2018 Sales Talent Study
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INSIDE THIS REPORT

Sales talent, the people resources within a sales organization as characterized by their aptitudes and abilities, is increasingly a pain point for sales leaders. CSO Insights developed the 2018 Sales Talent Study to understand just why talent is so challenging, the impact that good, or lacking, talent has on the organization and what is being done about it in the sales industry.

Major Findings

Sales talent is a major, and missing, driver for a transformation strategy.

Talent is a nearly universal challenge for sales organizations, with only 16% of sales leaders saying they are confident that they have the talent they need to succeed in the future. Sales organizations are struggling with who to hire, how to find them and how to develop and support them.

Talent gaps represent both pitfalls and opportunity.

Attrition rates are historically low at 16%, but remain costly. It typically takes more than a year to find and onboard a new salesperson to full productivity. In addition, poor handling of underperforming rates depresses territory production even when the territory is staffed.

At the same time, most organizations are planning to grow their net salesforce size an average 9%. This means that an organization can substantially change the face of their sales organization within two years, if they make the right hiring decisions.

Organizations struggle to identify the best to replicate them.

Sales organizations are over-reliant on their top talent with the top fifth bringing in almost 60% of revenues. Yet, very few know why those top performers are so successful. And two-thirds rely on lagging indicators to judge individual performance. Leaders cannot replicate the best without quantifiable assessment tools to identify who they are or why they succeed.

Hiring profiles remain largely unchanged and ineffective.

Few organizations (22.6% in our survey) believe that hiring is an organizational strength. Despite the fact that most did not feel like they had the talent they needed, few had made any recent changes to their hiring profile relying on traditional criteria such as industry expertise, business degree and emotional intelligence.

However, many companies are moving their profiles to focus more on analytical abilities, learning propensity and agility. In addition, many (56%) are beginning to use predictive assessments, leading an increase in confidence in their talent being successful in the future. The caution is that to be truly useful, these assessments require constant refinement and calibration.

Post-hire activities for enabling, retaining and exiting fall short.

Hiring the right person is only part of the equation. Strong onboarding programs help sellers ramp up to full productivity nearly two months faster than less effective onboarding. From there, enablement engagement, career pathing and exiting practices are needed to maximize the potential of inbound resources. Organizations reported significant opportunities in each of these areas.

What is required is an overarching talent strategy versus a set of tactical talent practices. In the report conclusion, we offer examples of what such a strategy would encompass.
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CHAPTER 1: The Talent Problem (& Opportunity)

Readers familiar with our reports over the last two years will have picked up on a common theme: Sales performance is in a multi-year decline. Sales organizations are struggling to keep up with accelerating buyer expectations. (See our 2018 Buyers Preferences Study for context). The answer is not a simple one. It involves a range of solution components, which include standing up sales enablement functions, increasing the strategic nature of sales operations, deploying artificial intelligence (AI) tools, adjusting territory models, implementing or reinvigorating methodologies, refining sales processes and mapping them to buyer processes, and more. The to-do list for a sales organization considering transformation is exhaustive.

Talent is a vital part of that transformation strategy. At its most fundamental, complex selling is the sum of interactions between customer-facing personnel and customers. And while new AI tools, new processes and everything else on the list have tremendous potential to increase the effectiveness and efficiency of those interactions, they depend largely on the talent potential of the individual sellers and their managers.

Sales organizations are experiencing a talent crisis

From a sales transformation point of view, “talent” refers to the group of selling and management resources within an organization and the aptitude they possess. Everyone has “talents” of some kind. But the question on the table for sales leaders is whether their teams possess the right talent to execute their strategies. Unfortunately, most sales organizations say no. Sales organizations are struggling with talent. Only 16.4% of respondents in the CSO Insights 2018 Sales Talent Study agree or strongly agree that they have the talent they need to succeed in the future. In fact, when asked what they were worried about today that they weren’t concerned with 12 months ago, talent was in the top four. Notably, this puts talent issues in the company of such mammoth strategic issues as “transforming my organization” and dealing with disruption from new market entrants and internal strife from mergers and acquisitions.

Only 16.4% of sales leaders agree or strongly agree that they have the talent they need to succeed in the future.

The risk with a talent problem is that it is tempting to accept it as an inevitable consequence of generally positive economies and low unemployment in many geographies. In addition, talent is sometimes seen as a long-term fix, overshadowed by quarter-by-quarter planning [and fire-fighting]. But while it is an overwhelmingly common issue, a lack of talent is not inevitable. A small subset of organizations is succeeding in the battle for talent, and they show positive results.

