



Achieving radical and sustainable improvement in top line performance

Do you have a salespeople hiring plan?



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The Challenge:

With a significant amount of revenue at stake, sales management often overlooks the need to keep a steady stream of candidates in their hiring funnel. Similar to the use of a sales funnel for tracking qualified business opportunities, a full and flowing hiring funnel is an important investment in executing the firm's sales strategy.

Whether there are open hiring reqs or not, sales candidates need to be constantly identified and qualified. It is not a question whether there will be turnover, but when it will occur.

The Approach:

How many candidates should be in our hiring funnel?



"I am convinced that nothing we do is more important than hiring and developing people. At the end of the day you bet on people, not on strategies."

...Lawrence Bossidy
Former COO of GE

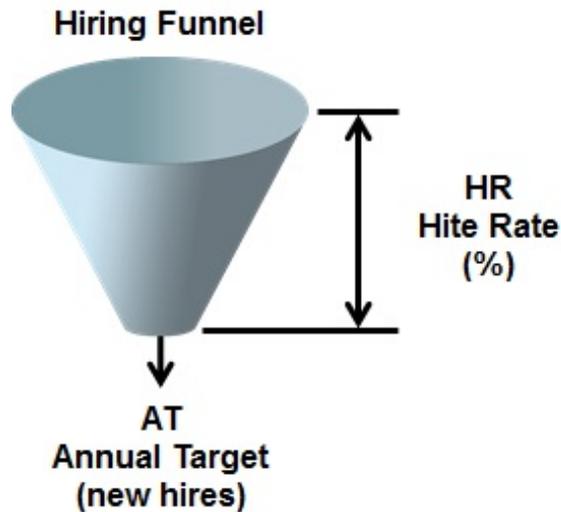


"Recently I was asked if I was going to fire an employee who made a mistake that cost the company \$600,000. No, I replied, I just spent \$600,000 training him. Why would I want somebody to hire his expertise."

...Thomas Watson Sr.
First CEO at IBM



"To select the wrong person for a sales job is a common



The answer depends on your rate of turnover. The higher the annual turnover rate, the bigger your hiring funnel. Which raises the larger question, what is the right amount of turnover? It is critical that you determine who is leaving - your top producers or your hangers-on. If your overall turnover is 10%, but the reps heading for the exits are top tier performers, you have a serious problem. On the other hand, if the 10% who are leaving are from the bottom end of your sales force, your turnover situation could actually improve the quality of your organization. Hence be sure you are tracking turnover by performance quartile.

Consider:

- Annual Target (AT) # of new hires
- Hit rate (HR) % How many candidates do you have to interview before you find the ideal candidate that accepts your offer?

For example if you need to hire 2 new reps every 3 months, with a 10% Hit Rate:

Qualified Reps = $AT \times 100/HR = 8 \times 100 = 80$ New qualified reps per year or 20 per quarter.

In addition, you have to factor in how long it takes to go through the process.

So What?

How do we ramp up the new rep hire for rapid success?

The onboarding process requires a concentrated effort and adequate budget that focuses both on the length and quality of training new reps to enable them to sell effectively. Our experience has shown that most of our clients are not satisfied with how long it takes to get their salespeople productive and up to speed, leaving a great deal of potential revenue on the table.

In B2B markets that are fiercely competitive and involve group decision making processes we have found it takes salespeople 8 months or more to perform at the same

mistake; not to remove
him/her quickly is a fatal
weakness."

...KappaEast



"If you think its expensive to
hire the right sales
professional to do the job,
wait until you hire an
amateur."

...Anonymous

level as their tenured colleagues, however most employers devote less than 2 months to onboard their new salespeople. Hence, the more structure and comprehensive the onboarding programs, the greater satisfaction among sales management leadership. By comprehensive, we mean not just teaching fundamental sales skills, but an approach that integrates a thorough understanding of the sale strategy and the tools to build a sales engine that delivers consistent and predictable results. Effective programs typically include mentors, simulations (real play) and testing/certification.

If you have any questions on your salespeople hiring plan, please don't hesitate to reach out to us at 973-720-0020 or kappainfo@kappaeast.com.

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