

WHY MOST INSIDE SALES REPS FAIL

and What to Do About It By Mike Brooks

If you're in charge of hiring, training, and developing inside sales reps, then what you're about to read may shock you a little bit, but it will also resonate with you and explain why many of the reps you hire ultimately fail.

In their book *How to Hire and Develop Your Next Top Performer*, Herb Greenberg, Harold Weinstein, and Patrick Sweeney compared the results from hundreds of thousands of assessments conducted over several decades with actual sales performance measurements and made the following conclusions:

- (1) 55% of the people earning their living in sales should be doing something else.
- (2) Another 20 to 25% (of salespeople) have what it takes to sell, but they should be selling something else.

Before you dismiss these results as far-fetched, think about your own inside sales team. If you're like most

companies, you probably have the 80/20 rule: 80% of your sales and revenue are made by your top 20% of producers. What that means is that the other 80% of your reps struggle to make quota (or rarely do)—and I'll bet that over the course of a year or two, half of these reps quit, are fired, or make you wish they would move on.

I've worked with hundreds of companies that have inside sales teams, and I can attest to the accuracy of the stats above. Every time I

begin working with a new company, I assess the skill level, aptitude, desire, and ability of each team member. What I find is that up to half of the reps employed shouldn't have been hired to begin with (or shouldn't still be working at the company). The most important thing for us to do is to replace them with better qualified candidates.



Where to Start

Are you with me so far? Let me offer a couple of caveats before you start thinking about replacing half your sales team.

First, in order to give each member of your existing team a fair chance to succeed, you have to make sure that you have invested the proper time and energy in identifying and defining your sales process (I call it a DSP—Defined Sales Process). Next, you need to design a sales training program, complete with specific scripts, that teaches the best practices of your sales process. Then you must properly train your existing team on those practices. Finally, you need to teach your managers how to coach and train your reps to adhere to those scripts and best practices. Assuming you take the time to complete this process first (I usually get companies through this process in anywhere from 45 to 90 days), then you are ready to begin recruiting and hiring more qualified candidates.

Guidelines to Follow

So, how do you begin to look for and eventually identify the other 45% of people who are actually cut out for the career of sales? Here are three important guidelines to follow:

Slow hiring, fast firing. If I were to ask you what activity college football coaches spend up to 70% of their time doing, what would you say? Watching game film? Coaching their players? Preparing game plans? The answer is none of those. College coaches spend up to 70% of their time recruiting talent to play on their teams. Does that surprise you? If you hire sales reps like most companies do, then it probably does.

Most companies hire sales reps the wrong way. They hire reps quickly, and they hold on to underperforming reps for far too long. You should do just the opposite. The best thing you can do is recruit continuously, giving yourself a constant flow of talent to evaluate and hire. Your goal should be to hire slowly—after a structured and careful evaluation process—and then be ready to let reps go who don't show the improvement or performance that you've identified in advance is necessary (you'll refer back to your DSP to arrive at this metric).

Here's the key: if you have a steady flow of talent and candidates to choose from (and in this market, many people are available), then you'll be much less likely to make quick and ill-advised hiring decisions. Plus, you'll be less likely to hold on to underperformers

who are unlikely ever to make it in your selling environment.

Be willing to consider and hire candidates who either don't have your particular sales experience, or don't have any sales experience at all. Let's return to the results mentioned earlier in this article—that 55% of people in sales should be doing something else, and another 20 to 25% should be selling something else. That means that the common practice of hiring experienced sales candidates will produce an unsatisfactory result as much as 80% of the time!

A much more effective way of hiring successful sales reps is to start with raw and motivated candidates and then train them properly, right from the beginning. Teaching new candidates the right skills and techniques is a lot easier than getting an experienced sales rep to unlearn all of his or her bad habits first. Of course, you must have a solid sales-training program that teaches effective sales skills and the best practices of your particular sales method (these best practices will also come after you've defined your sales process—your DSP).

You can still interview and even hire experienced sales reps, but bear this in mind: the biggest predictor

of future success in sales is what the rep has done in the past. What a rep is used to producing and earning defines his or her comfort zone, and in fact defines every aspect of his or her financial life. In life—and in sales especially—we all tend to live up to (or down to) what we are used to. If you want to know what an experienced sales rep might produce at your company, then just find out how much that person earned at his or her previous company. Divide this number by the rep's commission, and you'll have a very accurate idea of what you can expect that rep to produce.

Then ask yourself if that's enough. If it isn't, take a chance on someone new to the profession of sales. Instill in that person a brand new comfort zone based on success at your company.

Regardless of whether you hire an experienced sales rep or someone new to the profession, you absolutely must make sure your managers are measuring the right indicators of sales success and progress. You'd be surprised by how many companies measure and rely on metrics that don't drive sales (number of calls, time on the phone, and so on). Don't get me wrong—these are important metrics, and they definitely play a role in the success or failure of your inside sales team. But they don't drive sales.

Here's the difference: While it's obviously important that your reps are making as many calls and contacts with decision makers as possible, this fact alone will not drive sales. You see, if your reps are not qualifying prospects properly, or if they are not handling objections or brush-offs well enough to win sales, their making more calls won't yield that many more sales. In fact, it will just waste more of their time and more of your resources and result in more frustration in your sales department.

The only thing that drives more sales is effective conversations that move the sale forward with qualified prospects. For that prospect ultimately to result in a sale, each contact with a qualified prospect must demonstrate achieved benchmarks, and agreements must be reached at every point of the sales cycle. Coaching toward these benchmarks and measuring their successful navigation drive sales. This is the crucial difference between measuring quantity (making more calls) and measuring quality (measuring what happens during those calls).

Once you understand and can apply that difference in your sales environment, and once you can teach this difference to your reps, then and only then will you begin building a more successful sales team and company. Until then, you are likely to keep repeating the kind of performance you've had over the last few years—regardless of how many new reps you hire.

Conclusion

To recap these successful hiring guidelines, start with the philosophy of slow hiring and fast firing. Always be on the lookout for new candidates, and turn each employee into a mini recruiting machine. Offer hiring bonuses, referral bonuses, and other incentives to get your whole company looking for qualified and talented candidates that you can add to your sales team.

Next, expand your talent search. Don't just run ads in the sales section of the paper or online sources; expand to college recruiting boards, acting blogs (actors often make great inside sales reps!), and other websites. Be open to bringing in someone fresh to the profession of sales and teaching them the right skills from the beginning.

Finally, make sure you measure (and reward) the actions that drive sales. Remember, how your sales reps handle the brush-offs, smokescreens, and stalls determines how successful (and empowered) they are—far more than how much time they spend on the phone. *Who* is in the pipeline is far more important than *how many*.

Follow these guidelines, and you'll be on your way to building a highly successful inside sales team. **N**

**THE ONLY THING
THAT DRIVES
MORE SALES
IS EFFECTIVE
CONVERSATIONS
THAT MOVE THE
SALE FORWARD
WITH QUALIFIED
PROSPECTS.**

Mike Brooks is founder and principal of Mr. Inside Sales, a Los Angeles-based inside sales consulting and training firm. Mike has been voted one of the most influential inside sales professionals for two years in a row by The American Association of Inside Sales Professionals, and is the recognized authority in the industry.

Mike is hired by business owners to develop and implement proven sales processes that help them immediately scale and grow multimillion-dollar inside sales teams. He also offers customized sales training programs, works as a virtual V.P. of Sales, and offers executive coaching programs to business owners around the world. For more information, visit his website, www.MrInsideSales.com.