Those who are confident that their talent will carry them forward into the future are already a lot more successful today than their peers with acknowledged talent gaps. Specifically, sales organizations confident in their talent had higher percentages of salespeople making or exceeding goal (63.5% vs 41.2%) and had higher win rates of forecasted deals (54.0% vs. 42.1%).
The costs of talent gaps are high

In addition to the upsides noted above, having the right talent allows companies to avoid the significant costs of a talent gap. The most glaring are often the tangible recruitment, hiring and training costs associated with unsuccessful new hires.

Our study revealed that current attrition is hovering at 15.7%. Ten percent was the voluntary attrition of sellers choosing the leave the organization, and 5.7% was involuntary – those terminated, laid off, etc. This is historically a low number. However, we anticipate voluntary attrition may rise as unemployment remains low in many markets and organizations looking for industry-experienced sellers resort to poaching competitors’ sellers, as we observed in our 2009-2010 studies. But should rates stay at the relatively low levels experienced today, such tangible costs are still significant.

The larger costs can be harder to calculate. These have to do with the territories managed by the departed sellers. Sales leaders reported that on average, sales positions remained vacant for 3.7 months. In addition, they shared that it takes roughly 9.2 months before a new hire achieves full productivity. That is a gap of 12.9 months – more than a year without a fully productive seller managing some of the historically most productive territories. Considering that the average quota for a seller is running around two million US dollars, this can be debilitating to revenue production.

And that is just the impact of replacing heads. There is also a talent cost from underperforming reps not maximizing their potential. Half (49.1%) of sales organizations in our 2017 World-Class Sales Practices Study said that their salesforce’s ability to optimize deal size needed improvement or major redesign. Even sellers who are eventually transitioned out of the organization can drag down performance for months.
Attrition represents opportunity as well.
As with many challenges, talent gaps offer an opportunity as well. Many transformational initiatives are decelerated, or even torpedoed, by a lack of adaptability among the sales force. Hiring in new faces and new profiles of sellers can help to usher in new changes.

Sales Organization Growth Plans

<table>
<thead>
<tr>
<th>DECREASE</th>
<th>STAY SAME</th>
<th>INCREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.5%</td>
<td>31.4%</td>
<td>64.1%</td>
</tr>
</tbody>
</table>

In addition to replacing salespeople that are leaving, almost 2/3 (64.1%) of the sales organizations in our survey are planning to grow by adding net new salespeople over the next 12 months. The average anticipated growth is 8.9%. As illustrated in the hypothetical example below, significant changes in resourcing are possible when taking both factors into account.

Organic attrition combined with growth is a big enough number that within two years, by hiring effectively, sales leaders can help change the culture of their sales organizations substantially [especially if any of those hires are sales managers] and accelerate sales transformation initiatives by removing cultural roadblocks.

To be clear, we aren’t suggesting that a cultural problem can be solved through hiring. It starts with a clear executive vision and commitment and carries through to determined hiring. And, as noted in later chapters in this report, it must continue with human capital management (HCM) practices which properly onboard, enable, coach, measure and transition sellers. Without a more comprehensive approach, bringing new hires with the right profiles will result in little change. The old culture will alienate or assimilate the new hires.

How confident are you that your talent will help you succeed in your future? Determining whether you have a talent gap, or determining how significant it is, begins with an understanding of your current talent pool and pipeline.
CHAPTER 2: Assessing the Current State of Talent

Gauging the strength of sales talent can be challenging. On the one hand, via CRM and other systems, sales is typically a data-rich function. And with analytics platforms, big data approaches and new AI tools, there is no limit to the types and volumes of data that can be collected. On the other hand, few organizations look beyond revenues, margins and other obvious choices to determine who is successful. They spend less time analyzing how or why the seller is successful and whether or not that success will continue.

Measuring success is a backward-looking activity
Sales performance can be measured using a range of data. To level-set, lagging indicators are output-oriented and rear-view, meaning that they document what has already taken place. Leading indicators are more input-oriented and have the potential to influence or change the ultimate output. For example, booked revenue, an output, is a lagging indicator. Conversion of first calls to solution presentation is a leading indicator. The difference is important since changing the behaviors demonstrated in that call type can ultimately change booked revenue. With this as a base definition, we asked survey participants how they measured the performance of individual sellers:

- Lagging: Measure performance based on revenues and quota achievement
- Lagging: Use revenues and other lagging indicators such as margins or product quotas
- Balanced: Use a range of leading indicators (funnel velocity, call volume, conversion rates) and lagging indicators to judge salesperson performance
- Predictive: Use analytics capability to analyze a range of factors and accurately predict salesperson performance
- No measures are used to evaluate individual performance

Despite the variety of options available, most sales organizations resorted to traditional lagging indicators.

