

Accelerating Ramp-Up Time of New Sales Hires

5 Steps to Boost Sales Productivity and Lower Turnover



Abstract

For many companies, the ramp-up time for new sales professionals typically is six months or more. And, since sales people stay in their position on average for slightly less than two years, companies need to be extremely diligent in recruiting and hiring the right sales people, and then comprehensively onboard them in order to realize a return on their investment.

A comprehensive onboarding program for new sales people can shorten the ramp-up period, ensure long-term sales success, and reduce turnover.

This white paper focuses on five factors that ultimately determine how successful a sales organization is in onboarding its new sales people: (1) Sales Readiness, (2) Hiring, (3) Sales Training, (4) Sales Coaching and Mentoring Programs, and (5) Performance Management.

Ramp-Up Challenges

With a strengthening economy, surveys of business leaders are consistently showing that sales is the most popular functional area that companies are hiring for in 2011. Unfortunately, there is typically a significant lag between when a new sales person is hired and when the sales organization starts to realize a return on its investment.

The ramp-up period, or the time from when a sales person is first hired until they are performing “at plan,” can be lengthy. A good rule of thumb for estimating the length of this ramp-up period for new sales people is:

$$\text{Ramp-Up Period} = \text{Length of Sales Cycle} + 90 \text{ Days}$$

While this formula is simplistic, it is also realistic and points to a grim truth: even companies with relatively short sales cycles can face long ramp-up periods of six months or longer. And there is more bad news: the average sales person stays in his or her position on average for slightly less than two years. So taken together, sales organizations often have a negative return on investment on many of their hires.

Accelerating the Ramp-Up Time of New Hires

So what can a sales organization do to ensure that its new hires are successful? Research has consistently demonstrated that sales organizations with well defined, comprehensive and rigorous onboarding programs have sales people who achieve quota more rapidly and have lower turnover.

Most sales organizations have some form of onboarding program in place, even if it is merely a new hire orientation. Sales organizations with highly effective onboarding programs, however, excel in the following areas: (1) Sales Readiness, (2) Hiring, (3) Sales Training, (4) Sales Coaching and Mentoring Programs, and (5) Performance Management.

1. Sales Readiness

Successful onboarding begins in advance of any hiring. Prior to scaling a sales organization, a sales leader needs to be able to clearly answer a few simple questions: Exactly what will all of these new sales people do? How will they do it? Do they have the tools to be successful? These questions are intended to help a sales organization gauge its sales readiness – i.e., whether it has the defined strategy, documented sales processes, sales tools, etc. in place to effectively go to market and win.

Unfortunately, too many organizations suffer from unproductive sales teams because they are not sufficiently sales ready to accommodate a rapid expansion of their sales organizations. They often suffer deficiencies in one or more of the following areas:

- ✓ Clear sales strategy
- ✓ Documented sales process
- ✓ Effective lead generation strategy
- ✓ Sales tools that consistently communicate value proposition
- ✓ Compensation plans that align interests of sales person and company
- ✓ Sales goals and metrics that create accountability

Looking at the above list, a sales leader should ask how much of this is well defined and clearly documented.

2. Hiring

When it comes to sales people, nothing can fix a bad hire. So before spending time and resources developing a great onboarding program, a sales organization should ensure that it has a tightly defined hiring process. This starts with a clear hiring profile of the “ideal” sales person. This profile typically includes: (1) education, (2) work experience, (3) prior performance, (4) skills and knowledge, and (5) personal qualities and behaviors.

While the first four areas are easy to define, the last area—personal qualities and behaviors—is difficult to both identify and hire against. Hiring managers within a sales organization may even have conflicting ideas as to which personal qualities and behaviors (often referred to as key competencies) lead to sales success.

Below is a list of common sales competencies. The relative importance of these competencies will vary for each sales organization based on a number of factors such as industry, complexity of the sale, and level of autonomy of the sales person. So a company must choose its sales competencies carefully.

Key Sales Competencies	
Competitiveness	Planning and Organization
Confidence	Pride
Integrity	Resiliency
Judgment	Responsibility
Motivation	Work Ethic

As a starting point, a sales organization should benchmark its star performers in order to determine common qualities and behaviors it wants in new hires.

Many sales people do their best selling during the interview process. So it is essential that frontline sales managers learn how to conduct “behavior-based” interviews in order to identify candidates with the specific sales competencies that the company is looking for. For example, asking a candidate a leading question such as “Are you motivated?” will lead to a predictable answer. In contrast, a behavior-based interview process forces the candidate to disclose key behaviors where they demonstrated a specific competency.

