

Sales Performance Study 2017

Why HRs are key to building winning sales team?

—
Insights and trends from a survey of over 1600 sales professionals



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Executive Summary

Over last 8 months, Mettl conducted an in-depth research along with SHRM to address (and to a large extent simplify) the diversity prevalent in sales roles across industries. The objective was to not only better understand the nature of sales across industries and buyer type and medium of selling, but also identify key factors that lead to success in various sales situations.

Before deep-diving into one-of-its kind research for identifying the right set of behavioral competencies, aptitudes and motivations for various industries and sales teams, Mettl conducted a short survey to discover:

- Do people decisions (hiring, onboarding, training) affect sales performance?
- How important are people decisions across industry, company size, and buyer type?
- What is the impact of smarter people decisions on sales team performance?
- How can HRs identify the right competencies to augment their people decisions?

Below are some of the key insights which uncovered from our survey of **1600+ sales professionals** across industries.

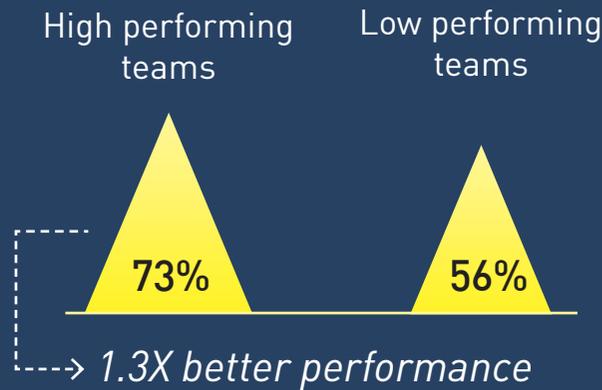
RESPONDENT INSIGHTS



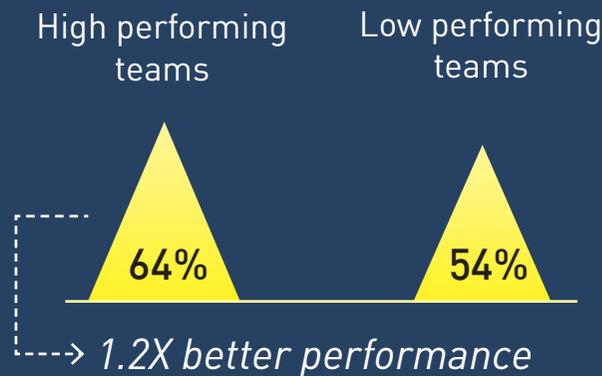
→ **45%**
of respondents (who think hiring is critical) don't know why their top performers are successful.

MANAGER INSIGHTS

Focus on competency-based hiring:



Focus on analytics and forecasting:



ORGANISATION INSIGHTS



Use competency-based interviews



Sales Teams Form The Backbone Of Every Organization



Any organization producing or serving anything to its customers would be unable to do so without a strong sales force. The sales team therefore forms the backbone of every organization - be it a small start-up or even a large conglomerate. They are directly responsible for bringing in revenues and meeting sales targets (while dealing with the pressures that go with) to improve profitability as well as grow market share.

Once you know your initial go-to-market strategy is working, it's time to add more people. You increase the number of humans so you can increase the number of calls, emails, demos, deals. Sounds like an assembly line, and it partially is, but humans are more complicated than that so there's nuance to the construction of this revenue factory.

That said, if you're able to land intelligent, self-directed humans, the results can be magical. There's a "rich get richer" flywheel mechanism when it comes to sales hiring — high-caliber folks do great work, leading to better business outcomes, creating a more engaging work environment, which helps you bring on more awesome people.

