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theSales Performance Journal

VOLUME 2 - ISSUE 11

▶ **Three Hot Trends in Recruiting
and Retaining Sales Talent**

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The Miller Heiman Sales Performance Journal, Volume 2, Issue 11

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Recruiting and retaining the strongest sales talents for our sales force is something we all want to be good at. We want the best of the best and we have equally high expectations that they are ready and willing to make clients out of our biggest prospects. It's important to get the right people into the right positions and to do it faster than your competition. After all, it's the talent of your salespeople that often gives you the competitive advantage, especially in a highly commoditized industry.

This month, we tapped into our resources for the latest buzz about recruitment and retention trends hitting our industry.

Best regards,



Sam Reese
President and CEO
Miller Heiman, Inc.

Three Hot Trends in Recruiting and Retaining Sales Talent

The hot new trend sweeping through the workplace is to utilize recruitment services when in search of sales talent. This month, the Sales Performance Journal asked recruiting expert Ladd Richland, president and CEO of CRI, Inc., what the top trends were in recruiting and retaining sales talent in the ever-changing world of sales. His insight will help you to better use your resources and better leverage your time when recruiting new salespeople.



Three Hot Trends in Recruiting & Retaining Sales Talent

Searching for sales talent is not only as tedious and timely as always, but there are more considerations to take into account in the hiring process today than there were ten years ago. For example, baby boomers are nearing retirement and Generation Y workers are due to enter the labor market in full force. Attracting, retaining and managing a multigenerational staff with widely different attitudes and values can be a big challenge. Yet, Miller Heiman's *2007 Sales Best Practices Study* found that 63 percent of sales organizations do not have an effective process for hiring qualified sales professionals.

Managing the generation gap is only one of the many rising workforce trends. Another is the use of Recruitment Process Outsourcing (RPO) services.

RPOs act as a company's internal recruitment function for some or all of its jobs. RPOs manage the entire recruitment and hiring process from job profiling to on-boarding new hires. A properly managed RPO will improve a company's time to hire, increase the quality of the candidate pool, provide verifiable metrics, reduce cost and improve government compliance.

In researching the current trends in recruiting and retaining sales talent, the *Sales Performance Journal* spoke with Bill Golder, executive vice president of sales and sales operations for Miller Heiman, and Ladd Richland, president and CEO of CRI, Inc., a leading provider of RPO services. In our conversations with these noted experts in sales and recruiting, three trends emerged:



Trend #1: Talent Management is On the Rise

Top performing sales organizations are investing resources to better understand the attributes of their top performing salespeople, as well as the attributes most needed to be successful in specific roles. According to Golder, “Sales organizations are more complex today due to a greater amount of segmentation and specialization. Today’s organizations feature global, strategic, major, territory and industry specific roles.” Golder believes that successful attributes in one role will not equate to success in another. “So careful consideration and investment in selection tools is a trend we are seeing among top performing sales organizations.”

According to Ladd Richland, “One of my tenets for doing business is ‘Work with your strengths.’ Years ago, I realized that it’s easier to get people doing 100 percent or 120 percent above quota to improve their performance than getting someone from 40 percent to 100 percent. People above quota don’t offer excuses. They don’t get involved in office politics or distractions. He says salespeople who can reach 120 percent of plan can get to 140 percent or 150 percent. “There’s a tendency to leave the 120 percenter alone. I don’t. I coach. I get more out of them.”

Managers, Richland says, are measuring their sales force by turnover rates. “Low turnover in your sales force is not necessarily a measure of success.” Some sales managers, he adds, need to move more people out and more new people in while others should focus on keeping their top performers improving deal after deal.

In retaining sales talent, sales managers need to know who their top performers are and specific areas where they can help them develop their abilities. One way of evaluating performance is through an organizational assessment. To help clients increase their ability to more easily identify and quantify coaching opportunities,

Miller Heiman introduced a web-based tool called *Sales Excellence AssessmentSM* that helps companies create powerful sales management and coaching processes critical for driving sales performance. It creates constructive dialogue between salespeople and their managers, alignment on organizational strategy and objectives, and identifies developmental priorities. The results clearly identify the disconnect between the salesperson and the sales manager, and even the sales manager and sales leadership.

According to Golder, “Management and leadership emphasis is becoming increasingly more important, particularly at the mid-management field level.” He believes the health of the overall sales organization can be greatly improved or severely disrupted by field sales management. “One of the core issues that sales organizations face is the number of sales managers who were formerly excellent salespeople. While some of the attributes to be successful as a salesperson carry over well, it doesn’t always equate to becoming a successful manager.” Top performing sales organizations, Golder notes, are investing in their sales management. “They are investing to make sure that their sales managers understand how to coach vs. sell; how to manage a funnel from an organizational vs. individual perspective; and how to lead their teams effectively through both internal and external challenges. We are seeing more and more of our successful clients invest in coaching tools and curriculum specific to sales management. Our experience is that this is where many sales initiatives either succeed or die - on the backs of the sales managers.”