One such behavior based interview process uses “STAR” questions that asks candidates: (1) to speak to a specific **S**ituation where they had to demonstrate a specific behavior, (2) detail the **T**asks that were involved in the process, (3) explain the **A**ctions that took place to reach the objective, and ultimately, (4) report on the **R**esults they achieved.

Below is an example of STAR questions that a hiring manager could use to identify a candidate’s motivation:

Situation:	Describe a goal that you achieved in business, in school, or in your personal life.
Task:	What were some of the obstacles you faced in striving for this goal?
Action:	What were the specific steps or actions you took in pursuit of this goal, and to overcome any obstacles?
Result:	Did you achieve the goal? How did you feel about accomplishing it?

By drilling down on the desired behavior, behavior-based questions take some of the subjectivity out of the hiring process.

3. Sales Training

The core of an effective onboarding program is comprehensive sales training. Training should be rigorous, motivating, and include a combination of self-study and team activities. A rigorous training program sets the tone for what is expected from a new hire, and gives the sales organization an opportunity to assess new hires and course correct, if necessary.

New hire training should cover the following:

- Company background and culture
- Strategy
- Industry
- Customers
- Product knowledge
- Sales process
- Sales skills
- Sales enablement technology

Depending on the complexity of your product and sales process, the initial training program should typically run one to two weeks and include ample exercises and role plays that allow new hires to apply the skills and knowledge. During this period, the sales managers should be actively involved in the training in order to carefully evaluate the progress of the newly hired sales people and to send the message that the company takes training seriously.

Sample Training Agenda | Week #1

Monday	Tuesday	Wednesday	Thursday	Friday
<input type="checkbox"/> Introduction to <ul style="list-style-type: none"> Welcome/Introduction History Vision/strategy Organization 	<input type="checkbox"/> Sales Tools <ul style="list-style-type: none"> Sales presentation Scripts Sales collateral 	<input type="checkbox"/> Introduction to Selling <ul style="list-style-type: none"> How customers buy Building relationships Active listening 	<input type="checkbox"/> Selling to Multi-level Decision Makers <ul style="list-style-type: none"> Mapping decision makers Gaining access Selling value 	<input type="checkbox"/> Sales Simulation: Part 1 <ul style="list-style-type: none"> Each AE will practice entire sales cycle using customized case studies
<input type="checkbox"/> Sales Overview <ul style="list-style-type: none"> Sales organization Goals Roles & responsibilities 	<input type="checkbox"/> Prospecting: Preparation <ul style="list-style-type: none"> Prospecting techniques Goal setting Organizing activities 	<input type="checkbox"/> Planning a Sales Call <ul style="list-style-type: none"> Customer- focused call objectives Opening call Capturing customers interest 	<input type="checkbox"/> Making Effective Presentations <ul style="list-style-type: none"> Mapping to customer needs Presentation skills On-line demo skills 	<input type="checkbox"/> Sales Simulation: Part 2 <ul style="list-style-type: none"> Each AE will practice entire sales cycle using customized case studies
<input type="checkbox"/> Industry Overview <ul style="list-style-type: none"> Industry Competitive landscape Historical perspective 	<input type="checkbox"/> Phone Prospecting <ul style="list-style-type: none"> 7-step prospecting process Referrals Motivation 	<input type="checkbox"/> Identifying Customer Needs <ul style="list-style-type: none"> Open/closed questions Fact/priority questions Using consultative questions 	<input type="checkbox"/> Overcoming Objections <ul style="list-style-type: none"> Obtain customer feedback Why customers raise objections Objection handling model Common objections 	<input type="checkbox"/> Sales Administration <ul style="list-style-type: none"> SalesForce.com training Sales goals / territories Weekly sales reports
<input type="checkbox"/> Market/Customers <ul style="list-style-type: none"> Key verticals Enterprise Small / medium size Resellers 	<input type="checkbox"/> Role Play <ul style="list-style-type: none"> AEs will apply prospecting skills using customized scenarios 	<input type="checkbox"/> Relating & Reinforcing Benefits <ul style="list-style-type: none"> Features vs. benefits Relating benefits to customer priorities Reinforcing benefits Quantifying value added benefits 	<input type="checkbox"/> Gaining Commitment <ul style="list-style-type: none"> When to gain commitment Overcoming reluctance to ask for order Four steps to closing 	<input type="checkbox"/> Client Onboarding Process <ul style="list-style-type: none"> Lifetime value of client Customer Service goals Up-sell, renewals
<input type="checkbox"/> Product Overview <ul style="list-style-type: none"> Value proposition Key points of differentiation Key features/benefits 	<input type="checkbox"/> Hands On Product Training <ul style="list-style-type: none"> AEs will learn how to use the product and give a demo 	<input type="checkbox"/> Role Play <ul style="list-style-type: none"> AEs will practice mock sales calls and customer dialogs using customized scenarios 	<input type="checkbox"/> Role Play <ul style="list-style-type: none"> AEs will apply presentation, overcoming objections and closing skills using customized scenarios 	<input type="checkbox"/> Call to Action <ul style="list-style-type: none"> VP of Sales

