
Hiring Right

by PAUL PEASE



Why do we have salespeople that can't hack it?

Who are we looking for in sales? Where do we find good, qualified salespeople? The last question is probably the most pertinent because there are few college curricula — graduate or undergraduate — which offer a degree in sales. Back in the '70s and '80s when companies such as IBM and Xerox had bona fide intensive sales training programs (for college graduates, no less), there was a significant pool of trained sales professionals in the marketplace. Not anymore. Which brings us back to the first question: Why do we have salespeople that can't hack it?

This is a rather interesting question, because after training several hundred people, we have wondered the same thing. More important, we have wondered, "How did these people get hired?" because, quite frankly, they aren't salespeople. How do people who don't belong in sales wind up running a multi-million-dollar territory for a company? In working intimately with over 700 salespeople at 15 companies in four industries, we have discovered the most prevalent hiring mistake is that poor performers were hired for their industry knowledge. Conversely, we have looked at the top performers and found that sales ability trumps industry knowledge more often than

not in sales performance. Much more often than not.

Note: This discussion regarding industry knowledge pertains strictly to a direct sales force, not independent sales representatives. Independent sales representatives are businesses of salespeople, not salespeople working for a business. Consequently, industry knowledge is crucial to the strategic business success of an independent sales agency. Furthermore, the sales agency wishing to hire a salesperson may very well benefit from the following discussion on industry knowledge.

Benefits of Knowing the Industry

Why do businesses hire people with industry knowledge? The theory is that industry knowledge — which includes knowing the industry language, players and trends — can be transformed into instant sales (converting accounts) without any appreciable training (they already "know" the business). In hir-

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ing practice, this isn't the equivalent of opening the gates for the Trojan Horse — it's the equivalent of looking for the Trojan Horse.

Why isn't industry knowledge important? First, let's examine the "account conversion" theory. If a salesperson does his job right, he has developed a trusting business relationship between his company and the customer such that it is the best value the customer can get in the market. That being said, if the salesperson switches companies and now brings in Brand X as a better value, trust just flew out the window. The customer now feels they were sold a bag of goods before, so what are they getting this time? Trust is the most important thing a successful salesperson must establish with the customer.

Even if trust isn't thrown out the window, changing sources never happens overnight. The salesperson has to influence the customer to change, rather than the customer requesting the change. That's a big difference, and influencing a customer to change takes considerable time versus a customer-driven change. The problem here is the assumption that accounts will convert instantaneously.

Psychologically, both the company and the naïve salesperson think the conversion will happen (if it ever does) much quicker than it actually happens. Then great disappointment on the part of both parties happens when reality sinks in. Account conversion based on industry knowledge is not what it is played up to be.

The Importance of Training

Another mistaken assumption in hiring someone with industry knowledge is they don't need much training other than on new product. Consequently there is no training on customers and markets (assumption: industry knowledge covers that), or sales skills. This last point is the scariest, because once again, it is assumed that by attaining industry knowledge the salesperson has developed sales skills. With few companies spending any appreciable time or money on sales skills training, guess what is lacking most for people with industry knowledge?

A stellar book written about effective hiring practices was not written specifically for that purpose, but nonetheless, Michael Lewis' *Moneyball* (2003 by WW Norton) is a gem when it comes to thinking about who to hire. *Moneyball* shows how Major League

Baseball's Oakland Athletics do a better job drafting quality players than any other team in baseball — and they do it with one of the lowest payroll budgets in baseball. They've made the playoffs five of the last six years, just missing last year on the last game of the

season. But last year wasn't a total loss as five of their six minor league teams won their respective leagues. The basis of the Athletics' success is the non-industry player selection philosophy of their general manager, Billy Beane. Here's an excerpt from the book:

On the white board closest to Billy, the Big Board, there is space for 60 players. One by one he takes the names of the players the old scouts have fallen in love with (the ones with the "tools") and picks apart their flaws. The first time he does this an old scout protests. "The guy's an athlete, Billy," the old scout says. "There's a lot of upside there."

"He can't hit," says Billy.

"He's not that bad a hitter," says the old scout.

"Yeah, what happens when he doesn't know a fastball is coming?" asks Billy.

"He's a tools guy," says the old scout, defensively. The old scouts aren't built to argue; they're built to agree. They're a part of the tightly woven class of former baseball players.

Every industry we work in we hear the same thing from all the old scouts who have been in the business for a long time. Working with sales managers in industrial automation, we'll ask, "What are your hiring criteria for salespeople?"

They respond, "First, they must be technically competent — they must be engineers." (The guy's an athlete, Billy.)

Then we ask, "What's your biggest challenge with your sales team?"

"They don't know how to close." (He can't hit.)

"My only question," says Billy, "is, if he's that good a hitter, why doesn't he hit better?"

"The swing may need some work. You have to reinvent him. But he can hit."

"Pro baseball's not real good at reinventing guys," says Billy.

