

ProActivate Free eBook Recruiting Top Sales Talent

ABSTRACT

Learn about finding top performing sales talent to propel your team forward!

Recruiting

The Dark Side of Recruitment: What You Need to Know to Keep from Losing Money

A good rule of thumb is to calculate a formula based on roughly half of the salesperson's annual salary for each year of service, plus 10% for each year of experience. That's your real cost in lost productivity.

Remember that old joke about the lost keys? This guy is down on his hands and knees under a streetlight, searching for his car keys. A kindly stranger comes over to help with no success. After a considerable amount of searching, he asks the first guy if he is sure he lost them in that area. The man replies that he actually lost them somewhere else, but is looking there, under the streetlight, because the light was better.

Finding good sales people is kind of like that. Sometimes we know our solution is...less than ideal, but we keep doing it because it seems easier than stepping into the dark. But, here is the kicker: looking in the wrong places costs you in both time and money in the long run.

How Much Does Turnover Really Cost?

What does it really cost to replace sales people? Well, let's say that Mary leaves. Mary brings in about \$500 thousand of product sales per year. (A modest goal for a small to mid-sized company.) As soon as the door closes behind her, you have to start shuffling other staff members to cover her accounts.

Of course, you can't calculate the headaches of actually covering schedules, meeting client needs into the formula. You can, however, get a rough idea of administrative costs by factoring in the time and pay rate of your sales manager, the cost of reassigning other sales staff, miscellaneous costs related to exit interviews, and the completion of assorted paperwork and forms.

Along Comes Bob

Enter Bob, the newest member of your sales team. Bob is smart and hits the ground running. Even though Bob is a go-getter, he is at 50% of her overall productivity. Not surprising. After all, Mary had long term business relationships. She knew her product line, her people, where her clients were in the buying cycle and the ins and outs of her territory. Bob has to learn all of that. Oh, don't forget to factor in the cost of training, any certifications and or licensing, unemployment benefits if applicable, the cost of any severance and any fees associated with advertising the vacancy.

Got all that? Great.

Now just plop in the costs of lowered team productivity, lessened morale, the lost knowledge and skills, the possible strained relationships with customers, the lost opportunities, the business contacts that Mary had, delayed orders and any potential damage to client perceptions caused by late orders and the like. Overall, if you calculate the time and cost of recruiting, interviewing, training, managing, and other related expenses, each sales staff member that goes through the revolving door can mean the loss of a **million dollars** or more.

Finding Mr. (or Miss) Right

Here's something else to sprinkle over your Wheaties, your HR department is probably slammed. They are already expected to juggle everything from hiring and firing to benefits and retirement and any required documentation required by local, state and federal entities. They do not have time to go out and find the best, most qualified, *employed* sales people. So let's assume that you turn to a traditional recruiter. Maybe they can locate your rock star sales person. You know, the one with the "it" factor.

The salesperson that will burn so hot that they throw off enough embers to ignite your numbers in a pyre that outshines the sun... Okay, so maybe you are not looking for a sales person that can set a blaze that can be seen from space, but you still need solid professionals that have a sales IQ above room temperature. Well that sounds easy doesn't it? How hard can it be? Just let the recruiter place some ads.

Ah, not so fast grasshopper. Exactly how many top-tier, stellar sales pros do you think you are going to find using the big job boards anyway? Not many. The ones you are looking for, the highly qualified, on-fire "it" factor people, are not skimming the help wanted sections of Craigslist, Indeed or Monster.com. They are out there— probably working for the competition.

Rather than finding top tier sales professionals, you are more likely to come up with a lot of under-qualified sales staff who will be back out the door as fast as they came in. You end up wasting a lot of money hiring a square peg to fit a round-hole sales job.

And this brings us to our next point, why you need a smoke jumper's mindset. For those who are not familiar, smoke jumpers are specially trained men and women who wed skydiving to firefighting. They parachute into remote areas to battle wildfires directly on the ground. They are often in extreme conditions, right on the active edge of wildfires, where there is little or no access by road.

Using rudimentary tools and sheer nerve, these brave firefighters can mean the difference between losing millions of acres and saving thousands of homes. They have to be able to identify and solve problems, work as a team, and navigate their way in hazard environments—all at the same time.

While most of us are not likely to be called on to bravely face the dangers of fighting a wildfire, a smoke jumper's mindset may still be applicable to managing critical sales vacancies. And that's where the hot-shot fire jumper mindset can help:

Smoke Jumping Strategies

Always Ready to Jump-Hot-shot teams have to be ready to go at a moment's notice. According to a recent study, sales force turnover rates are hovering around 35%. Add to that the fact that other researchers have determined that barely half of all sales reps (54.6%), reach their sales quota to begin with. Sales managers are already hard pressed to find top talent even when they have a large pool of applicants all the time. To succeed, you have to make locating, assessing, and hiring sales stars a priority.

Locate High Priority Targets-Finding likely sales pros often means looking in places others might not. Many potential hires have the specific people and sales skills that you need, but may not be working in sales, per se.

Teachers for instance, often make great sales team members because of their adaptability and ability to communicate. Wait staff also have critical customer care skill sets that you may be able to leverage in a different way. Product knowledge can be taught, but people skills can't. If you see it, be willing to jump on the opportunity before anyone else.