Simply put,

**you need to build a team
that will get you to your numbers.**

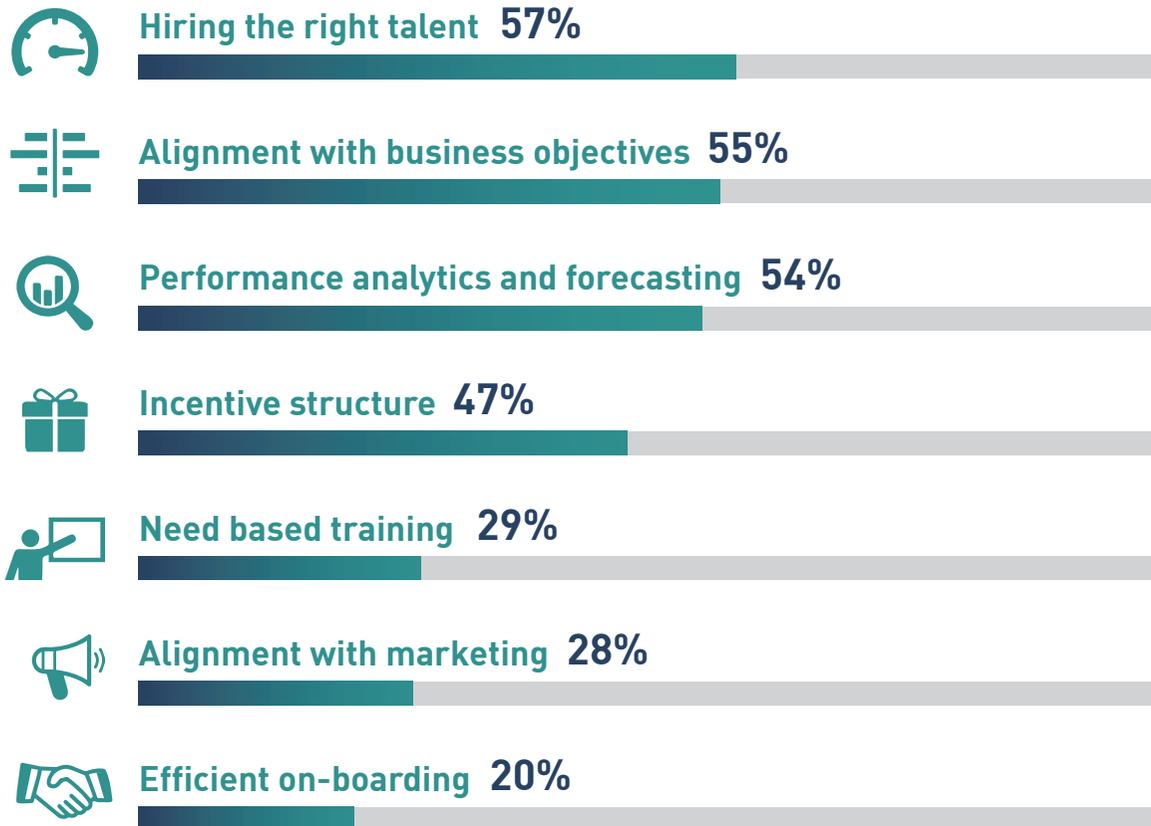


Role Of People Drivers (Hiring, On-Boarding And Training) On Sales Team Performance

We would all agree that there is a robust business need for objective sales hiring – devising comprehensive strategies to hire salespeople who will hit quota year-over-year and deliver profitable revenue is a critical component of sales management success.

To find out what sales people think, Mettl surveyed over 1600 sales professionals across industries to find out the three most important growth drivers that impact the sales revenue positively, and how people drivers stacked against process drivers in terms of importance. The results are fascinating.

Rank the seven growth drivers according to their importance.



Role Of People Drivers (Hiring, On-Boarding And Training) On Sales Team Performance

Among the 1600+ sales professionals across different industries who participated in the survey, **57% think hiring the right talent is one of the top 3 growth driver to improve the performance of sales.**

Followed by, 55% of the participants who think alignment of sales objectives with business goals is key, and 54% place sales performance forecasting and analytics among top 3 growth drivers.

YES.

As per the results of the survey,

building the right sales team is as important as sales strategy, process or technology across industries.

“

Everybody talks about the importance of talent management, but far fewer confront a basic fact: Companies typically spend much more money and hire many more people, annually, in their sales function than they do anywhere else in the firm.

- Cespedes, a senior lecturer in the Entrepreneurial Management unit at Harvard Business School

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At Google and Groupon, for instance, a higher percentage of employees work in sales than engineering or data mining. Putting the right team on the field is crucial.