By the time a corporation hires a salesperson, that person has gone through the most influential era of their life already and their habits are formed — good

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and bad. They either have a passion for sales already or they don't. This means they get up and get out every day without adult supervision, they dig up new opportunities, find ways around obstacles, work on self-improvement, and pull themselves back up off the deck after getting flattened. These people are hitters — they don't get mad when they strike out — they wonder how it happened and fix it the next time. As far as hiring the industry specialists (the guys with "the tools") is concerned, consider this: maybe they've been in the industry so long because they actually couldn't sell in any other industry. In other words, they aren't salespeople.

Who Are We Looking for in Sales?

Nothing in the box below talks about industry knowledge. Nothing about product knowledge. And

Who Are We Looking for in Sales?

It's easy to say what not to do, but what about solutions? Who are we looking for in sales? What characteristics make a successful salesperson?

- They have the self-discipline to get up and get out every day without adult supervision.
- They set up appointments — make commitments — and honor those commitments by showing up on time and prepared for the call.
- They manage their time well.
- They communicate effectively by sending pertinent information to appropriate parties. In turn, they take the time to comprehend information sent to them and reply to messages promptly.
- They get back up off the mat after getting knocked down.
- They are strategic thinkers — they see the big picture of the business transaction from the customer through their own company.
- They are willing to learn and improve.

every executive who just reads this list will lament, "Yeah, these are all great attributes, but you can't find these people." Not if they're looking only in their industry. They can't get to this list until they throw out the industry knowledge prerequisite list.

The argument some people come up with is a person who moves from one industry to another isn't focused. On the surface, that sounds good. However, in practice, it simply isn't so. First, the person who successfully moves from one industry to another is a real salesperson for two reasons:

1. They sell because they like to sell. What they sell is just a detail (as it should be).
2. They have successfully sold themselves to someone that probably wouldn't have hired someone from outside their industry (as we have already stated is established practice).

While we have found in our programs that four out of five people who were terminated due to poor sales performance were hired for their industry knowledge, we also found that four out of five of the top salespeople in those same organizations had a previous sales position in another industry.

Personality Tests

We've had some sales executives ask us to perform sales personality tests for their new hires and their current sales force. In the early '90s, we licensed a personality profile test. While it gave us a nice snapshot, we missed the big picture. Personality tests are taken in a controlled environment, not the chaos of the real world. Sales is very chaotic and very real, and what you really want to evaluate is a salesperson in the competitive environment closing a deal with a tough customer — and doing it profitably. Probably a better personality test would be to observe them in a game of poker or golf — or driving a car through rush-hour traffic.

Another problem with using personality tests is that through business school acumen and technology more and more executives are becoming distanced from field sales — hence, distanced from their customers and market. The personality tests widen the gap between the executive and the sales force because they allow the executive to assume that the test is not just a management tool, but in effect a middle manager. Therefore, it is the test that tells the executive what decisions to make in the hiring process.

The executive who wants good salespeople must always be subconsciously recruiting salespeople.

In our training programs we can quickly see problem areas just by getting involved with the salespeople. In many cases, when we dig a little deeper, we find that red flags should have been seen in the interview process — or that the interview process didn't even provide an opportunity to look for red flags. Looking at the key sales attributes listed in the box on the opposite page, all of them can be ferreted out in the activities of a thorough interview process.

Where to Find Salespeople

First, let's address sales recruitment for what it should be: an ongoing strategy, not a momentary task. When businesses hire salespeople as a strategy instead of a task, the hiring process is where it should be — top of the mind. Considering sales is the only department in any organization chartered to produce measured profitable growth, sales recruitment should matter — and it should matter greatly.

If a company is having problems recruiting "good" people, or is suddenly in need of someone because they have an open field sales position, it's probably because they treat the sales recruitment process like a task. They will never find a good salesperson by the end of the month so they can make their numbers. They will not be able to hire a good salesperson at 10 a.m. next Thursday. Recruiting good salespeople for hire is a continuous process, and includes the active recruitment of good people when they are not needed.

Good salespeople think strategically. Their decision to change companies is no different — it's a strategic one. More often than not, these types of decisions take time and good timing to make. Consequently, the executive who wants good salespeople must always be subconsciously recruiting salespeople. And that means the total process from initial contact to offer/acceptance should take at least three to six months when solicitation is active for an open position on the front end. With no open position

available, it may be two to five years before quality salesperson and open position meet.

Where to Look, Who to Find

Where is the most prime location to recruit salespeople? Coach class of a weekday airline flight. Yes, coach class, not business or first class. Territory salespeople don't ride first class, and anybody who sits in first class does so because they don't want to be bothered. With cell phones going up to the point of departure, a business book in hand, and a laptop travel bag — it's easy to spot the traveling salesperson. Anyone that can't figure out how to strike up a conversation after that shouldn't be in management or recruiting.

The next best spot? The gate area of the airport. With the early arrival times to get through security, there is plenty of time and opportunity to qualify a candidate in the gate seating area. Here are some other thoughts regarding who to find and where to find them.

Education Background

It is possible to find sales talent fresh out of college. Consider:

- Psychology majors: Sales is about understanding people, not technical competence. Psych majors understand influencing factors in human behavior, which is precisely what a successful salesperson does.
- Communications/English majors: The best new salesperson we've seen in the entire 700 we've trained has an English degree. He writes constantly, but all the material is pertinent, well-thought-out, and actually interesting enough that you look forward to his next piece of correspondence. His ability to put concise, structured thought together is one of the keys to his top performance. Communications majors learn how to use the most effective communication skill to master in sales: listening. Looking back further into a resume and finding a Jesuit College Preparatory High School diploma more than likely also shows a strong English background, regardless of the college degree.