Performance Measurements of Salespeople

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>37.4%</td>
<td>Performance measured on revenues and quota achievement</td>
</tr>
<tr>
<td>27.0%</td>
<td>Performance measured by range of leading and lagging indicators</td>
</tr>
<tr>
<td>24.9%</td>
<td>Performance measured on revenues and other lagging indicators</td>
</tr>
<tr>
<td>8.0%</td>
<td>Analytics used to analyze a range of factors</td>
</tr>
<tr>
<td>2.7%</td>
<td>Performance not measured</td>
</tr>
</tbody>
</table>

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Almost 2/3 (62.3%) of organizations use only lagging indicators to judge the individual sales performance, offering a view of what has happened, but not how or whether it will happen again.

Given a seven-month sales cycle (the average in our study), using primarily lagging indicators to judge performance can stymie performance management, undercut coaching approaches and lead to prolonged underperformance from a territory.

The danger of replicating “the best”
The lack of specific success metrics becomes more concerning when you consider that most organizations employ a practice of trying to replicate their “A players” (highest performers) both in the hiring process and by developing incumbent B players to mirror the activities of the best. It is not a bad idea. Respondents told us that the top 20% of salespeople account for 53.6% of revenues over the last year. And this has historically been the case. Year after year, this number has hovered in the 50-60% range. For the sake of example, if 20% of salespeople are making 60% of revenue, that is a 3X multiplier. The remaining 80% of sellers are bringing in only 40% of revenue – a .5X multiplier. This means that top sellers are 6X more productive than their peers! There must be something we can learn from them.

The top 20% of sellers generate 53.6% of revenues. However, only 16.3% of organizations said they assess why those top performers are so successful.

Yet organizations don’t actually have the data they need to facilitate that learning. Only 16.3% of sales leaders agreed/strongly agreed that they assess why their top performers are successful. How can organizations replicate their best, if they don’t have any idea why they are the best? This leaves sales organizations, especially those with a talent challenge, with hunches, gut instincts, and shots in the dark.

Assessments offer more detailed insights
Getting a closer look at the skills and intangibles fueling success usually involves a formal assessment. There are several types of assessments that organizations can use to determine the current and potential state of their talent pool:

- **Observed behavioral assessments** assess individuals against a set of competencies or behaviors, usually on a multi-rater basis, meaning that both the seller and sales manager (and if a 360-degree assessment, customers and peers) rate the seller to get multiple perspectives on what is actually being demonstrated in selling activities. Behavioral assessments can be administered periodically to determine current state and whether behaviors are changing. For example, sales leaders can assess baseline proficiency with negotiating behaviors, send a seller through negotiations training, and then assess them again 60 days later to see what has changed. Behavioral assessments are used to tailor individual training curricula, guide coaching and reinforcement, prioritize overall organizational enablement efforts, and evaluate the impact of training.

- **Predictive assessments** utilize databases to assess sellers’ propensity to master key competencies as well as key attributes inherent to the individual’s makeup, such as the way that they approach work or their learning agility. The size of the underlying databases (and ongoing statistical tests) allows results to be legally
defensible when used for hiring decisions. While these tools do not measure actual behaviors, they can be vital in predicting behaviors when (a) trying to assess an individual who is not in the role today, e.g., hiring and succession planning decisions on who is ready for sales manager roles (b) the organization suspects bias in self-reported and/or manager-reported data and/or when (c) the culture is very data driven and analytical. The data reports the likelihood of what is or will be occurring in the field based on statistical models. Data from such assessments can be used to make hiring decisions, structure or restructure teams, personalize development paths and direct coaching to the most productive strategies. This kind of assessment is not used to gauge change. Since it assesses how a seller is wired, their selling DNA as it were, results will not change over time.

Any particular assessment may combine items which cover each of these purposes.