As the saying goes, **“You hire your problems.”**

Dynamics Of People Drivers Across Industry, Company Size And Buyer Type



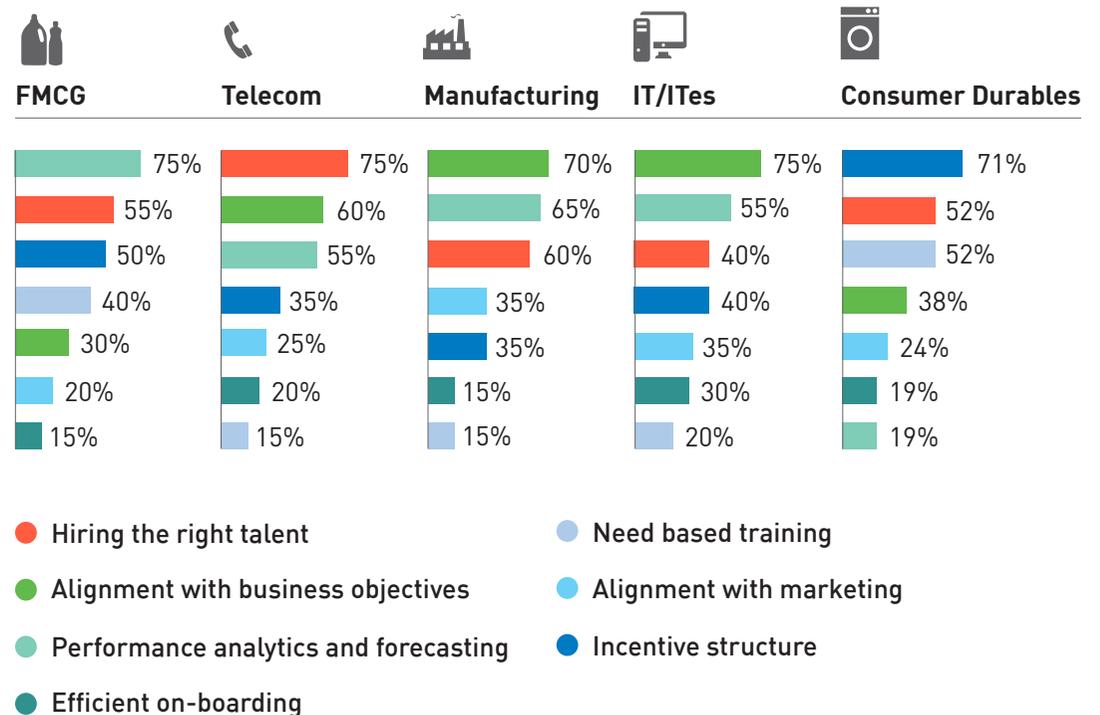
We had the same question too!

The dynamics of sales management varies across every industry, company size, and buyer type, namely B2B and B2C. A consumer product sales strategy will never be the same as a service-based product. Similarly, a startup or a nimble company will have a very different sales team composition from a large corporation.

For our study, we selected five major industries

- FMCG
- Telecom
- Manufacturing
- IT/ITes
- Consumer Durables

HOW DOES THE PRIORITY VARIES ACROSS INDUSTRIES?

