



So Why Is It So Hard To Get The Right People On Your Bus? Part One: Sales People

Jeffrey C. Susbauer, Ph.D. | June 10, 2016

I've been consulting with and advising entrepreneurs/small business owners for over 45 years. In my experience, the most troublesome job to fill is the technical salesperson position. That does not mean there aren't other positions that are hard to find competent skilled people, but this blog will focus just on technical sales. Why technical sales? The combination of knowledge and a proper mindset, coupled with the problem that most small ventures do a really bad job in this area makes this very difficult.

If you don't have problems finding and keeping good sales people, you are not only in the minority, but you don't need to read the rest of this blog!

Here are some of the most memorable examples I have encountered that illustrate the difficulty of finding and growing the right sales people for your business.

Ineffective Sales People

One company hired a salesman (we'll call him Fred #1) who had great credentials. His sales performance over the 18 months he was with the firm didn't cover the cost of his fringe benefits. Interestingly, when he returned his company laptop, the owner discovered solid evidence that Fred#1 had been running a side business out of his office. Fred #1's successor, Fred #2, was also highly credentialed; his demise was a stubborn attitude that he could do his job (technical sales) exclusively using Linked In. It only took the company 4 months to release him, with the final straw being Fred's refusal to call a major customer to set up a meeting - he insisted on using email instead. In both instances, neither Fred # 1 or Fred # 2 would spend any time in the plant to find out what the company's real capabilities were despite ownership's demands that they do so.

Another company has been trying unsuccessfully to develop a salesperson to cover a territory 200 miles from the home office. The latest hire (there were at least 4 others over the past ten years) came with good recommendations and a track record of some success in a closely aligned industry. Without effective supervision and training (this was also a technical sales job), after 16 months the company President recently concluded this hire was a failure as well.

Successful sales people but not effective in developing new business

Then we have companies with very good to excellent sales success servicing existing customers but little/no success with acquiring new customers. Two examples come to mind. The first one is a SE United States firm with multiple territories. The salespeople were almost all very experienced and had long relationships with their customers. They were generally well compensated for customer retention. Their compensation was so high (the average compensation was \$85,000 in the 1980's - you figure out what that translates to in 2016) that there was little motivation to find new customers even though the incentive plan would have rewarded prospecting sales success very handsomely. At least two of these super salesmen were so comfortable that the company could not hold a sales meeting on a Monday morning or on a Friday because they would both be 'on holiday'. A similar experience occurred at a Virginia company with which I consulted for several years in the late 1980's. The salespeople were great at satisfying existing customers, and it was a good thing they did because the top two customers constituted 90% of total company sales. The goal was to hold onto those two customers and build new business to reduce customer concentration risk. The effort ultimately failed because the company never could figure out how to attract a different kind of salesman who was comfortable with prospecting for new customers.

Some Analysis

In the first examples above, the salespeople needed experience and understanding of the capabilities of the company as well as an appreciation of customer needs for which the company could provide solutions. There is a technical aspect to almost all sales, and the more difficult the technical side of the business, the more difficult it is to find good salespeople to sell those technical solutions. Could either Fred # 1 or Fred # 2 have been turned into productive salespeople for that company? In my opinion, they were destined for failure because both felt it was beneath their dignity or stature in the firm to get their hands dirty. The fact that it took a shorter time to fire Fred # 2 than it took to fire Fred # 1 tells me the company was getting smarter about recognizing hiring mistakes had been made.

In the examples of the companies with good relationship sales people, at least two critical mistakes were made. First, all of these salespeople were great at holding on to customers but did not have the demeanor or fire in their bellies to do the difficult task of finding new customers. Those who are good at keeping (maintaining) customers are rarely the same people who are good at acquiring (prospecting) new customers. The sad fact is that there are a lot more people who are good at maintaining customers than there are people who are good at finding new customers. The second critical mistake these firms made was that not only did they have the wrong people in place to find new customers, but their compensation systems were such that there was little incentive to go after the higher hanging fruit in the market.

The People Analyzer

One of the best books in the market today that should be required reading for any entrepreneur/business owner who wants to make his/her company demonstrably better is Traction, by Gino Wickman (disclosure: we make use extensively of this book in the COSE Strategic Planning/CEO Development course, beginning its 37th year this coming Fall). Wickman's Chapter 4 talks about getting the right people on your bus (which I borrowed as the header for this blog), and a key component of getting the right people on your bus is Wickman's concept of the People Analyzer. It starts with determining what the core values of the company are and then looking for people who Get It, Want It, and have the Capacity to Do It. In layman's terms, that means determine what the job is and seek out candidates who fit the core values and who have the capacity to do the job and want to do the job. In none of the examples I have discussed above were any of those factors seriously considered in the hiring process.

Takeaways

1. Hiring the right person for the job begins with determining exactly what the job is. If, in the case of sales people, the job is to find new customers, the fit of the person to that job is critical. Likewise, compensation/incentive plans need to be structured to drive sales behavior.
2. Even the best hires need to be educated and managed. Performance goals must be established and results monitored. One of my favorite sayings is "what gets measured gets done".
3. Because small businesses rarely have much bench strength, there are very few instances where someone from the company's farm team can be brought in to fill a need, particularly for sales. That's why most new sales hires come from outside the company and an education process to integrate the new hire into the company culture and values is important.
4. In technical sales especially, the temptation is to take someone with a technical background and try to convert him or her into a sales person. The mindset of an engineer rarely coincides with the mindset of the salesman. If you find the exception, value him or her highly because you won't find it that often.
5. It should also be mentioned that the best salesmen rarely make the best sales managers, and that is true for all sizes of firms in all kinds of industries/markets.
6. Finally, it only makes sense to admit mistakes earlier rather than later. If the hire (sales or any other function) isn't right for the job, admit the mistake and move on. That also says take the time to hire the right person in the first place. The notion of "hire slowly, fire quickly" should be embedded in the company core values and operations.

These are the kinds of issues we routinely discuss and dialog about in the COSE Strategic Planning Course. If you would like to learn more about the course, consider attending one of our information sessions and/or look into the material about the course in this same website.

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Want to learn more about the Strategic Planning/CEO Development course? Learn more at www.cose.org/spc