Sales Talent: Challenges and Opportunities

The landscape of sales performance is shifting, and not necessarily in a positive direction. Sales figures have been on a multi-year decline, while buyer expectations continue to soar. While there's no one-size-fits-all solution to the challenges facing sales organizations today, it's clear that talent plays a pivotal role in any successful transformation.

When we talk about "talent" in the context of sales, we're referring to the collective skills and abilities of the sales and management teams within an organization. It's alarming to note that only 16% of B2B tech companies believe they have the sales talent necessary to thrive in the future. This talent gap isn't just a problem; it's a costly one.

Sales Talent Gap Is Expensive

The financial toll of talent gaps is evident in various ways. First and foremost, there are the tangible expenses associated with recruiting, hiring, and training new sales personnel. Studies show that the current attrition rate in the industry is 16%, with 10% being voluntary departures and 6% involuntary. These departures result in sales positions remaining vacant for an average of 3.7 months, leading to suffering territories and underserved clients. Furthermore, it takes approximately 9 months for a new hire to reach full productivity, meaning that territories may remain underserved for over a year.
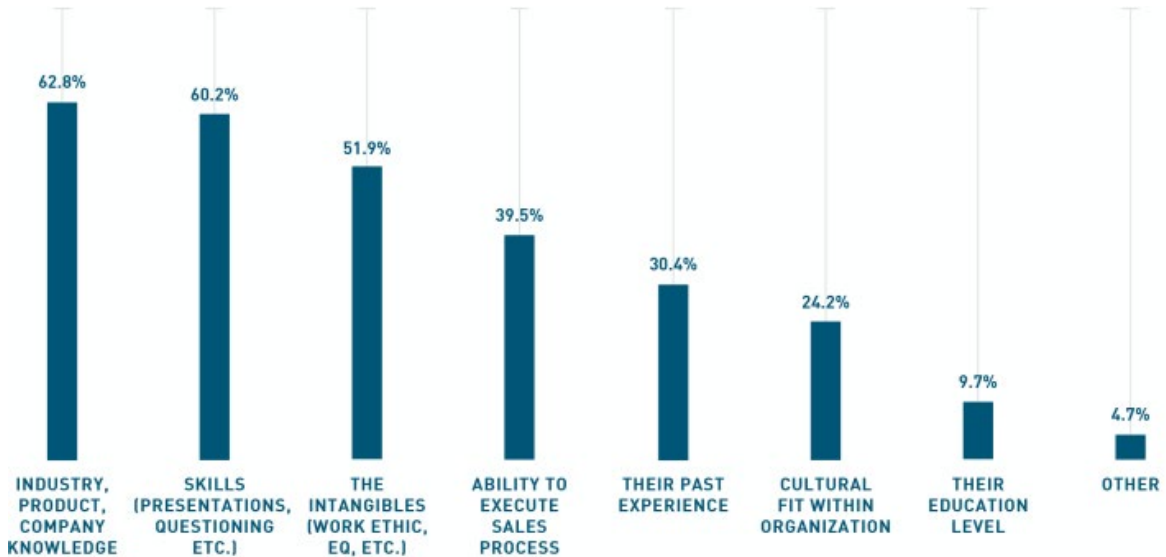
Hiring Is Not an Organizational Strength

Hiring has not been a strong suit for many organizations either. Less than 25% of organizations consider hiring to be a core organizational strength. While the business landscape is evolving rapidly, hiring profiles have been slow to catch up. Traditionally, hiring criteria have revolved around factors like a business degree, relevant sales experience, and high emotional intelligence. However, when sales leaders were asked about what truly leads to success, education and past experience were not ranked as highly relevant. Instead, industry and product knowledge, sales skills, and intangibles such as interpersonal abilities and adaptability were seen as the most critical factors. Identifying these qualities during the hiring process can be a significant challenge.

Most organizations lack the data and tools necessary to identify the ideal candidate accurately, leading to reliance on conventional criteria or gut instincts. This creates a hiring process fraught with guesswork. Surprisingly, when asked how they've modified their hiring profiles over the last year, the most common response from leaders was "not at all."

Below are some factors that sales leaders believe lead to success:

INDUSTRY, PRODUCT, COMPANY KNOWLEDGE	SKILLS (PRESENTATIONS, QUESTIONING ETC.)	THE INTANGIBLES (WORK ETHIC, EQ, ETC.)	ABILITY TO EXECUTE SALES PROCESS	THEIR PAST EXPERIENCE	CULTURAL FIT WITHIN ORGANIZATION	THEIR EDUCATION LEVEL	OTHER
62.8%	60.2%	51.9%	39.5%	30.4%	24.2%	9.7%	4.7%

Hiring tools, criteria, and profiles are evolving.

However, some organizations are actively evolving their hiring tools, criteria, and profiles. Those using hiring assessments report higher sales performance, greater confidence in their talent, and reduced attrition. Interestingly, those who inconsistently use their assessment tools perform worse than those who don't use them at all. Additionally, there's a growing emphasis on STEM degrees, and the traditional "business" degree is increasingly morphing into a "sales" degree, where graduates learn the essentials of sales processes, methodologies, and CRM software usage.

Attributes such as analytical skills, cognitive ability, technological proficiency, agility, and a hunger for learning are also gaining importance.

Talent is a pressing issue for most sales organizations. Questions of who to hire, how to find the right talent, and how to help them reach their full potential are paramount. Unfortunately, many organizations manage their talent through a hodgepodge of practices rather than adopting a comprehensive talent strategy. A well-structured talent strategy, owned by the revenue leader, should encompass a vision for talent, continuous evaluation of the current state, an evolving vision for the future, and a systematic approach to bridging the gap through human capital management practices. This shift towards a more strategic approach to talent management is vital for sales organizations to thrive in an ever-evolving marketplace.