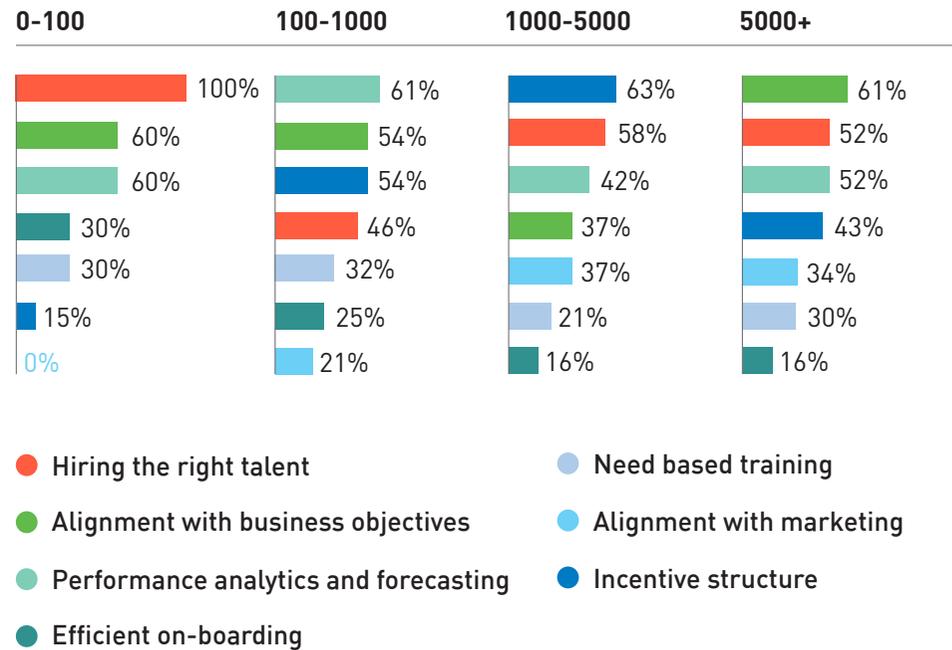


In each of the top 5 industries in India, hiring for top performance has been consistently rated as one of the top 3 growth drivers, with telecom coming out as the one industry where hiring is the top growth driver for sales performance.

Dynamics Of People Drivers Across Industry, Company Size And Buyer Type

While the specific duties of a sales manager may vary based on factors such as the size of the company, the size of the sales organization, budget, and other variables, sales managers handle a spectrum of duties ranging from direct sales rep management to territory planning, crafting the company's sales strategy (and gaining buy-in from both higher-ups and direct reports), managing change, implementing and overseeing incentive programs, researching and adopting the right technologies to support sales, sales development, and sales enablement functions, and more.

HOW DOES THE PRIORITY VARIES ACROSS COMPANY SIZES?



According to the data, a whopping 100% of small companies with a company size of 1-100 have rated hiring for top performance as their most important growth driver. As the company size increases, alignment with marketing and incentive structure also grows in importance.

Dynamics Of People Drivers Across Industry, Company Size And Buyer Type



Finding the perfect sales rep is just as important as finding that perfect manufacturer and product.

Because some reps are better than others at pitching different types of products, the trick lies in choosing one who best complements your particular type of merchandise and, preferably, already has experience and contacts.

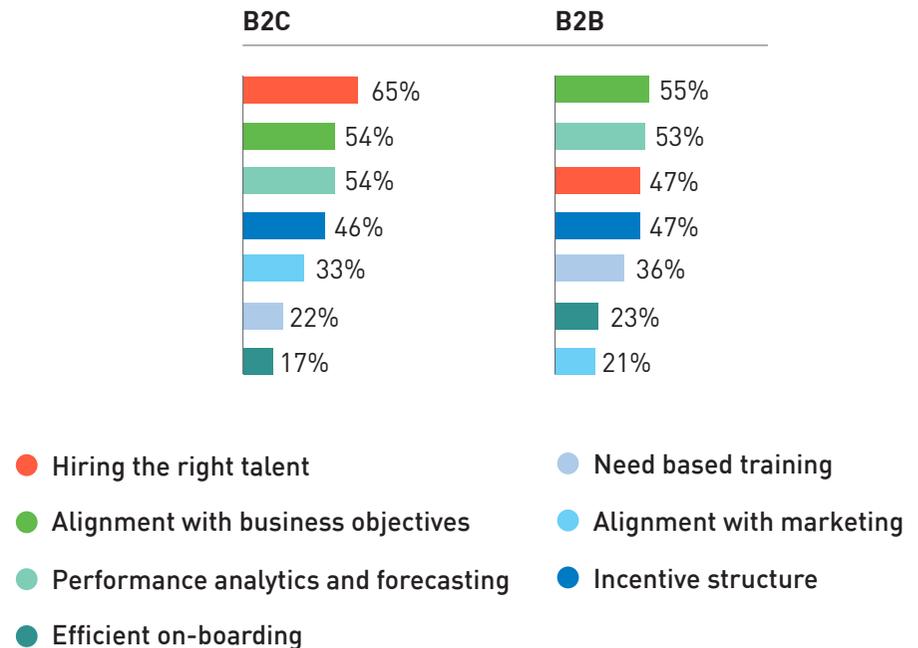


Dynamics Of People Drivers Across Industry, Company Size And Buyer Type

There have been attempts by others to understand and break down sales job roles in the past. Some have looked at the approach that a salesperson takes (his or her personal style) when dealing with clients and closing transactions.

