring Salespeople Are a Good Fit *Investing Resources to Select the Right People for Your Sales Positions is a Wise Investment*

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You were so optimistic several months ago when you hired what looked like a perfect sales candidate. Bright, articulate, past track record of consistent success in similar sales related positions and a strong desire to be in sales in this industry. Unfortunately he has not been successful and you feel you'll have to let him go because he has been such a drain on the company and his productivity in the territory has been almost nonexistent.

You just can't understand what happened. As you review the process you went through to hire you remember that he interviewed well and had great references. Even led his team for a number of months and you felt everything pointed to his success.

You have heard that "past job performance is the best predictor of future success" and people who were successful in one job tend to be successful in another. You felt confident when you hired him.

He sailed through training, understood the technical aspects of the product, easily developed rapport and got along well with everyone in the organization. When it became time to sell, that was a different matter. It just didn't work. Sales started sluggish and, despite your best coaching efforts, became even worse. Now you're contemplating terminating him after investing thousands of dollars in salary and training costs, not to mention a great deal of your own valuable time. The cost was high, but it may have been even more of an emotional let down because you feel you made a mistake and may have lost confidence in making a good decision the next time.

You are wondering how you can predict, during the hiring process, a candidate's sales success more accurately? If this has happened to you, you are not alone. The scene repeats itself all too often in today's sales oriented companies.

The effect or impact of selecting a sales candidate whom later turns out to be unproductive is devastating. It not only hurts those who invest in the candidate emotionally; it is very costly to company profits. The Outlaw Group's studies and experience with clients indicate that a salesperson hired who doesn't work out cost the company as much as a top salesperson earns for the month for each month a poor performer is allowed to continue in his or her first-year. After that the problem takes on an entirely new dimension. Since no two situations are the same, you may calculate a more exact cost of a specific sales turnover situation by using The Sales Turnover Calculator at <http://www.outlawgroup.com/salesturnovercalculator.pdf>.

Remember when looking at sales productivity and its resulting turnover, the greatest cost is lost opportunity. Even when companies do not have protected territories, the loss is significant. If a sales team has territories with a quota of \$100,000 monthly gross profit, if a salesperson is hired to fill a territory and it doesn't work out, not only is the direct cost of salary, benefits and training lost, but also the indirect cost of lost customers, slowed sales cycles, smaller order size and lower gross profit must be included. In short, the loss is the out of pocket expenses combined with the gross profit you're not receiving. It's an incredibly painful experience to have a salesperson drain \$3000 to \$4000 per month in expense rather than contribute upwards of \$10,000 plus in gross profit.

While it may be relatively easy to hire for positions that have easily observable skills or entry-level positions with easy, learnable skills, sales and management positions are a different matter. Hiring for salespeople is especially difficult since there are such a wide variety of positions.

Even in same company and selling the same product lines, there's a great deal of difference. You're probably very familiar with the age old example of the office machine salesperson who calls on small-business or the woman who calls on major accounts where a person succeeds in one and fails in the other. Many people do well in one, but fail miserably at the other position selling the same product while working for the same company. This is becoming even more pronounced with the advent of the connected systems where a previously successful salesperson just doesn't seem to be able to implement a longer sales cycle with a more complex decision-making process. BTA companies and vendors alike are looking for ways to select the best salespeople it give them a competitive advantage.

Expecting a good salesperson to be good in all selling situations and positions is like expecting a good athlete to be good at all sports. Shaquille O'Neal is a world-class basketball player but would undoubtedly fail miserably as a jockey. His physical attributes just don't match the job requirements of the position of jockey. You may remember Michael Jordan, who's acknowledged the world's greatest basketball player, was only a mediocre baseball player at best. Returning to basketball, a game where his attributes matched the job, he became a world champion again. Proof that attributes of the person must match the job.