Keep in mind that assessments are a good measure of what exists today and can provide critical information on why top-performers are more successful than their peers. However, organizations need to be careful of a shifting environment. Assessments should help push organizations into the future rather than keep them locked in the past.
CHAPTER 3: Bringing in New Talent to Fill the Gaps

Once an organization has a sales opening, either from attrition or expansion, they begin the costly, lengthy and often frustrating process of trying to fill it. Unfortunately, this continues to be a guessing game, with the vast majority of organizations acknowledging that hiring is not a strong competency.

Less than ¼ (22.6%) of organizations believe that hiring is an organizational strength. Organizations doubt they have the talent they need to succeed in the future and fear that their ability to replace that talent effectively is limited.

Without a clear understanding of what drives success, organizations resort to historical hiring criteria for experience, education and attributes. Unfortunately, many organizations only measure (validate) the experience and educational items, leaving the attributes/intangibles for sales managers to assess loosely, and subjectively, during the interview process.

Today’s want ads
Hiring starts with a clear image of the ideal candidate. It makes sense, given all the change in the sales industry that the talent needed to succeed will change as well. But what does the hiring profile for a seller look like today? Is it working? And what will it look like in the future?

Although the marketplace has changed substantially over the last several years, we saw only gradual changes in hiring profiles. (Note this is what organizations said influenced their hiring decisions, not that they measured these criteria formally during the hiring process or that they had validated that these are the right things to be hiring for.)

Generally, the hiring profile is the same as it has been, with priority focus on business degree, sales experience in the industry and high emotional intelligence (measured as emotional quotient or EQ).

Where we see the differences are the items which, although not the most sought-after factors, showed more emphasis than in the past. The hiring model is evolving in that:

- Many organizations (not necessarily just those in technology sales) mentioned the importance of a degree in Science, Technology, Engineering or Math (STEM). Organizations associate STEM degrees with analytical thinking, comfort level with technology and other factors deemed necessary to sell successful in today’s world and in tomorrow’s AI-fueled sales landscape.
- On the topic of education, it should also be noted that many “business” degrees are specifically sales degrees, and these students have learned...

<table>
<thead>
<tr>
<th>Education</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Business degree from university</td>
<td>36.6%</td>
</tr>
<tr>
<td>College degree of any kind</td>
<td>27.7%</td>
</tr>
<tr>
<td>Science, tech., eng., math (STEM) degree</td>
<td>19.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Experience</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales experience specific to industry</td>
<td>57.0%</td>
</tr>
<tr>
<td>Sales experience, industry irrelevant</td>
<td>20.5%</td>
</tr>
<tr>
<td>Industry experience, not necessarily sales</td>
<td>14.2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Attributes*</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Emotional intel. [EQ]/interpersonal skill</td>
<td>52.8%</td>
</tr>
<tr>
<td>Problem-solving/analyzing thinking skills</td>
<td>44.5%</td>
</tr>
<tr>
<td>Achievement-oriented</td>
<td>38.3%</td>
</tr>
<tr>
<td>Work ethic</td>
<td>38.3%</td>
</tr>
<tr>
<td>Learning propensity</td>
<td>26.7%</td>
</tr>
</tbody>
</table>

*Respondents chose their top 3
the basics of sales process, methodology and how to use salesforce.com or other CRM software. Graduates from these programs are highly sought after. And the number of programs is growing globally.

- In the past, the big push was for Emotional Intelligence (EQ). Now, it is almost as common to look for analytical skills and a propensity for problem solving. This shift favors the movement of selling from an art to a science and the need for salespeople to mine and leverage new sources of data.

- We also saw a greater interest in the propensity for learning as a hiring attribute. Again, this goes to the ever-changing nature of sales and the need to constantly update skill and knowledge. In our 2017 World-Class Sales Practices Report, having ongoing development supported at the cultural level was statistically associated with greater levels of sales success. Lifelong learning is critical.

Do hiring criteria align with perceived success factors?
With the widespread lack of assessments and quantifiable data, many have little to base a hiring profile on, aside from generally-accepted organizational wisdom. Even within those subjective approaches, misalignment is common. We asked sales leaders what factors they thought led to sales success on the job to see how well success drivers were aligned with hiring criteria.