These studies have classified salespersons as Hunters and Farmers. Others have classified them depending on whether they sell to businesses (B2B) or end-customers (B2C). Few others have classified sales job roles basis the media that is used to conduct the sales like tele-sales, field sales, channel sales, franchisee sales.

HOW DOES THE PRIORITY VARIES FROM B2B TO B2C?



According to the 1600+ participants, hiring remains the top growth driver for B2C industries but falls off as alignment with business objectives becomes the top process-oriented growth driver for B2B industries.

Strategies For High Performance Sales Team



Most managers across industries are blaming the deteriorated performance of their teams on Millennial sales reps who can't close. But the issues lies somewhere else. What we miss is that there are systematic failures in how we are preparing our sales reps for success and creating an environment in which they can succeed.

If we look at the sales performance of sales reps today it should be evenly distributed in a bell curve as seen here.



Coupled with the growing sales innovation gap, customers are demanding a better experience, making the normally distributed curve look like it is falling short of the mark.



Unfortunately, the reality isn't that peachy. With today's sales reps being put into roles they are ill-equipped for, using technology that accelerates their failure, and doing all of this with a distinct lack of formal sales education, the curve of sales performance looks a lot differently.



Strategies For High Performance Sales Team

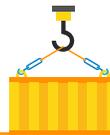


To understand this real reason for this, we can look at the Swiss Cheese Model for accident causation. It was developed in 1990 by James Reason and is used today to understand systemic failures in healthcare, aviation, and engineering along two approaches:



PERSON APPROACH

Focuses on the errors of individuals, blaming them for forgetfulness, inattention, and/or moral weakness



SYSTEM APPROACH

Concentrates on the conditions under which individuals work and build defenses to avert errors or mitigate the effects

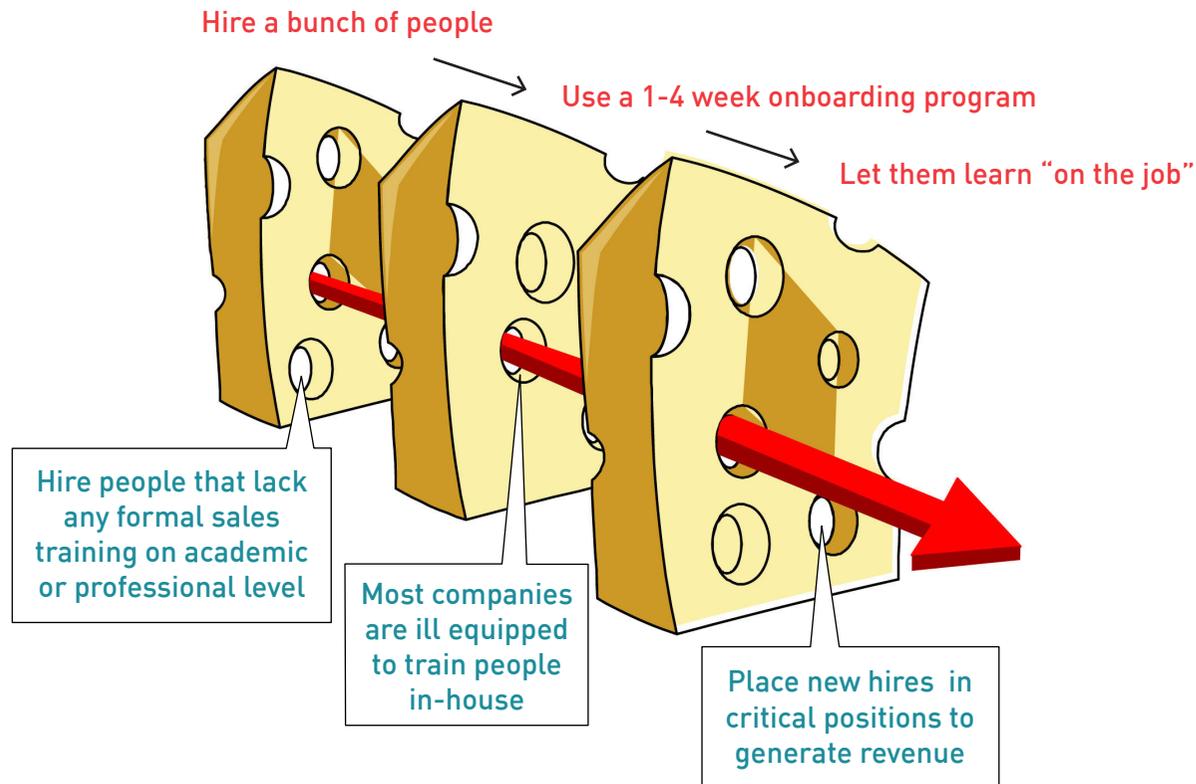
Humans are fallible and errors are to be expected, even in the best organizations. Errors have to be seen as consequences rather than causes, having their origins not so much in the perversity of human nature as in upstream systemic factors.