The most effective sales training combines classroom with real world customer contact opportunities. So to the extent possible, new sales hires need to be given customer contact opportunities as quickly as possible. Furthermore, in order to be effective, sales skills training needs to be followed by consistent reinforcement. A best practice would be to implement short, small group, weekly reinforcement sessions for the first three months following the initial sales training program.

4. Coaching and Mentoring

Following the initial sales training program, sales organizations can significantly improve ramp-up time by providing new sales hires with ongoing sales coaching and mentoring.

Sales Coaching:

A best practice for frontline sales managers is that they spend 25% - 40% of their time coaching their teams. Sales coaching should consist of both strategic coaching and tactical coaching. Strategic coaching focuses on helping a sales person make progress with specific prospects and customers. By discussing account strategies with their sales managers, new sales hires will learn how to prepare for sales calls, create account

plans, develop proposals, and prepare presentations. Tactical coaching focuses on helping the sales person improve his or her selling skills and is based on direct observation by the manager.

One common challenge sales managers face when coaching new sales people is what to do when they are failing during a call. Although sales managers are often tempted to take over the call and “rescue” the new sales person, it is essential that they focus on their role as a coach and allow the sales person to learn from his or her mistakes.

Mentoring:

Another way to shorten the ramp-up period is to pair up new hires with experienced sales people as part of a structured mentoring program. In contrast to sales coaching, in a mentoring program the new sales person learns by observing an experienced sales person sell and interact with customers. A mentoring program helps take learning out of the classroom and into a real sales environment, shortens the learning curve, and provides an effective mechanism for sharing best sales practices.

In developing a mentoring program, it is important to consider the following:

- *Confidentiality.* Both parties in the program need to know that discussions between them will not be immediately relayed to a supervisor or manager.
- *Time Limits.* The mentor must expect to give the new sales person adequate time to learn, but this is not a 24/7 time commitment. To keep things in perspective, a balance needs to be established. This can be accomplished by setting an agreed upon schedule at the beginning of the mentorship process.
- *Right Mentor.* Probably the key driver of success is selecting the right mentor. Does the experienced sales person have any attitude issues? Do they have excellent sales skills? Do they have the ability to teach these sales skills? Do they consistently engage in the right sales activities?
- *Professional Relationship.* The mentor relationship is professional, not personal. It must remain in the realm of being “just business”. In the mentorship program, the mentor’s role is to teach and advise the new employee. The new hire is not bound to take the advice being offered by the mentor, and the mentor should not interfere with any decisions made by the new employee’s supervisor or manager.

5. Performance Management

Sales people are competitive by nature and they want to win. When winning is only defined as achieving certain sales results, this can create a problem during the ramp-up period. After all, it is not unreasonable for a newly hired sales person to achieve only 50% of a normal quota in their first year. Sales people can get discouraged quickly and when this occurs sales results suffer and turnover rates increase.

So during the ramp-up period, sale leaders need to think beyond sales results and focus on tracking and rewarding key behaviors and sales activities. These expectations can best be communicated by developing a sales ramp-up performance plan that details the behaviors, specific activity levels and results that should be achieved by new hires during the first (i) 30, (i) 60, and (i) 90 day time periods. By monitoring their performance against these goals, sales managers will be able to intervene much earlier if a sales person is

not achieving his or her goals. Equally important, sales managers will be able to recognize early wins and reinforce positive behaviors which helps create a culture of success.

Conclusion

As companies begin to grow their sales teams, there are a number of key steps they can take to help accelerate ramp-up times and reduce turnover. These include making sure their organizations are sales ready, hiring sales people who fit their success profile, developing a comprehensive training program, providing ongoing sales coaching, assigning well-matched mentors, and measuring and monitoring sales activity levels. By creating this framework, companies can confidently scale their sales organizations and more rapidly realize a return on their investment.

About Sales Readiness Group

At Sales Readiness Group (SRG), our singular focus is helping organizations improve sales performance. We improve sales performance through our innovative sales training, sales leadership programs, and sales consulting solutions. Our customized sales training programs will provide your sales professionals with the skills, tools, and knowledge they need to succeed.

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