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- Foreign language majors: Mastering a foreign language requires the mind to “translate” not only into another language, but into another culture. A sales transaction is the same thing: a translation of the language of the customer to the language of the company as well as the translation of the two business cultures.
- NCAA Athletes: College athletes who have a degree but did not turn pro are a target-rich environment. They had to time-manage and balance athletic commitment with academics and had to deal with failure — either in losing a competition, getting injured, or not starting every event. They learned that hard work and practice pays off, and they had to communicate with teammates during practice or a game.

Industry Background

While there are certificate programs available for industry-specific sales training, they are basically a measure of achievement and status selling in that industry, not a prerequisite to sell in that industry. Consequently, the numbers of people who achieve this status are relatively small. Furthermore, most of the accredited sales professionals are independent agents, not direct salespeople.

Since there is no appreciable formal sales training in any one industry, or significant numbers of salespeople that are ‘credentialed,’ then a single industry background is somewhat limiting to the salesperson’s professional development. However, multiple industries do become a bonus for the salesperson’s development. Here’s why: Through experience, any one industry forces a certain sales discipline to be developed. Mortgage brokers have to think fast, accurately, and know how to work the phones. Commercial banking salespeople have a long sales cycle and have to professionally network, network and network. Real estate agents have to get up and get out every day — straight commission, on their own, with no appreciable corporate backing other than the corporate logo on their card. Pharmaceutical salespeople dress for success and know how to work doctors into their corner. Airline salespeople sell value — customer service. Any one industry forces salespeople by nature to develop one or two disciplines required to succeed in sales. But none of them develop the complete salesperson — a salesperson who thinks differently than the myopic mindset of that industry. The successful salesperson takes the lessons learned in one

industry and applies them going to the next. At the same time, they pick up a new sales skill from the new industry.

The Hiring Process

Hiring a quality salesperson is never a quick process. However, when preparation and the opportunity meet it can be a quick decision. The problem is many people fail at the preparation side of the equation. The process involves:

1. Preparation.
 - a. Definition of the desired sales attributes.
 - b. Definition of the sales task.
 - i. Territory/market boundaries.
 - ii. Value of the territory/market.
 - iii. Reporting functions/feedback systems.
 - c. Territory performance.
 - i. Current.
 - ii. Projected over two years (based on what facts?)
 - d. Strategy for the territory/market.
 - e. Support tools/personnel.
2. Mental notes.
 - a. Realization that the best available may not have all the desired attributes, but as a minimum they have to show up, try, and be willing to learn. These people are trainable, even in training for good sales behaviors and habits.
 - b. Anything is *not* better than nothing. Bad salespeople kill profits and growth.
 - c. Active patience: The right person will not likely pop up on the radar screen the day they are needed.
 - d. It’s a continuous anyone-is-a-prospect search. Searching for salespeople is a top-of-the-mind strategic habit. It’s not relegated to a specific day, time or place.
 - e. Focus on the end-state: a quality salesperson. The end state is not filling the territory.
3. Build a prospect list based on experience and from associates who provide trusted, qualified recommendations. The best prospect list is built by watching salespeople handle a crisis. Successful sales isn’t just making numbers — it’s also the ability to snatch victory from the jaws of defeat.
4. Influence the top candidate by showing them:
 - a. Career and sales growth opportunity.
 - b. A good team to work with.
 - c. A good training/development program.

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- d. Comp package that allows them to make more money than the CFO.
 5. Use the interview process to see the prospect in action and if they have the needed attributes:
 - a. They have the self-discipline to get up and get out every day without adult supervision.
 - b. They set up appointments — make commitments — and honor those commitments by showing up on time and prepared for the call.
 - c. They manage their time well.
 - d. They communicate effectively by sending pertinent information to appropriate parties. In turn, they take the time to comprehend information sent to them and reply to messages promptly.
 - e. They get back up off the mat after getting knocked down.
 - f. They are strategic thinkers — they see the big picture of the business transaction from the customer through their own company.
 - g. They are willing to learn and improve.
 6. Always verify the accuracy of the resume and what has been said by the prospect. It can be difficult to check references, especially when some references cannot speak the truth about a prospect. If not sure about the candidate, call a reference during off-hours (to get voicemail) and leave a message, “We are interviewing John Smith as a candidate for sales in our company. Please return the call only if you have positive comments.”

With good preparation, top-of-the-mind prospecting, and a thorough interview process, a quality salesperson can be found that will pay dividends for years to come. But no matter what any business does, any salesperson they hire is going to have to be trained. The choice is then if they want to hire people with industry knowledge and train them in sales, or hire salespeople and train them in the industry. Which brings longer-term results? With the vast amount of turnover occurring in the sales force today and the absolute challenge to create a quality sales force, the solution to the turnover and poor quality problem starts with the recruitment/qualification process. □

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