

Closing the Sale

For organizations to prosper, culture and sales professionals must be a perfect fit.

By Matt Bolch

As director of recruitment and selection for a financial services company, Randi Michaelson examines more than 900 resumes a year, interviews about 350 candidates and hires approximately 15. By the time a person is hired, he or she has gone through a rigorous, seven-step process designed to bring aboard the best people for one of the most important roles in the firm—financial representative.

Michaelson's employer, the Chicago-based McTigue Financial Group, part of the Northwestern Mutual Financial Network, requires that its financial representatives be more than order takers. They have to be able to form relationships with clients—and that skill has to come naturally to them. They are, after all, striving to build trust, dealing with sensitive personal information, and making recommendations and decisions that affect their clients' financial well-being.

Any organization's lifeblood is its sales team. Even a well-managed company offering premier products or services can founder if it cannot get its message accepted by its target market.

The difficulty, experts say, lies in acquiring a solid understanding of the types of people most likely to succeed in the organization's sales roles. Finding the right sales team members, then aligning them to corporate goals and offering the most effective incentives can all be challenging. Not everyone who wants to sell necessarily succeeds.

Fortunately, today's tools for helping employers make the best matches of candidates and sales positions are sophisticated, as is the art of deciding on candidates who fit with organizations' cultures.

The Comfort Zone

At the McTigue firm, the painstaking process of candidate selection includes an interview with Michaelson as well as interviews with the chief development officer and the director of training. Then, the candidate and his or her spouse meet Managing Partner John McTigue. Finally, a recruiter will review potential compensation—all before an offer is made.

Along the way, candidates complete a proprietary career profile, an assessment test developed by Northwestern Mutual that

measures persuasiveness; achievement and drive; and energy, initiative and persistence. Each applicant is assigned a score, but those scoring the highest don't necessarily make the best salespeople, company recruiters say, so the results are considered on a case-by-case basis. Results can confirm what interviewers are thinking, but they are not pass-fail criteria for the company.

"We can't teach how to build relationships," Michaelson says. "We're not interested in their backgrounds but their desire and ability to help people and build relationships. I always ask myself whether I'd be comfortable opening up to this person to discuss my finances, family and financial goals." This is the kind of trust that a financial services representative would have to create.

Top sales professionals can emerge from disparate backgrounds. One of the McTigue firm's top producers is a former Roman Catholic priest; others include a former lawyer and a former engineer.

Michaelson says the time she spends interviewing candidates pays dividends, including retention. Nine of 10 financial representatives who remain with the McTigue firm for five years will retire with the company.

Look at Work Experience

Like the McTigue firm, Toronto-based ReThink Rewards, an online incentive marketer, has a rigorous candidate selection process for sales positions. The process includes group interviews, each with 10 candidates and two employees—a sales representative and a human resource representative. The interviewers then select 10 finalist candidates and ask each to review one of the company's case studies and give a 20-minute PowerPoint presentation to two other employees. The presentations are followed by 10-minute question-and-answer sessions.

Finalists are interviewed by the hiring manager and HR representative, who use "Topgrading" methods—an approach that involves an extensive interview with each candidate about his or her experiences in high school, college and the workplace.

Bradford D. Smart, an author and consultant who developed the Topgrading approach, claims that with thorough interviews of candidates on their work histories conducted by two company officials, a company can increase the percentage of "A" players it hires from a typical rate of 20 percent or so to more than 80 percent.

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During the Topgrading interview, the candidate is asked 15 questions about each job he or she has held in the past 10 years, including opportunities, challenges, mistakes and accomplishments. The candidate is also asked to arrange personal reference calls with past supervisors, peers or subordinates; these calls are apart from those to previous employers where HR professionals are asked if the former employee is eligible for rehire.

The Topgrading methodology is said to unearth information that other interviewing techniques may not get at, and the thoroughness of the process can dissuade some candidates, including some who are less qualified, Smart says.

Smart's Topgrading for Sales: World-Class Methods to Interview, Hire, and Coach Top Sales Representatives (Portfolio, 2008) was co-authored by sales expert Greg Alexander.

ReThink Rewards managers have been using Topgrading for 18 months, have hired 11 people this year and have a 90 percent retention rate, says Cathy Chin, employee experience manager—the company's term for HR manager. Moreover, the company is attracting workers from top-flight companies such as Microsoft and the McKinsey global consulting firm—"an indication that we're doing something right," she says.

ReThink Rewards also uses its own incentive program to persuade its three dozen employees to refer qualified candidates. "A players attract A players," Chin says. "We pay 2,000 points for getting someone to meet with the hiring manager and another 8,000 if the person is hired." The points can be traded for hotel stays and prizes from the company's catalog.

More Than Money

Compensation is important in attracting and keeping top sales professionals—but not paramount. Other factors include sales force organization, alignment and governing; job definition and worker deployment; and support. Support covers culture and career opportunities, the selling process, and underlying sales technology, says Michael Vaccaro, a senior manager at Deloitte Consulting.

The 2008 Strategic Sales Compensation Survey of 184 global sales leaders by consultant Deloitte LLP and software giant Oracle reveals some information about the role of compensation: Only 41 percent of the respondents said they are satisfied with their sales compensation program, down 18 percentage points

from the 2006 survey. And, incidentally, 40 percent said their companies failed to meet sales goals in the previous year.