Evaluating salespeople should be part of the sales process, but often times it’s not. It’s imperative to identify the top performers of an organization and to benchmark new hires against them. This will lead to better recruitment and higher retention of sales talent.

Trend #2: Hiring second-career salespeople

Richland says CRI's clients are challenged with finding good sales talent and reducing turnover; and he notes that many organizations seem resistant to hiring older workers. "We're seeing lots of retirees returning to the workforce," he says. "We're seeing second career people – and they can be valuable to a sales force." Ten years ago, he says, "Sales managers were overpopulating their sales forces with young people." But today, he says there is a severe shortage of young people clamoring for sales careers. "The average age I see [among candidates] is early to mid 30s." And there's a shortage of talent. Therefore, he says, it's important for organizations to look at and consider the more experienced people – people in their second careers, for example. "I believe there is a tremendous source of labor among experienced workers."

Richland believes that a good salesperson can sell anything. There are exceptions, he adds, such as highly technical products and services. But in general, Richland feels that recruiting experienced salespeople from outside one's industry makes good business sense – and it's a practice that's growing. Plus, there may be less training costs involved.

Trend #3: A greater acceptance of outsourcing

Initially, RPO programs consisted of list purchasing from HR departments. Over time, HR departments have embraced the concept of outsourcing these services and have found a reduction in overhead costs and a competitive edge in the labor market.

Richland says that more organizations are beginning to accept recruitment outsourcing because there is a ROI. In general, with contingency-based search firms, an employer expects to pay 25 percent to 30 percent of a candidate's first year salary to the recruiter. "For us," says Richland, "We're below 10 percent."

He adds, "We review about 400 resumes a day for some of our biggest clients. Remember, recruitment is all we do."

The biggest distinction between RPO and other types of staffing is process. When using RPO services, the provider assumes ownership of the process, while in other types of staffing, the service provider is part of the process controlled by the organization buying their services.

According to Richland, more organizations now recognize that an RPO provider's core competency is recruiting. They don't do anything but recruit – so they can't help but be efficient. "It takes us 28 days to get from an open position to offer accepted. In many cases, that's faster than using internal sources such as an HR department. And we will have hired 10,000 to 12,000 individuals in 2007 alone."

Richland points out that few organizations have in-house capabilities for electronic on-boarding, while a growing number of RPOs assist in the creation and execution of detailed, customized on-boarding solutions. This can include everything from routine paperwork to ID cards, voicemail, e-mail, and other systems on day one to get people productive as soon as possible, to familiarization with the corporate culture. Says Richland, "We connect new hires with mentors to help build a strong internal network and an understanding of deliverables and deadlines expected by the organization. We build portals to welcome and inform new hires – and to introduce them to their new employer's brand, culture, and climate."

As more HR executives step up to the C-suite level, Richland believes their departments will play a bigger role in mapping their companies' strategies, beyond the tactical, day-to-day operation of screening, interviewing, and hiring salespeople. Consequently, fewer organizations today view recruiting as a core competency; instead they see it as something to outsource. ■



About Ladd Richland

As president and CEO of CRI, Inc., a leading provider of Recruitment Process Outsourcing (RPO) services, Ladd Richland has been at the cutting edge of best-in-class outsourcing processes since founding the company a decade ago.

Ladd Richland began his career at Sprint Corporation as one of the company's youngest managers. A member of the Young Presidents Organization, he is also a board member and officer of the Young Entrepreneur's Organization (YEO). He is an active member in the Professionals in Human Resources Association (PIHRA), the Society of Human Resources Managers (SHRM) and the Employment Management Association (EMA). Richland sat on the advisory council for the recruiting certification program at Cal State Dominguez Hills and is a frequent speaker at industry events. Under his leadership CRI has been recognized as one of the largest RPO specialists in the industry, most recently, listed as one of HRO Today's, "Bakers Dozen," recognizing the industry's top 13 RPO providers. Revenues have grown consistently each year in his tenure, an achievement that was highlighted in CRI being named an Inc. 500 Fast Company.

About Bill Golder

Bill Golder joined Miller Heiman in 2005 as the regional vice president for the Northeast region and currently holds the title of executive vice president of sales and sales operations. Golder comes from Office Depot, where he led their \$275 million Copy and Print division. He is credited for delivering over 30 percent profit growth in 2004 – the best profit year for the division on record and established the division as one of the most profitable category in the company.

Golder has extensive sales and operations experience. His primary expertise is leading business-to-business sales of professional services, as well as multi-unit operations management. He has proven success in leading key change initiatives related to sales compensation, organizational realignment, sales optimization, training, product development, and operational improvement. His key strengths are in driving results, developing and implementing strategy and managing and leading teams.