

Fast Forward: Dealing With the Sales Talent Shortage

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Introduction

The sales talent shortage: It can result in difficulties ranging from high turnover to lost revenue. It's a reality many organizations face right now, and the problem only promises to expand in coming years. According to Bill Golder, Sales Vice President for Miller Heiman, there are three drivers for the sales talent shortage: demographics, commoditization and the specialization of sales organizations.

Demographics: The Baby Boomers are starting to retire, and there will be more and more of that generation exiting the workspace over the next ten years--and their experience leaves with them.

Commoditization: "The [sales] talent shortfall may always have existed," says Golder. "But now, with widespread commoditization, many companies are finding their only differentiator is how effective their salespeople are with their customers."

Specialization of sales organizations: Sales organizations are becoming more specialized both horizontally and vertically. It used to be that a single salesperson was responsible for getting new business and managing existing accounts, but as organizations find new ways to grow, sales positions become more segmented--which means you must have the right people in the right places.

What can you do to combat the sales talent shortage?

1. Assess your investments.

Over the last decade, according to Golder, companies have invested heavily in technology (like CRM) and compensation strategies. Those elements are important, but Golder says one of the biggest mistakes an organization can make is neglecting to invest in the front end. In other words, companies need to bring in people who understand how the company's value proposition aligns with customer issues. How do you do that?

2. Discover success drivers.

While it's true that much of a salesperson's success depends on different factors for different industries, Golder asserts that business acumen and self-motivation are key characteristics that tend to drive success across the board. Of the two, business acumen weighs most heavily. "Because of commoditization, salespeople are required to know their customers better--and to know their own business better. It takes business acumen to tie those pieces together and succeed," he says.

You'll know your star performers by their effectiveness in planning and executing sales strategies for opportunities, and how well they perform on sales calls to move opportunities forward, says Golder. If you have a common language and methodology in place, it helps you recognize top performance early in individuals.

Mickey O'Callaghan, Sales Consultant for Miller Heiman, suggests that you use an assessment tool, such as Predictive Sales PerformanceSM (PSP), to identify the key sales behavioral attributes your star performers possess. Then, leverage that information in your hiring process. "An assessment tool gives you insight into candidates' learning style, sales-related behaviors and occupational interests. When used in recruiting, PSP also provides relevant questions you should ask during the interview," O'Callaghan says.

Golder agrees, "You still have to do the typical things, like pre-screening interviews, but by using your winning performers' assessment results as a roadmap, you can look for those characteristics that lead to success in candidates for sales positions when they take the PSP."

Sometimes, O'Callaghan finds that the results gained through use of the assessment tool validate the gut feelings of those administering the tests. The tool often confirms sales leaders' suspicions with hard metrics, or with explanations as to why people perform the way they do in sales situations. And, as Golder says, "Assessment tools give one more piece of insight--they don't remove all of the risk."

3. Show your appreciation.

According to O'Callaghan, compensation plays a major role in retention; not only must star performers

be challenged to really succeed, they also must be compensated accordingly. Golder, however, acknowledges that compensation is important, but contends that star performers know their worth; they know that no matter which company they're with, they'll command compensation at a comparable level. Instead, he says, discover what motivates each individual.

Golder and O'Callaghan agree that an effective way to retain star performers is to show them a clear career path--and that great salespeople shouldn't automatically be shuttled into sales management roles.

"Some great salespeople are just that--great salespeople--and they don't have the desire to be placed in sales manager positions," O'Callaghan says. "The skill set for being a great outside sales rep isn't always accompanied by the skill set for being a great manager."

Golder takes it a step further: "The number one reason for people deciding to leave a company is not the company itself, but the manager. If you have sales managers in place who don't coach or develop their teams, you'll experience higher turnover as a result."

Bottom line: Make sure your sales managers are leaders, rather than just super salespeople. Having the right people in the right places will benefit your employees on an individual level and your organization as a whole.

4. Work with core performers.

Assessment tools can help you identify your core performers' weak points. Then, you can train, develop and coach to those points; if you know the motivators of your salespeople, you could pair a star performer who wants to act as a mentor with a less-experienced salesperson, and both parties would profit.

O'Callaghan says that behavioral characteristics are but one piece of the pie: "You need the right tools, knowledge, skills and motivation to be successful in sales. Sales leaders and managers need to clearly communicate what is required in a sales role. Guidelines for sales processes and tools must be understood by all. The sales manager must be willing to inspect what he or she expects to happen. Beyond that, you need to develop the right competencies within the sales team through training and ongoing coaching."

Of course, if the gap between your core and star performer is too wide, it's time to let that person go. Golder says the average sales organization tends to hold on to poor performers for too long: "In some cases, poor performers languish for six to 12 months because the company made the wrong hire to begin with."

It all comes down to having the right people in the right places. The super salespeople should be in sales roles, and the top-performing sales people with leadership

skills should be in management. Assessing your sales team to uncover their strengths will lead to a line of defense against the sales talent shortage.

About Miller Heiman

Miller Heiman has been a thought leader and innovator in the sales arena for almost thirty years, helping clients worldwide win high-value complex deals, grow key accounts and build winning sales organizations.

With a prestigious client list including Marriott Corp., Dow Chemical, Pepsi, Schwab Institutional and Wells Fargo, Miller Heiman helps clients in virtually every major industry to build high performance sales teams that deliver consistent sustainable results to drive revenue.

The company is headquartered in Reno, Nevada and has offices around the world. More information can be obtained by visiting the company's website at: www.millerheiman.com.