

Hiring & Retaining Sales Stars

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If everyone performed like our top performers, how much more comfortable would life be?

To start, we'd no longer have to spend as much time or money replacing, training and coaching our

The 80/20 Dilemma

It has long been accepted that 80 percent of all products and services are sold by just 20 percent of the sales people. At some companies, the ratio is a little more positive (70/30), but rarely gets any healthier.

The so-called "80/20 Rule" is a challenge to all sales executives who strive to build exceptional sales organizations. Sometimes the dilemma stems from how we train and coach the individuals on our team, but in most cases the problems emerge beforehand.

When people make an honest effort to do a good job and fail, it is usually because they were in a job that they did not fit. Studies have

shown, over half of the people working in sales are miscast. They lack the basic qualities required for success in sales and should be doing something else for a living.

Of those remaining, half could succeed in sales, but are currently selling the wrong product or service. This leaves 20 to 30 percent of the salespeople who are in jobs they fit. They are the people who sell 70-80 percent of the cars that leave your lot.

Whether there are 10 salespeople on our sales force or 100, research has shown the typical employer may be making three hiring mistakes for each correct one. History has proven, incorrect hiring decisions lead to longer and more expensive training periods, low productivity, personnel problems and

ultimately turnover.

History has also shown, when a company hires someone who doesn't fit the position, no amount of training, coaching, goal setting or ultimatums can induce the level of success comparable to those who naturally fit the position and therefore excel.

Hiring More Top Performers

The number one issue facing today's business (and the bottom line) is recruiting, selecting and retaining quality, qualified employees. Companies that do this successfully have seen higher attendance records, greater job satisfaction, less turnover and superior job performance at every position.

The US Department of Labor estimates it costs as much as 250% of a new hire's annual salary to replace a manager or sales person when all of the separation, recruitment, lost productivity, new hire, and training are taken into consideration. Productivity gaps play an even greater role of robbing revenues. If a top performer averages \$30K in revenues a month and a low-level performer averages just \$15K; the company is losing over \$180K a year by hiring just one person unlike their top performers.

When evaluations are done on sales forces, a common trend is found. Top performers, or the 20 percent that sell 80 percent of your product, all have similar qualities that make them successful salespeople or service employees. The remaining 80 percent, those who are considered mid-to-low level producers, may be similar to the top



mid-to low-level producers. Customer service, team compatibility and productivity would greatly improve. We'd also have less stress in our lives and find it easier to take our mind off of work when we're not there.

Most importantly, we'd naturally attain goals and achieve business success. For some, that means to satisfy more customers. For others, it means to sell more cars. For most or all, this means to increase revenues and boost the bottom line.

Unfortunately, the truth is, not everyone we hire is a top performer. As managers we spend over 60 percent of our time solving people challenges and goals and objectives are not always met

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performers in one or more of these qualities, but rarely ever match the qualities of top performers.

By researching where top performers are similar in the critical sales qualities of competitiveness, self-reliance, persistence, energy level and sales drive, dealerships are able to build benchmarks on their top performers. These "Job Success Patterns" or benchmarks can be used to compare every future candidate to your top performer's qualities to measure job match.

By comparing candidates to job success patterns, an employer will have three very important answers before a second interview: can, will and how well will the candidate do the job? By comparing candidates to these benchmarks, it becomes easy to identify where individuals will fit well into positions and where they may have adjustments to make.

The number one benefit similar companies and other dealers across the country have seen by building and using job success patterns to screen candidates is, they have taken the guesswork out of the hiring process. With this insight on a candidate's abilities, interests and behavior traits, a sales manager no longer has to base a large majority of their hiring decision on "gut instincts." Until analyzing and specifying, not only in their head but also on paper, exactly what they are looking for, organizations will continue to gamble on the productivity and retention of every new hire.

By hiring people who match the qualities of their top performers, companies have found training programs can be individualized, go much smoother and are less expensive. Rather than spending the next six months, training, coaching and redefining duties to inspire productivity, it comes naturally.

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Thinking of Building

What you need to know to avoid spending extra time, money and heartache...

Are you thinking of investing in building your own facility? It is a dream of many business owners and it carries a great deal of benefits.

You gain:

1. A building built to your specifications
2. A tax break
3. A monument to your success
4. A good investment when done correctly
5. A great lease opportunity, bringing in greater return on investment
6. Real estate equity (vs. leasing)
7. A nest egg for when you want to sell

But before you look too far ahead, be sure you safeguard against the many risks in becoming a developer. Owners often fall in love with the big dream when they first envision their own space. They are brought down to reality by finances, land costs, required municipal improvements, possible rezones, permitting issues, erosion control issues, endangered species issues, soils issues, etc. With all of this to consider, choosing the right construction method and the right construction team can truly be the difference between bankruptcy and success.

Building has become increasingly complicated. Those who want their own building will greatly benefit by assembling key players in a construction team during the idea stage. This includes hiring an architect and general contractor at minimum that is accustomed to working together at the conceptual stage. This team may either work for the owner as one company – under a design build method, or each may contract separately with the owner under a team build method.

The architect interprets what the owner wants, insures that municipality issues are answered and planned for. The contractor checks the architectural drawings throughout the process to insure that the best materials are being used for the project, the best construction methods are implemented, scheduling for materials and construction is accurate, and the project stays within the owners budget.

Additional benefits include:

- Full team effort
- Minimized team learning curve
- Minimized change orders due to full team collaboration from early planning stages
- Owner qualifies the skills and expertise of team rather than relying on the low bid – then learning they are not qualified to perform the work

The design/build method literally was used back in Roman times and is only recently coming back into favor. Modern design/build methods are showing a savings of time and money anywhere from 10% to 40%. Although it is tempting, the lowest price can ultimately cost you dearly. If you are making an investment that will truly pay you in the future, consider talking to a design/build contractor.

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