Strategies For High Performance Sales Team

SYSTEMIC FACTORS IN SALES

The picture below identifies 3 systemic factors experienced in many sales organizations:



Over recent years, revenues topped due to the switch from an Upfront/Perpetual License model to a SaaS subscription model. The Client Acquisition Cost suddenly became a big issue. That resulted in hiring lots of lower cost first/second jobbers.

Strategies For High Performance Sales Team

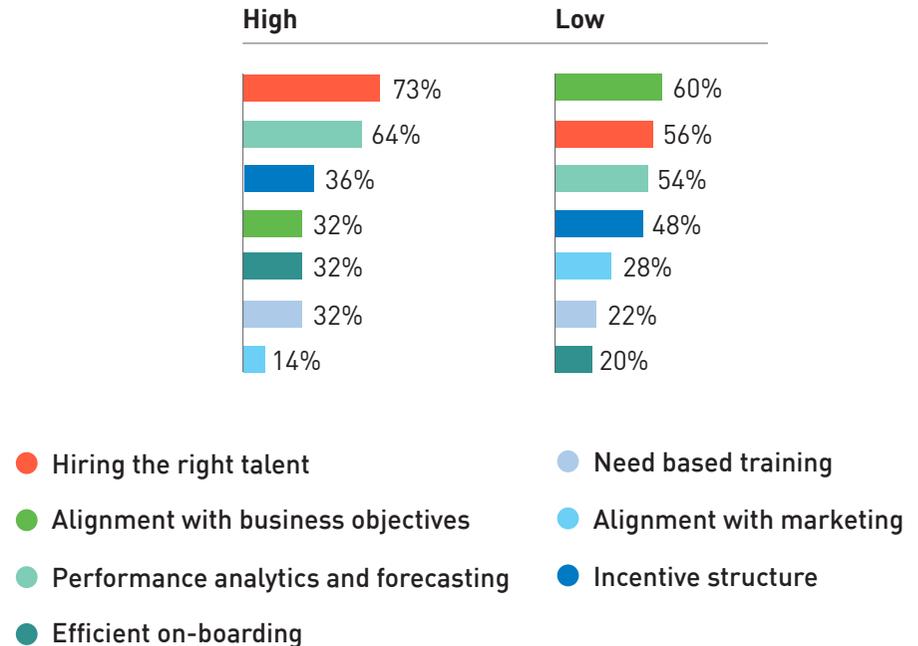


73% of high performing managers focus on competency-based hiring as their top priority when compared to 56% for all managers. **This provides an evidence that if managers focus on hiring the right candidate then performance can be boosted.** Similarly, 64% of high performing managers focus on analytics and forecasting as one of top 3 priorities when compared to 54% of low performing managers.

Another interesting insight was on the topic of adopting widely available tools like online assessments and structured interviews to perform competency-based people decisions.