Fight Fire with Fire-Smoke jumpers often set fires to burn off old debris in front of a fire-line. By getting ahead of the issue, they beat fire at its own game. In the case of sales, consider justifying a new head count by adding new team members that can be slotted into new territories, or crossed trained to step into a position should the need arise. If a team member leaves, you have a trained replacement that can be ahead of ramp-up and onboarding time lags. If they cannot, you can still use the extra person to break open new areas.

Get Real-Fire may seem to have a mind of its own. In reality though, it is responding to its environment. It obeys certain rules. People, while often less predictable than wildfires, respond to their circumstances and surroundings too. If your salespeople are running away in droves, there is a reason for it. Find out why your people are bailing. Stop blaming, and start looking. "Where there's smoke..."

Why Companies Can't Keep Top Sales Talent

As we have seen, replacing talent is costly. So what does it take to keep top sales talent? Research suggests several key reasons sales professionals leave, and it is not always about the money either. Key reasons for exiting include everything from poor leadership to a lack of communication. Here are some of the top reasons your sales talent might walk away:

No one is Listening: Sales professionals may seem like lone wolves, thriving on their own on the trail. While this is often true to some degree, star players need to know that they have backup when they need it. Many top performers are so trusted they actually get overlooked and may not feel that anyone is really listening. The solution is for sales managers to check in with their team members on a regular basis. They need to know that you are there and that they are appreciated too. If they need to vent, let them. Make sure to listen and show that you both understand and care about their issues, just as you would with a big client. Remember, without your sales stars, you can't connect to the clients who pay the bills and keep **the ship afloat**.

Lack of Development: Money is a motivator, but it is not the only one. In fact, in many cases it is not even the best one either. Sometimes a sales professional wants to expand or alter their role. Having a path that allows for growth can be a powerful incentive for a true sales star. Make sure that your staff have ways to move forward and expand their careers or you may not be able to hold onto your best and brightest.

Hidden Conflicts: Sometimes there are things going on in a given company that management is simply unaware of. It can be easy to overlook hidden conflicts, especially in larger companies. If people clash, feel unfulfilled or have buried tensions, you need to know about it. Do not underestimate the role of moral in your team. A depressing atmosphere or personality clashes can take down even the best of teams. To nip it in the bud, make certain you spend time with your team. Be sure to weed out and head off problems by having an open door policy and doing regular checks to see how the team members are doing. This takes time and requires an investment, but the payoff is more loyalty and higher rates of retention.

Have a Plan!

When it comes to sales and sales reps, it pays to think ahead. At ProActivate, we understand how to build strong teams. We know how to come alongside companies of all sizes, providing strategically focused, high performing candidates who already know how to jump into action.

We weed out all but the heavy hitters using advanced behavioral modeling and complex simulations. We provide customized recruiting strategies that are ready to hit the ground running. Amplify your message and expand your bases with the next-generation in sales talent procurement for the long term.

Looking for Love in all the Wrong Places

What you need is someone who has working relationships with working sales professionals. You need someone who tests, re-tests and qualifies candidates that fit your unique needs. Looking under the proverbial street lamp light may seem easier, but it is probably not ideal. And here is one other thing, it

does not happen in every case, but it does happen... sometimes recruiters “*fudge*” a bit by coaching candidates to make them palatable.

After all, if they get paid by the head, their commission is on the line. And some (of course not all), will simply whitewash the candidate’s qualifications so that they can fill the order and move on to the next batch.

But you don’t want just another warm body. You want a successful sales person who will fit into your organizational structure. That’s where we are different. We proactively target highly qualified candidates. We offer various program levels to meet your needs. We don’t pay our people based on a head count. That leaves them free to recruit the only the best of the best. We guarantee at least three interviews of screened professionals for each market opening. (And we do it within 2-3 weeks of initiating a search in order to minimize your downtime.) Give us a call.

Hear that jingle? We just found your keys.

About Jamie

Founder and Chairwoman of ProActivate, Certified High Performance Mindset Speaker

Author of “The Power of 2, Exponential Sales Leadership”, Speaker specializing in Peak Performance Mindset within Sales Organizations, Expert in Sales and Sales Leadership Talent Acquisition, Sales and Leadership Training, Consultant as Fractional VP of Sales.

Jamie has over 20 years of experience in sales leadership and the talent acquisition industry. She founded ProActivate over 15 years ago. She started her career in traditional recruiting firms primarily in sales leadership positions. The following five years were spent within online recruitment where she served as Vice President of Sales at Career Builder.

At Career Builder, Jamie successfully led a team of 80+ people and continued to exceed her revenue goals on a quarterly and annual basis. Her sales business experienced 50-85% revenue growths annually. She also previously served as Vice President of Training and Development at Career Builder which illustrates her passion to lead and develop individuals to their full potential.

Jamie received her Bachelors of Science Degree in Journalism with a minor in Business from the University of Kansas. She has also pursued post graduate work with an emphasis in Entrepreneurial Management from the University of Dallas.

Jamie is a certified speaker in The High Performance Mindset[®] system, a revolutionary model that is elevating the performance of professionals ranging from athletes to executives to sales leaders. During these trainings she shares both the science and working tools that you can use immediately to enhance performance both for yourself and your team members. It’s proven that human performance is limited not primarily by skills and knowledge, but by the nature of our thinking, our mental preparation for success and the environment within which we choose to operate.