**How sales organizations have changed their hiring profile in last 12 months**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>No changes in last 12 months</td>
</tr>
<tr>
<td>2</td>
<td>Ability to execute a more sophisticated sales model</td>
</tr>
<tr>
<td>3</td>
<td>Industry expertise (seller, buyer industries)</td>
</tr>
<tr>
<td>4</td>
<td>Technology competence</td>
</tr>
<tr>
<td>5 (tie)</td>
<td>EQ (for technical business models who felt were overly focused on tech in past)</td>
</tr>
<tr>
<td>5 (tie)</td>
<td>Analytical &amp; cognitive abilities</td>
</tr>
</tbody>
</table>

**Other common mentions:**
Process-orientation, tenacity, business development skills, agility, solution architect skills, learning agility

**Despite less than 20% of organizations being satisfied with their talent, the number one open-ended response regarding recent changes to the hiring profile was “no changes in last 12 months.”**

To probe more deeply into these emerging criteria, we asked sales leaders specifically how they saw their hiring profile changing. Given the broad discontent with talent, we were surprised that the number one response was that they had not been refining their profiles. There is a large divide between organizations who are proactively changing talent profiles as part of a talent strategy and those who are continuing to go with the status quo:
There was some overlap, but there were also many examples where organizations were hiring for criteria that weren’t viewed as success factors by sales leaders.

As with the hiring criteria, managers placed a heavy emphasis on industry knowledge. This aligns to the expectations we uncovered in our 2018 Buyer Preferences Study. Buyers were clear, sellers must know the customer’s business. It was the number #1 expectation.

Yet buyers were equally clear that such knowledge must be supported with excellent communication skills, a focus on results and post-sales relationship, and the ability to deliver perspective and insights. Those skills, rated as the number two success driver by sales leaders, are more challenging to validate in the hiring process. Sales experience in industry is often assumed to mean sales skill competency, and many leaders resort to gut feel on communications skills during interviews, equating successful interviewing to the ability to sell.

Furthermore, while skills can be hard to pinpoint during the hiring process, the number three item on the list, intangibles, are even harder. There is much variance on which intangibles are important to a specific interviewer and much subjectivity in assessing a candidate’s makeup.

On the flip side, the easier-to-measure tangibles of education level and past experience are seen to have a lot less impact once the seller moves out of the hiring process and into the field. Yet, they remain prominent in applicant decision-making.

Factors that sales leaders believe lead to success

<table>
<thead>
<tr>
<th>Factor</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry, product, company knowledge</td>
<td>62.8%</td>
</tr>
<tr>
<td>Skills (presentations, questioning, etc.)</td>
<td>60.2%</td>
</tr>
<tr>
<td>The intangibles (work ethic, EQ, etc.)</td>
<td>51.9%</td>
</tr>
<tr>
<td>Ability to execute sales process</td>
<td>39.5%</td>
</tr>
<tr>
<td>Their past experience</td>
<td>30.4%</td>
</tr>
<tr>
<td>Cultural fit within organization</td>
<td>24.2%</td>
</tr>
<tr>
<td>Their education level</td>
<td>9.7%</td>
</tr>
<tr>
<td>Other</td>
<td>4.7%</td>
</tr>
</tbody>
</table>
So, who is right?
When we correlated all the hiring criteria responses with metrics such as attrition, confidence in talent, quota attainment and win rates, there was very little connection. In fact, the only hiring criteria that showed any statistical link to success was “comfort level with technology” which was not a common hiring requirement for the organizations who participated in our study. There is no one profile for success. Rather, organizations need specific profiles for specific selling models within specific organizations.

The science of selling applies to talent, too
Sales moved from art to science a decade ago, and hiring is moving in the same direction. Organizations need to use leading/lagging indicators to identify their high performers. The next step is using a quantifiable assessment to determine why they are top performing (including the propensities and intangibles). Then a hiring profile can be created to mirror the best. At that point, organizations are ready to formally assess candidates against that profile.

More than half of organizations in our survey [55.7%] have started down this path, deploying predictive assessments in the hiring process. Those that use these tools consistently show superior attrition, confidence in talent and quota attainment compared to those not using such tools. It is not surprising that use of predictive assessments continues to grow, with another 13.4% planning to implement in the next 12 months.

Organizations consistently using hiring tools were 30% more likely to say that they had confidence in their talent being successful in the future and had 10.9% more of their salesforce meeting or exceeding their goals.