What was surprising to us was that still, 60% of all organizations don't use online assessments to hire the perfect sales executive. To further aggravate the situation, only 22% of all organizations use competency-based structured interviews which is far lower than 46% of high performing organizations.

From our survey, we attempted to understand what high-performing teams are doing better than low performing teams.



This highlights why organizations must quickly adopt well-researched assessments & structured interviews to make their hiring faster and more effective for better on-the-job performance.

Identify The Right Competencies To Augment Your Decisions



[In the mid-1990s, Christensen received a call from Intel's Andy Grove. Grove had picked up on Christensen's research on disruptive innovation, and invited him to fly out to California to discuss the implications on Intel.

After a positive meeting, Grove asked Christensen: "OK. But how do I do this?"

At first, Christensen started responding with a discussion on business strategy, explaining amongst others how Intel could set up a new business unit. This earned him a terse reply from Grove, who told him "I know what I need to do. I just don't know how to do it".

This made Christensen realize a crucial point: the division between what and how is often overlooked in the world of business.]

To put it simply:

Strategizing is easy. Executing is hard.

Salespeople, sales managers, sales VPs, and chief revenue officers all have one common priority - hitting quota.

Which leads us all to the same agonizing question. **HOW?** We all know that it starts with the people performing the activities that bring in revenue: **YOUR SALES TEAM.**

But a salesperson who is high performing in one job can be not successful at another job. So, companies must understand how to find that right fit candidate for their role/industry. Mettl, in collaboration with SHRM, undertook extensive qualitative validation exercise, by conducting 65 detailed telephonic conversations with salespersons in various industries, to:

- a. **Rethink the large number of sales job roles by understanding the similarities and differences across the broad spectrum of sales job roles**
- b. **Develop a sales competency framework which can be practically used by HRs across industries to identify the right set of competencies for their unique requirements**

Sales is the most important function within every corporation, for-profit and non-profit alike. If sales don't take place, money doesn't come in, and if money doesn't come in, people don't get paid and companies go bankrupt.

Conclusion

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Given the obvious importance of the sales function, you'd think that companies would spend vast amounts of effort on recruiting great salespeople. However, many companies tend to be less scrupulous about hiring salespeople than in hiring, say, engineers or marketers.

This is mostly because many companies start with the notion that "great salespeople can sell anything to anyone." Therefore, all sales jobs are more or less similar and all that's needed to fill such jobs are "people who can sell."

Unfortunately, this is not the case. Selling parts assemblies to equipment manufacturers over the telephone is not at all the same as selling complex solutions face-to-face to high-tech firms. While both are "selling," very different skills are involved.

Different sales mediums also require different skill sets. Selling face-to-face is different from selling over the telephone which is in turn different from selling using webinars and web conferencing.

MYTH *"great salespeople can sell anything to anyone"*

TRUTH *"great salespeople are well-adapted to the environment in which they're selling."*

The recruiter and hiring manager must find specific individuals with specific skills rather than generic "people who can sell."

About This Report

Mettl surveyed over **1600+ sales professionals** across industries to discover:

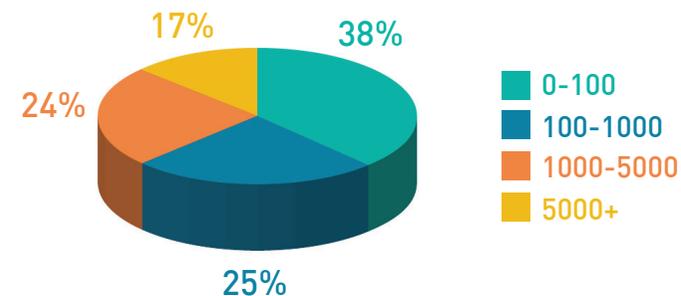
- Do people decisions (hiring, onboarding, training) affect sales performance?
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- What is the impact of smarter people decisions on sales team performance?
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Throughout this report, data is examined relative to business performance to identify patterns for overall success of sales teams. High-performing sales teams are those that significantly increased year-over year (YoY) revenue.