So how do you find out if what sounds and looks like a great sales candidate, will be a great sales success? It begins with Job Fit or Job Match. How well a candidate's attributes fit the needs of the position is the most important factor in his or her success. You may say, "I already know the factors such as motivation, drive, communication ability and integrity are important." Yes, they are critically important, but they are not the only ones that are important and must be considered. For example, a person's motivation for success may be strong, but if you're asking a highly introverted individual to go out and make a high volume of new business cold calls on a consistent basis, he or she will fail. If you're asking a highly extroverted person to stay at one workstation alone making a large volume of cold calls, he or she will soon find a way to stop calling which results in rejection (a high percentage of the time) and find a way to be with friends and co-workers who are more accepting of him.

While doing research for one of the largest investment firms on Wall Street to determine the benchmark success attributes of top performing financial advisers or brokers, we found for a person to be highly successful, the attribute of extroversion must be at a moderate level. Those who had strong or weak levels of extroversion were less successful, but for drastically different reasons. Those who were high in "extroversion" would avoid cold calls because of the fear of rejection. Those with low levels of "extroversion" would avoid cold calls because they felt very uncomfortable going into unfamiliar situations. Neither was successful in cold calling over the length of time required to build a client base due to different reasons.

While we all know of instances of those who appear to fit the job perfectly have been successful and those with a low level of job fit have been unsuccessful, most want a more proof if they are to put a great deal of confidence in the technique. Psychologists have known the importance of Match or Fit for a number of years, but few business people have taken advantage of it. In 1980 Herbert M. in Jeanne Greenberg published a study of 360,000 salespeople in the

U.S., Canada and Western Europe in the Aug-Sept.1980 issue of Harvard Business Review entitled "Job Matching for Better Sales Performance". In summary, the article reported the findings that fifty-five percent of those holding sales positions have little or no ability to sell. Twenty-five percent have ability, but are selling the wrong product. Twenty percent are doing precisely the job that is appropriate.

The Greenberg's study covered a variety of industries with both high and low turnover levels. They evaluated the characteristics of age, sex, race, education, previous sales experience and Job Match compared to results. Job match was the only reliable indicator of determining performance and turnover.

The study compared 4362 people who were Job Matched to 8740 who were not Job Matched in high turnover industries, such as technical, or consultive sales positions, such as those that sell connected systems. Of those who were Job Matched after six months only twenty-four percent had been fired or had quit, compared to forty-six percent not Job Matched. They evaluated again at fourteen months and only twenty-eight percent of those who were Job Matched compared to fifty-seven percent of those not Job Matched were fired or quit. An important but more revealing statistic is, after six months, eleven percent of those Job Matched were the first quartile (top 25% of the total group) and twenty-eight percent in the second quartile (26-50%) compared to those not Job Matched two percent were in the first quartile and ten percent were in the second quartile. The results after fourteen months were even more dramatic. Of those Job Matched nineteen percent were in the first quartile with forth-two percent in the second quartile. Of those not Job Matched, only one percent was in the first quartile and six percent in the second quartile. At fourteen months, a very important statistic was twenty-two percent was in the fourth quartile and fifty-seven percent had been fired or quit.

The Greenberg's study over twenty years ago validated a concept that we've instinctively known for years. The attributes that make a person successful are largely invisible. Those commonly considered to be integrity, behavior and, very importantly, thinking style and interest. Fortunately technology is available today to easily assess the attributes of top performing salespeople in positions and to create a system to allow them to be easily identified and measured in job candidates.

At last year's convention Lou Slawesky reported that of the BTA companies' 25,000 salespeople they experienced a turnover rate of thirty-three percent and with the recent economic downturn, it could be even greater. In your organization how much more positive would retention be and how much more would salespeople sell if they were matched to the types or even the specific position they are in.

Investing resources in selecting the right person for a sales position is a wise investment. Just as you're careful as to which vendor you select to ensure it matches your strategic needs, you must be careful of the person you select to invest your time and money in if you want a high-performing salesperson that will stay with you.

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