It’s notable that a quarter of respondents [24.9%] said that while they had a hiring assessment tool, they did not use it consistently. Like any data-driven initiative, such tools require constant refinement and calibration. And of course, they need to be used, if they are to provide any value. Those who relegate such tools to perfunctory HR check-the-box exercises may

Use of Hiring Assessment Tool

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>31.1%</td>
<td>We don’t have one, and have no plans to implement one</td>
</tr>
<tr>
<td>30.6%</td>
<td>We have only one and consistently use it</td>
</tr>
<tr>
<td>13.4%</td>
<td>We don’t have one, but plan to use one within the next 12 months</td>
</tr>
<tr>
<td>24.9%</td>
<td>We have one, but do not consistently use it</td>
</tr>
</tbody>
</table>

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have false confidence that they are taking actions to address their talent issue. However, their metrics underperformed not only those successfully using the tools, but also those without any tools at all.

Organizations consistently using hiring tools outperform their peers, but having such a tool and not using it consistently is linked to lower performance than not having a tool at all.

Effective leverage of a hiring assessment includes:

- Properly defining the ideal hiring profile using actual data from the incumbent current salesforce (the high performers who the organization wishes to replicate), industry standards or other quantifiable sources.
- Ensuring the profile meets labor law and other HR and Legal requirements.
- Deploying the tool at the appropriate time in the hiring process (Before first interview? Between first and second interview? Before the offer?) and using the output to drive subsequent steps. For example, generating interview questions to probe around potential gaps.
- Agreeing how tool output will be factored into the hiring decision. For example, what is the weighting compared to culture fit, background, interview performance? What constitutes a no-go?
- Refining the tool over time as more data is collected and the organization can validate or revise traits and as the environment change and the ideal seller changes. This is not a “set it and forget it” initiative.

Perhaps most importantly of all, hiring assessment tools generate a wealth of data that can be used throughout the entire lifecycle of a salesperson. Organizations will benefit by using the assessment results beyond the hiring decision. These quantifiable insights into how a seller is “wired” can be useful in succession planning, development and transition activities as discussed in the next chapter.
CHAPTER 4: What to Do with Talent Once Hired

Human Capital Management (HCM) is generally thought of as an HR concept. Yet, decades of research have shown that the more proactive the sales organization is about managing the end-to-end experience of salespeople (and managers for that matter) the more successful they are. The success profile and the information collected during the hiring process should help guide the salesperson’s experience throughout their time with the organization.

Onboarding and development: the role of sales enablement

Salespeople commonly move throughout several organizations over the course of their careers. Each time, they may be exposed to a new onboarding program, experience a new enablement approach and be given a new coach. The formality and effectiveness of each of these supporting drivers varies by organization.

Onboarding & Development

MANAGERS CONSISTENTLY COACH SALESPEOPLE TO HIGHER PERFORMANCE

<table>
<thead>
<tr>
<th>Agree or Strongly Agree</th>
<th>Strongly Disagree/Disagree</th>
<th>Neutral or Somewhat Agree/Disagree</th>
<th>11.8%</th>
<th>66.7%</th>
<th>21.5%</th>
</tr>
</thead>
</table>

WE PROVIDE THE SALESFORCE WITH EFFECTIVE ENABLEMENT

<table>
<thead>
<tr>
<th>Agree or Strongly Agree</th>
<th>Strongly Disagree/Disagree</th>
<th>Neutral or Somewhat Agree/Disagree</th>
<th>14.5%</th>
<th>64.9%</th>
<th>20.6%</th>
</tr>
</thead>
</table>

WE HAVE EFFECTIVE ONBOARDING PROCESS

<table>
<thead>
<tr>
<th>Agree or Strongly Agree</th>
<th>Strongly Disagree/Disagree</th>
<th>Neutral or Somewhat Agree/Disagree</th>
<th>18.2%</th>
<th>63.2%</th>
<th>18.6%</th>
</tr>
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Often, the first significant experience a seller has with his/her new employer is an onboarding program of some kind. This program is a key driver of effectiveness. Those who agree/strongly agree that they had a strong onboarding program reported getting sellers up to full productivity in 7.8 months. Those who disagreed/strongly disagreed took 9.5 months. If quotas are 2.0MM USD on average, the resulting gap of nearly two months could potentially make a difference of $50-100K per new salesperson.

Organizations that report having a strong onboarding program onboard their new hires 17.9% more quickly, providing almost an additional two months of full productivity.

But there is more to it than just onboarding. As we clarify in our comprehensive sales enablement research, sales enablement is responsible for the orchestrating the content, coaching and training that a seller needs to be successful. Those confident in
the enablement they provided their salesforce had significantly lower voluntary turnover (7.1%) than those who viewed this capability as a weakness (11.5%). Consider the costs of attrition in Chapter 1, cutting voluntary attrition by more than a third can eliminate a lot of organizational inefficiencies.

