

This is Your Wake-Up Call: The Sales Talent Crunch

CONTENTS

Introduction	2
Supply and Demand	2
Education and Cultural Gap	2
Turnover Trouble	3
Lack of Leverage	4
Focus on retention	4
Close the gap between average and star performers	5
Design targeted development plans	6
About the Author	7
About Miller Heiman	7

The Trouble With Talent

In January 2006, Manpower Inc., the global employment-services company, surveyed nearly 33,000 employers worldwide about hiring trends. Forty percent of respondents reported having difficulty finding qualified candidates for certain jobs. Heading the list of tough-to-fill jobs: sales representative.

Bill Tate, vice president of Manpower Professional, says the shortage reflects the fact that employers no longer want the nearest warm bodies representing their companies. “They’re becoming more strategic about hiring salespeople,” he says. “They want people who know the company, know the industry and know the people they’re selling to, people who have proven track records.”

This is Your Wake-Up Call: The Sales Talent Crunch By Anne Stuart

Stellar salespeople have always been the crown jewels of any successful company. But today, they’re almost as rare as real precious gems.

That’s due to an emerging worldwide shortage of highly qualified sales professionals. “It’s not an overstatement to call it a [sales] talent crisis,” says Dario Priolo, executive vice president of corporate development for Miller Heiman Inc. In fact, in a recent Manpower Inc. survey of 33,000 employers worldwide, respondents ranked “sales representative” as the toughest job to fill (see sidebar, “[The Trouble With Talent](#)”). Those jobs are, of course, critical to any company’s fiscal health. As sales consultant and author Laura L. Laaman, a columnist for American City Business Journals, pointed out in a recent column, “You can make the best widget, but if you don’t have a sales force to sell that widget, you aren’t going to have a successful company.”

What’s behind the sales force shortage? Priolo cites several factors:

Supply and Demand: While the U.S. economy is growing, its overall workforce is shrinking. The U.S. Department of Labor expects to see more than 54 million new jobs created within the next decade. Meanwhile, the “baby boomers”—those 77 million Americans born between 1946 and 1964—will begin retiring en masse. Replacing them is a much smaller demographic group, the 44 million “Generation X-ers” born in the later 1960s through the ‘70s. Employers of all types can expect increased competition for all job candidates, and they’ll need to work especially hard to win the most promising prospects in many specialties, including sales.

Education and Cultural Gap: “Unlike other aspects of business, salesmanship isn’t taught in business schools,” Priolo notes. “That’s surprising because salesmanship is such a critical ingredient in being a successful professional in any field. But

To help streamline the search process, Tate recommends that employers:

- Provide clear, comprehensive details on the skill sets they're seeking.
- Work with outside staffing agencies and recruiters.
- Hire solid second-choice candidates and provide the training needed to bring them up to speed.

The top 10 jobs that employers were having trouble filling, ranked in order, are:

1. Sales representatives
2. Engineers
3. Technicians
4. Production operators
5. Skilled manual tradespeople (primarily carpenters, welders, plumbers)
6. IT staffers (primarily programmers and developers)
7. Administrative/personal assistants
8. Drivers
9. Accountants
10. Managers/executives

there's no one there to teach it." While MBA programs may bring sales experts in as occasional guest lecturers, most provide little or no formal curriculum in selling or sales management. (And incoming students may well bring along negative feelings about sales. Laaman cites one survey in which the parents of college freshmen were asked to rank the most desirable professions for their children: Sales ranked dead last.) As a result, graduates from most of America's business schools enter the work force unprepared to sell—and unaware of sales as a potential career. Obviously, if they don't consider themselves salespeople, they won't seek jobs in that field.

However, as Ronald Alsop reports in the *Wall Street Journal*: "...the sales function seems to be slowly gaining more respect as a few other major schools, including Stanford University, the Massachusetts Institute of Technology and the University of North Carolina, create MBA-level sales courses. Harvard Business School has taught sales management for many years, but lately it has been focusing more on the selling process itself, with lessons on making sales presentations to corporate customers, influencing people and closing the deal." Although this trend is not yet widespread, it does bode well for sales talent moving forward.

Turnover Trouble: Companies are not only having trouble finding qualified salespeople, they're having trouble keeping them. Sales executives who participated in Miller Heiman's *2006 Sales Performance Study*, part of an ongoing global sales-research project, identified employee retention as a top concern. Nearly one-quarter of the 2,176 respondents reported that turnover had increased during the previous year. That mirrors similar findings from the Hay Group, a Philadelphia-based management consulting company, which surveyed about one million employees at 330 companies in 50 countries. "The least committed to a company are its salespeople, 38 percent of whom planned to leave within two years," Hay Group researchers noted in their report, "The Retention Dilemma." (In contrast, just 31 percent of employees in the highly volatile information-technology field expected to quit during the same period.) And, of course, turnover

Manpower describes the employment trends and recommendations in more detail in a 14-page white paper, “Confronting the Coming Talent Crunch: What’s Next?” For a free copy, visit the [Manpower Research Center](#).

Setting the Bar

While employee assessment can dramatically transform a sales organization’s performance, there’s nothing magical about how the process works.

Essentially, an assessment is a profiling tool that pinpoints what differentiates salespeople “who are very good at what they do from those who are challenged by the same position,” says Dr. Scott Hamilton, executive vice president of Profiles International Inc., a consulting company that has administered millions of assessments.

Sales executives can use that information to boost an entire team’s performance. “You can duplicate what makes your top performers so productive and use it to improve the others as well,” says Al Rainaldi, executive vice president of Waco, Texas-

takes an enormous toll on everything from recruitment budgets to momentum and productivity.