Vaccaro, co-director of the survey, says, "Salespeople who are 'hunters' like to close deals, while 'farmers' are more into building relationships. A company can have both types of people, but the compensation [methods have] to match the personality of each to be effective." Hunters like to be paid for the close, while farmers want to be paid for ongoing relationships.

Finding Matches

Indeed, the proper match remains vital throughout the hiring process. Sales techniques vary among industries, and personalities vary among sales professionals. Just as a company's top sales performer might not make a good manager because the skill sets for the two positions are different, those who sell tangible products have a slight but significant difference in mind-set compared with those who sell services, says Jill Evans Silman, SPHR, vice president at Meador Staffing Services, based in Pasadena, Texas.

"Those who sell tangible products have to have technical knowledge [and] understand manufacturing and sales cycles and how they meet," says Silman, who serves on the Society for Human Resource Management's (SHRM) Staffing Management Special Expertise Panel. "These people are very much after the kill, making the sale and moving on." In contrast, people who sell intangible products may work harder on long-term relationships.

Providers that help employers find suitable matches include Atlanta-based Fitability Systems LLC; its standard assessments help recruiters identify potential sales talent, reduce turnover and hike productivity, says Jack Brantley, president and founder. Brantley says the cost is between \$250 and \$1,000 per position and includes as many assessments as necessary to fill each position. He says companies use the Fitability System to measure work, social and other characteristics.

Experts also recommend finding out how a candidate and the prospective supervisor would interact with each other. For that purpose, recruiting firm founder Tom Darrow recommends relational assessments from Houston-based Birkman International. Birkman's personality assessments measure the behaviors, motivation and organizational orientation of both parties.

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Darrow, principal at recruiting firm Talent Connections LLC in Roswell, Ga., and immediate past president of SHRM's Atlanta chapter, maintains that hiring managers should spend considerable time with each candidate, including time out of the office, perhaps over lunch or dinner. The hiring decision should be made only after weighing the top candidates' attributes against the job description. Nonetheless, Darrow adds, that doesn't mean that you should ignore your "gut" instincts.

Instinctive feelings backed up by validated assessments help ensure quality hiring decisions, says Dan Sheridan, senior director of sales at Extensis Group, a Woodbridge, N.J.-based provider of site-based HR outsourcing. When Sheridan was hired as a salesman, the company was using assessments from Caliper, a Princeton, N.J., provider of tools for purposes such as employee selection, team building and organizational development. His employer discontinued the use of Caliper assessments before Sheridan took the post in January 2007. He quickly re-implemented them and also revamped the sales teams. Now, Sheridan's sales teams have increased close rates by 44 percent. By mid-2008, Extensis had surpassed its 2007 growth numbers.

"Only the top candidates take the test, and more often than not, it backs up our initial findings," Sheridan says. "We look for work effort, drive, assertiveness, resilience and sense of urgency—things you really can't teach but personal traits that are vital for our business. We work on a long sales cycle, and someone without the right personality will become frustrated."

The Caliper Profile works for many job functions, but half of the company's engagements are for salespeople, says Patrick Sweeney, executive vice president of Caliper. The test brings into focus characteristics of persuasiveness, interpersonal skills, attributes such as problem-solving and decision-making, and personal organization and time management, he says.

Caliper research indicates that 55 percent of those making a living in sales don't possess the right qualities to succeed, Sweeney says.

Paul M. Connolly, an industrial psychologist and president of Performance Programs Inc. in Old Saybrook, Conn., uses assessments from Hogan Assessment Systems of Tulsa, Okla.

He looks for indicators of sales success, including drive and ambition, the emotional investment in the sale, and whether a salesperson plays by the rules. Unorthodox techniques might be

applauded, he says, but outright cheating should not be tolerated. By profiling salespeople, a company can get at the characteristics of success in its organization, then tailor assessments accordingly. Roswell, Ga.-based PreVisor, a provider of pre-employment assessments and employee selection solutions, conducted a job analysis for a wireless industry retailer to determine necessary competencies and then crafted a custom solution measuring customer service, self-motivation, revenue focus, immediate job readiness and future performance potential.

Several months after implementation, PreVisor conducted a validation study that showed candidates who scored well were signing an average 11 more clients a month and selling \$434 more in features and accessories to complement the original sales.

Other useful sales competencies center around sales focus and the abilities to be persuasive and persistent and to handle rejection, says Caroline Paxman, PreVisor's chief product officer. For intermediate sales roles, traits such as confidence and independence become important, as does the cognitive ability to match a solution to a customer's needs. Senior sales professionals deal with complex, solution-based sales and often with long sales cycles. The consequences of a bad hire are readily apparent because it could take a year or more for a salesperson to get up to speed on the product or service and fill the sales pipeline.

Align the Job with Interests

Assessment tools can align employees' interests with their jobs, a tactic used by MassMutual Financial Group of Springfield, Mass., to help agents determine where they should prospect.

MassMutual managers use the Strong Interest Inventory from CCP Inc. Its 291 questions identify an individual's interests as they relate to work and study. Answers are compared to those of a large representative sample of the U.S. workforce and to professionals in more than 120 occupations.

The inventory tool helps salespeople identify targets and verticals they want to sell to, says Deborah Levine, New England consultant for CCP in Mountain View, Calif. After a fall 2004 rollout, MassMutual has been using the assessment for new agents and during training boot camps for existing agents. Benefits include retention—because agents are selling in areas where they have an interest—and higher profits for the sales team by targeting those areas of interest, Levine claims.