The final element we asked about was coaching. We won’t go into depth on coaching within this report, as it is the subject of several distinct reports and briefs. However, we’d be remiss to ignore it entirely. Our annual sales enablement survey continuously shows a strong linkage between coaching and win rates, quota attainment and more. Yet, our 2017 Sales Enablement Optimization Study reported that 70% of sales organizations still leave coaching up to the manager or use an informal approach to it.

Unfortunately, there is often a disconnect between these activities and the hiring process. As a result, hiring improvements can be outweighed by ineffective onboarding, enablement and coaching. There is a thread that needs to be woven from hiring throughout these activities. For example, how might the data collected in the hiring assessment be used to tailor the onboarding process? Give the coach insights into how to best provide feedback to an individual? Help spotlight the areas which may need more focus? Building this dataset on the full sales team could help organizations assign the right coach to the right seller based on learning styles, or build out cohorts in onboarding, or assign mentors.

**Retention and Succession Planning**

In addition to being properly enabled, salespeople need to feel like the company and its culture and systems support their success (i.e., near-term performance targets, mid- and long-term career goals), that they are being treated fairly and their investment in an organization is a good one. The days of spending 20 years with an organization are over, and the decision to stay or go is one that a salesperson makes every fiscal year, if not every quarter. Thus, organizations find themselves with the need to sell-the-seller, using a win-win approach, developing employee value propositions, formal engagement and retention strategies and configuring personalized solutions.

**Retention and Succession Planning**

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<th>Agree or Strongly Agree</th>
<th>Strongly Disagree/Disagree</th>
<th>Neutral or Somewhat Agree/Disagree</th>
<th>Strongly Disagree/Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SALESPEOPLE ARE ENGAGED (COMMitted TO OUR ORGANIZATION AND ITS GOALS)</strong></td>
<td>34.4%</td>
<td>4.1%</td>
<td>61.5%</td>
<td>34.4%</td>
</tr>
<tr>
<td><strong>SALESPEOPLE HAVE AMPLE OPPORTUNITIES FOR PROMOTION AND CAREER DEVELOPMENT</strong></td>
<td>18.5%</td>
<td>15.3%</td>
<td>66.6%</td>
<td>18.5%</td>
</tr>
</tbody>
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Traditional thinking was that sellers were “coin-operated” – if they were making money, they were engaged. Engagement is a much broader topic, though. Engagement is the emotional commitment that the seller has to the overall organization and its goals. A seller can be making money, not be planning to leave and also not be planning to support new product launches or change their behaviors to adopt new sales methodologies. Some salespeople will have the chance or desire to grow into sales management roles, and they will need the opportunities to hone those skills while still carrying an individual quota (e.g. mentoring new hires, leading an account team etc.) In addition, executives can utilize the data from the hiring and talent assessments to determine who may well have the propensity for sales management. The ability to achieve through others is a vastly differently skill set and mindset that achieving an individual quota.

However, sales is unique in that it is not an “up or out” position. Most salespeople will be quite content to remain frontline salespeople for their whole careers with absolutely no desire to take on the additional responsibility (and possibly lower pay) of a sales manager. As a result, succession planning may seem like an odd discussion in a sales context. However, there are career goals and fulfillment and engagement opportunities that happen without promotions. There may be opportunities to take on new accounts, move into a key account manager (KAM) position, or pilot sales of a new product. Even the most low-maintenance sellers can get bored without fresh opportunities.

In addition, the constant state of flux in the sales world means a constant resifting of coverage models, channel strategies and more. Sales leaders may well need to look at assessment data and coaching documentation to determine who may be the best fit for business development roles versus relationship management roles. As with everything we have discussed, more data makes for better decisions.

Transitions Outward
The final set of activities we looked at had to do with sellers leaving the organization. No matter how effective the other HCM practices are, there will always be salespeople who leave the organization. In fact, zero attrition may be a sign of poor performance management or a stagnating sales approach.

Of all the practices that we collected data on, outward transitions were the practices where sales organizations performed the best. Yet even so, only a third felt like this was an organizational strength.