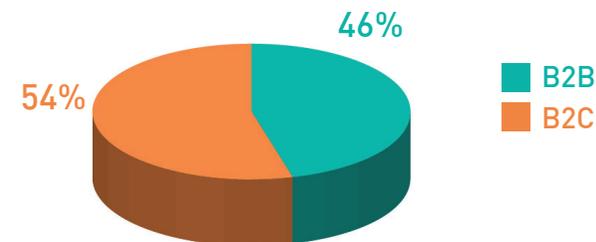
Population Data

The data used for this analysis report was gathered as part of Mettl's Research on Demystifying Sales Hiring. As part of this research effort, we utilized more than 1600 respondents surveyed from different companies. We continue to leave the survey open to collect additional data for benchmarks based on geography, vertical industry, company size, etc. The following graphs reflect the aggregated results from the study participants.

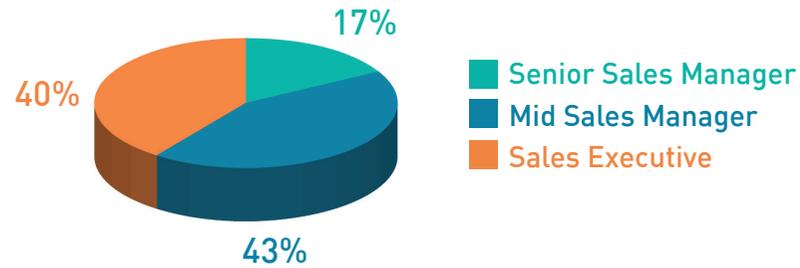
Participants by Company Size



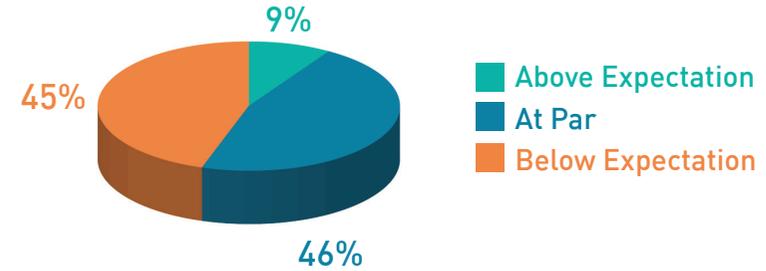
Participants by Sales Buyer



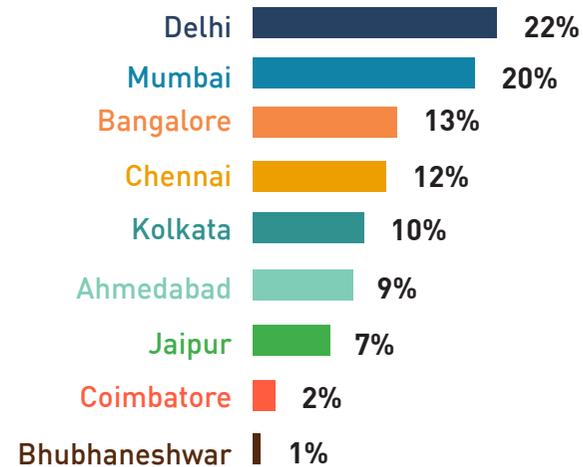
Participants by Job Role



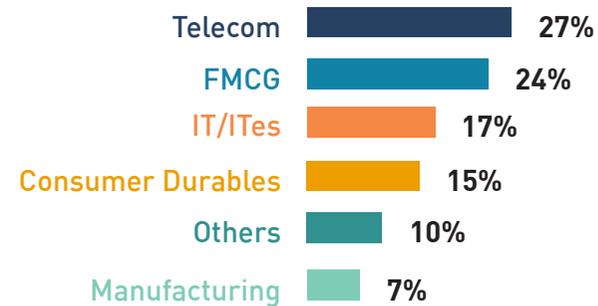
Participants by Team Performance



Participants by City



Participants by Industry





What is Mettl?

Mettl is a SaaS based assessment platform that enables organizations to create customized assessments for use across the entire employee lifecycle, beginning with pre-hiring screening and candidate skills assessment, training and development programs for employees/students, certification exams, contests and more.



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