

3 Talent Emergencies That Can Wreck A Sales Force - And How to Fix Them

Turnover, difficulty hitting annual quotas and foreseeing future trends are among the top three sales force talent emergencies. Here's how to fix each one.



In our many years of helping manage talent processes, we often have received urgent calls almost as if we are 911 dispatchers. And when we answer the phone, odds are we will hear about one of three talent emergencies.

Perhaps the most common is regarding employee turnover, which isn't surprising. Annual turnover in most sales forces runs 30 to 35 percent or more. Think about that. Imagine your entire sales force gathered together in a large ballroom. Now imagine a third of them standing up and walking out.

What's the impact of that? How many people do you have to screen to fill one empty role? How long does that take you? What's the cost in lost sales? What's the impact on organizational culture and morale and client continuity?

For most organizations, turnover is a true talent emergency, and it's one of the top three emergencies we come across. So, how can you prevent this turnover?

TURNOVER

To tame turnover, you need to understand its root causes. Turnover occurs when people leave an organization. So, why do people leave organizations? People leave for two reasons: They either quit or they're fired. They choose to leave (voluntary turnover) or they are asked to leave (involuntary turnover). People who are asked to

leave are invariably poor performers, or perhaps they do not fit in culturally. Typically, no one is fired because they are performing too well. Promoted? Maybe. Fired? Never.

People who choose to leave fall into one of two groups: strong performers who are poached by a competitor, or strong performers who leave out of frustration. What frustrates strong performers? Their frustration may stem from pay or culture. But most often strong performers leave because of bad bosses.

This is so common that it's become the primary truism of turnover: People don't leave organizations; they leave bosses.

HOW TO FIX TURNOVER

There are three simple things you can do to prevent this talent emergency. First, know your best performers, or the top 25 percent of your sales force. You're probably getting 80 percent of your sales from this top 25 percent group. You should know who these people are and recognize them when you pass them in the hall. But, this goes way beyond just knowing who they are. You should talk to them — often. Ask how they're doing and if there is anything you can do to help. Thank them. Care about them. And know who manages your best performers. Do everything you can to be sure your best managers manage your best performers. If you have managers that are not strong, fix this problem quickly.

When strong performers leave, it's from frustration. Frustration about how they are managed. The best way to retain your sales stars is to make sure they have great managers. This is a simple, practical, effective way to prevent this common talent emergency.

NOT HITTING QUOTA

Another common talent emergency we hear often is, "Help, not making my number is killing me." No wonder here either. In every job, in every organization, performance varies. It varies a lot. And nowhere is this more apparent than in sales. The statistics here are just as alarming as for turnover.

In any given year, fewer than half of all sellers make quota. If an organization is going to hit its revenue target, most of its sellers need to make quota. Considering that fewer than half of them do, is it any wonder that in any given year fewer than 80 percent of organizations hit their revenue goals? Noodle on that alarming statistic for a moment. That means that 1-in-5 chief revenue officers are at risk of not making this year's number, or 20 percent of all CROs. It therefore isn't surprising that CROs are called one of the best-paid temp jobs in the world.

How much better would you sleep if your average performers were more like your top performers? No wonder one of the top three talent emergencies is about performance and productivity.

HOW TO FIX THE QUOTA PROBLEM

What can you do to prevent this talent emergency? First, make sure your sales roles are aligned with your business strategy. It sounds obvious, but we can't tell you the number of times we've discovered organizations whose strategy has changed — maybe several times — while their sales roles, descriptions, competency models, etc., are years, if not decades, old. Make sure your sales roles are aligned with your current strategy. Second, align your sales talent with your sales roles.

When strategies change, roles need to change, too. Changing roles means changing skills. Having 1990s skills in a 2017 role is not a recipe for strong performance. And aligning talent to roles isn't a one-and-done undertaking.

To keep things aligned requires constant attention:

- Skills need to be enhanced.
- People need to be trained or coached.
- Some people need to be replaced.

If there's any good news to be found in the high levels of turnover, it's that each hire is an opportunity to better align your sales talent with your sales roles.

And that's the third thing you can do. Hire for talent. Screen for the skills needed in today's role — and be picky. Rushing to fill an open role is a natural inclination. But it's also a fool's errand. Don't settle. Haste makes waste in hiring as much as it does elsewhere. Rush, and the most likely outcome is you'll fill a role with a mediocre seller who'll haunt your overall performance for years.

FORECASTING THE FUTURE

Even if you're one of the few organizations whose turnover is under control and who routinely hits revenue targets. Even then, we get calls from CROs who are worried that business and marketing and sales are changing so fast and in such unpredictable ways that they wonder whether today's talent has what they need to be successful tomorrow.

Take a look around. Businesses are changing. Booksellers are becoming grocers. Buyers are changing. Roughly a third to half of most sales are well underway before the buyer even contacts the seller. Sellers are changing as well.

That the world of sales is changing is easy to see. Who sells and how they sell will have to change to keep up. It's critical to know whether your sales force has the skills they'll need to succeed in the future.

BUT JUST HOW ARE YOU SUPPOSED TO SEE THE FUTURE?

We've all heard the forecasts and predictions. We all know that most of these are just hype and rarely come to pass. If you share the concern of many CROs that your sales force isn't as well prepared for the future as you'd like, here are three simple things you can do to prevent this third talent emergency.

First, model your future sales roles. Many organizations avoid this because they mistakenly believe it's a large, complicated task with little chance of adding much value. It can be. But it needn't be.

Most change is evolutionary, not revolutionary. Change occurs gradually, and if you ignore it, it can sneak up on you, but if you pay attention, you can almost always see it coming. Part of your annual sales planning process should be devoted to thinking about how sales will be different next year. Not five years from now or a decade from now — next year. Then start to tweak your sales roles to be ready for the near term changes you anticipate. Do this as an annual process, and odds are you'll be ready for the future when it arrives.

Second, inventory your sales force. What skills do you have? How do these skills line up with the skills you'll need next year? This is another of the seemingly overwhelming tasks that many organizations put off. But like modeling your sales roles, if you make it a part of your annual planning process, it's a manageable effort — and one that will pay handsome dividends.

Lastly, fasten your seatbelt. We aren't the first to note that the only constant in the world is change. Think about the skills sellers needed as few as five or 10 years ago. Compare that to the skills needed today. Is there a reason to believe that we won't see the same amount of change in the next five to 10 years?

Model your roles, inventory your sales force, stay focused, be agile and fasten your seatbelt.

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