Transitioning Sellers Out of Organization

<table>
<thead>
<tr>
<th>MANAGEMENT USES A FORMAL, AND FAIR, PROCESS TO IDENTIFY AND TERMINATE POOR PERFORMERS</th>
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<tbody>
<tr>
<td>Agree or Strongly Agree</td>
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<td>32.8%</td>
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<tr>
<th>WHEN WE LOSE A SALESPERSON, WE CONSISTENTLY FIND OUT THE REASONS WHY</th>
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<tbody>
<tr>
<td>Agree or Strongly Agree</td>
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<tr>
<td>29.4%</td>
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</table>
The first practice we asked about was using a formal and fair performance management process. There are several objectives here. The first is to be sure that managers understand how performance management is distinct from and integrated with coaching.

First, performance managing someone out of the organization will involve a concrete set of steps monitored by both human resources and legal, and managers need to understand their role in the process. The second aspect to consider is timing. With so much focus on lagging indicators and an average sales cycle of seven months, it can take upwards of a year in many organizations to terminate a poor performer. And by the time they are gone, all that is left is a fallow territory that needs to be rebuilt (and that is even harder to recruit for than a stable one!). Success in performance management involves setting clear objectives for both leading and lagging indicators as well as behaviors (observable things that people say and do).

**Organizations where managers are perceived to have a fair process for exiting sellers were more likely to perceive that the salesforce was engaged in their work.**

In the spirit of ongoing learning, the organization needs to learn from every exit – voluntary or involuntary. Just like a win/loss review, such qualitative information can be invaluable in refining the onboarding process, tweaking the hiring profile and aligning coaches/managers with new hires.
CONCLUSION

Talent is an issue for most sales organizations: who to hire, how to find them, and how to help them live up to their potential. Unfortunately, many organizations manage their talent through a collection of practices, rather than via a talent strategy which weaves all those practices together into an integrated, comprehensive and data-driven approach.

*Sales organizations often have talent practices but lack a talent strategy.*

In addition, due to the legal and human resource components, sales organizations may unwittingly delegate key aspects of hiring and talent management to other departments. This is rarely true of other elements within the sales transformation plan.

Sales executives have channel strategies, compensation strategies, coverage strategies and more. A comprehensive talent strategy must be included within that mix as well. A talent strategy is owned by the CSO. It encompasses a vision for talent, a continuous current state evaluation as well as an evolving ideal for future state, and a systematic way to close the gap through human capital management practices. The elements nested underneath such a strategy include:

- A clear vision for how talent fits into the overall sales strategy
- A data-driven approach to determining who the best are and why they are the best
- Predictive and behavioral assessments
- A systematic way to source and hire desired talent
- A dedicated sales enablement discipline which supports both sellers and managers through onboarding and ongoing development and coaching
- Data-driven approaches to succession planning, off-boarding and other restructuring initiatives
- Formalized means of collaboration with legal, finance and human resources
- Up to date job descriptions, competency models and hiring profiles for key positions
- Organizational branding, employee value prop and other internal selling mechanisms
- Voice of employee insights collected from those in role as well as those leaving the organization
- Ownership and accountability within the sales organization by those who have a personal stake in its success

For more information about talent strategies and other key elements of sales transformation, contact your CSO Insights analyst at info@csoinsights.com.
APPENDIX

The data collection for the 2018 Sales Talent Study took place in April through June of 2018. Respondents were sales executives, sales enablement leaders, sales operations leaders and sales managers representing 321 organizations.

Sales models for the organization represented a balance of predominantly product and predominantly services-based businesses. In addition, geographic representation was also balanced, with slightly less than half of participants representing North America. 26.6% from EMEA, 17.1% from APAC and 6.9% from LATAM.

Analyzing the data by regions revealed only minor differences. Most notably:

- EMEA had a higher than average involuntary attrition rate of 8.2.
- Additionally, EMEA respondents were much more likely to report that they measured the performance of salespeople using both leading and lagging indicators.

For additional information about geographic or vertical findings, please contact your CSO Insights analyst at info@csoinsights.com.
About CSO Insights

CSO Insights is the independent research arm within Miller Heiman Group™, dedicated to improving the performance and productivity of complex B2B sales. The CSO Insights team of respected analysts provides sales leaders with the research, data, expertise, and best practices required to build sustainable strategies for sales performance improvement. CSO Insights’ annual sales effectiveness studies, along with its benchmarking capabilities, are industry standards for sales leaders seeking operational and behavioral insights into how to improve their sales performance and to gain holistic assessments of their selling and sales management efficacy. Annual research studies address sales and service best practices, sales enablement and sales performance optimization.