Lack of Leverage: The 2006 Miller Heiman survey also indicated that many companies fail to spread their top performers’ expertise throughout their sales organizations—and, in fact, often don’t even recognize precisely what makes their brightest stars shine. That lack of understanding eliminates the chance to use those superstars’ traits as benchmarks for new hires as well as for training and coaching the salespeople they already employ. Not leveraging that knowledge virtually guarantees that average salespeople will stay average—and eventually move on to another job or career.

Sales executives can’t change demographics or, in most cases, overhaul business-school coursework. But Miller Heiman experts say there’s plenty they can do to come out ahead in the sales force talent war:

Focus on retention. “Whenever possible, grow from within,” Priolo advises. “It’s much less disruptive, less risky, to manage [sales] talent you’re already growing.” After all, those salespeople already know your products, your services and your marketplace, including the competition. And they know your customers. Frequent changes in account representation won’t enhance trust and credibility; long-term relationships with the same sales professionals will.

One good way to retain your employees: Play to their strengths—and their career goals. Priolo describes the job path in a typical sales organization: “You might start out cold calling. Then, if you’re successful at that, they’ll give you a difficult account or a territory nobody else wants. Then they’ll promote you to account manager.” After that, he says, promising sales pros might be bumped up to a particularly strategic account or to sales management—regardless of whether such promotions reflect their greatest strengths or their career aspirations. “It’s not always the right fit,” Priolo says. “And if it’s not successful, they’re likely to leave the company”—possibly even taking a job at a competing

based Profiles International. Assessments can also be used for more effective hiring. By comparing applicants with pre-established benchmarks for each position, managers can quickly determine how well a particular person matches the ideal profile for that job.

Of course, those benchmarks differ from industry to industry. “There’s a big difference between someone who’s selling books and someone who’s selling a \$30 million building and someone who’s selling used cars,” Hamilton notes. Even within the same industry, criteria may vary widely based on geographical location and other factors, he adds: “If you have a Saturn [automobile] dealer in a small town in Texas and a Saturn dealer in a big city in Pennsylvania, their hiring patterns are probably very different.”

The results of an assessment can be critical for determining whether an employee or prospect’s interests mesh with those needed for a specific job. For instance, someone

company where they’ll be allowed to return to the role they most enjoyed.

He recommends conducting an objective assessment instead, to uncover insights about what kind of position might best benefit both a particular employee and the company (see sidebar, “[Setting the Bar](#)”). Successful matches go a long way toward making the best possible use of individual skills and abilities, eliminating a key reason that many salespeople jump ship.

“The best way to keep your stars is to know them better than they know themselves,” says Al Rainaldi, executive vice president of Profiles International Inc. of Waco, Texas, a consulting company that specializes in providing employee assessments. “Then give them the careers of their dreams.”

According to the Hay Group survey, the other top reasons employees quit include dissatisfaction with:

- Opportunity for advancement.
- Opportunity to learn new skills.
- Top management’s capability.
- Company’s sense of direction.
- Availability or quality of coaching and counseling.
- Compensation.
- Training.

Obviously, identifying and addressing the causes for premature employee departure in your organization can also help keep people on board.

Close the gap between average and star performers. “You’re always going to have a few naturally talented people, and you should do whatever is needed to keep them,” Priolo notes. “But sales isn’t strictly about [sales] talent. There are systems and processes that you can employ to give the others a fighting chance.”

selling a technical product to a technical buyer must understand and care about the technology, Hamilton says. “It’s more than just having the spiel down; you have to have a genuine interest in it to succeed,” he says. “We all tend to do better at things we’re interested in.”

An assessment can reveal personality traits important to particular positions as well. Continuing the automotive example, Hamilton notes that one salesperson might do well selling new Rolls-Royces while another excels at moving pre-owned Chevrolets. No matter how good each may be, “they won’t necessarily do very well if you swap them,” he says. The Rolls-Royce specialist may be ill suited to the used-car lot’s faster turnover; the Chevy salesperson, used to quicker gratification, may grow bored by the luxury market’s much longer sales cycle.

Bottom line: “An assessment shouldn’t be the sole factor in a placement or promotion. It’s really just a source of information,” Rainaldi says.

The best way to do that goes back to leveraging your stars’ talent across the entire sales organization by using their behavior, characteristics, skills and knowledge to set benchmarks for everyone else (see sidebar, “[Setting the Bar](#)”).

However, Priolo cautions that using those patterns doesn’t mean every sales team member should be cut from exactly the same cloth. “If you look at the various sales jobs, you’ve got account managers, customer-service representatives, business-development people,” Priolo says. “Create a different baseline for each of them. For example, look at the best account manager, create a profile of that person and build the ideal account-manager pattern based on that person’s characteristics.” Then use that pattern to help evaluate and make decisions about both new hires and existing employees.

One caveat: All profiling should be done anonymously, Priolo says. Neither the superstars nor anyone else should know exactly whose “DNA” is setting the standards for the entire organization.

Design targeted development plans. For any organization serious about maximizing its sales talent, benchmarking is just the first step. Moving ahead requires ongoing training and development efforts.

One common error: viewing training as a one-size-fits-all undertaking. “A lot of times, they look at it as a box to be checked off when it’s completed,” Priolo says. “They’ll focus on one area—negotiations, for instance—when, in many cases, they haven’t done the homework to determine whether everybody really needs negotiations training. It should never be done in a vacuum.”

Instead, he recommends honing in on what different sales team members need to succeed, then targeting training and development initiatives accordingly. No question about it: That approach takes more effort, but it’s more likely to generate real change—and real success.

And even the best assessment won't yield a perfect person-to-job match 100 percent of the time. But it certainly can improve your current score. "Look at it this way," Hamilton says. "If you've been batting .300 without assessments and you're batting .600 with them, you've already doubled up."

About the Author

Anne Stuart is a Boston-based freelance writer who specializes in writing about business issues.

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.