How to Retain Your Best Sales Talent

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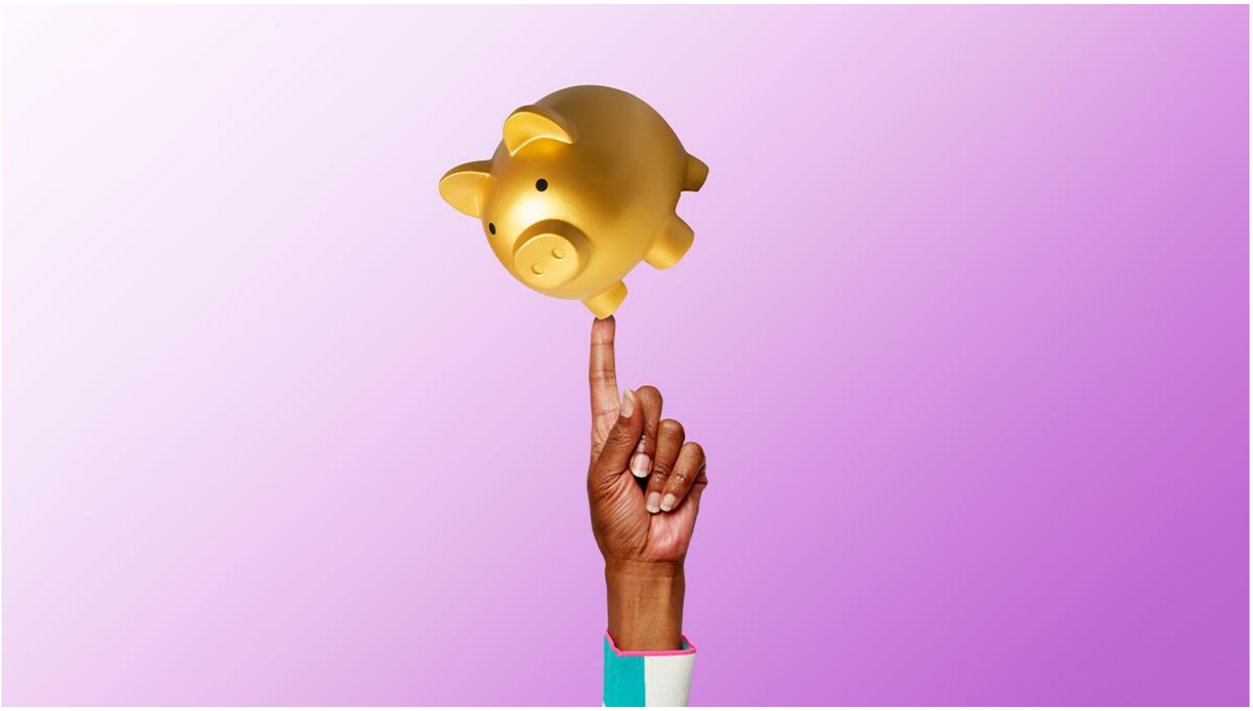

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One of the most significant growth challenges CEOs and commercial leaders face is hiring and retaining sufficient sales talent. According to our internal SBI benchmarking, most business-to-business sales organizations exited December of 2021 with a startling 10–15% open sales headcount. But the real "sales capacity at risk" figure is closer to 50–60% when factoring in open headcount, expected sales professional attrition, lower productivity levels from a glut of new hires across the past several months, and required growth hires to meet higher revenue targets. Even this figure understates the urgency of the challenge for many organizations.

Yet many CEOs and commercial leaders are attempting to will the Great Resignation away. Most of the CEOs with whom I've spoken believe the spike in sales professional turnover seen through 2021 has "worked its way through the system." The challenge commonly cited is one of hiring, not retaining and engaging precious sales talent (particularly the highest performers). They believe that those sales professionals who were going to leave have already left. Those who were going to retire, did.

Further exacerbating this challenge: most CEOs and commercial leaders are woefully underprepared to cover this growing sales capacity gap and support increased hiring in the face of anemic training, and onboarding and enablement resources, which were slashed through 2020 and 2021.

Question your retention instincts.

In a recent survey conducted from December 2021 through January 2022, SBI and Top Percentile Collective surveyed 650 quota-bearing sales professionals to understand how commercial organizations can best engage and retain sales professionals through an unpredictable labor market. While this research indexed on tech and tech-enabled services firms, our sample spanned nearly a dozen industries, and the implications are broadly applicable.

One of the key findings: job-seeking behaviors among sales professionals persist and do so at remarkably unnoticed levels. Our research revealed that most sales professionals (56%) were actively searching for a new job. These job-seeking behaviors included recently updating and circulating a resume, applying for another role, speaking with a recruiter, or committing to a timeline for leaving their current roles. These are active, deliberate behaviors, not passive thoughts. The highest-performing sales professionals, identified by having both recently beat their plan, and qualifying for top-tier performance award (i.e., President's Club or equivalent), demonstrated just as much job-seeking as the broader sample, with 57% reporting such behavior.

Many leaders cite generational preferences for job-seeking as driving high turnover. They contend that Millennial and Gen Z workforce as more transient. But current job-seeking behaviors are widely pervasive among generational cohorts, and most pervasive among elder Gen Xers in the 45–55-year-old age range (67% of this cohort are actively demonstrating job-seeking behaviors). Fifty-nine percent of 25–34-year-old sales professionals are searching for new roles, as were 48% of 35–44-year-old professionals, and 45% of people older than 55.

Even so, CEOs commonly report higher employee-engagement scores and satisfaction levels, citing this as evidence of the Great Resignation abating. Unfortunately satisfaction is a poor predictor of loyalty. Almost half (41%) of the sales professionals surveyed reported satisfaction in their role but are still searching for a new job, and 44% of satisfied high performers are actively on the hunt.

Help build careers.

Our research surfaced a remarkably stark conclusion: compensation adjustments, work-life balance, immediate promotion opportunities, title adjustments, and reaffirming a strong sales culture have little impact on retention.

Compensation is easily the most frequently utilized lever to mitigate turnover, yet it had remarkably low impact in our analysis. Adjustments to base pay are typically viewed as marginal for sales professionals, where highly-levered variable plans are the norm. Sellers attribute far greater impact to providing a crystal-clear path to success within their territory. Indeed, sellers value such a success path three times more than compensation adjustments.

CEOs and commercial leaders also traditionally prioritize sales process, sales tech, sales culture, and work-life balance. Unfortunately, these factors aren't particularly impactful on retention, either. What sales professionals truly value are companies committed to their short- and long-term success. When it comes to staying or leaving, sellers prioritize how well the company will advocate for, and help them succeed in the near term, and evolve long term as sales professionals. To accomplish this, executives must boost seller confidence in their ability to provide near- and long-term career leverage, broad executive advocacy, and a path to short-term success.

Offer future employability over title bumps.

Organizations with lower attrition and fewer sellers pursuing new opportunities prioritize building their sales force over buying it. They organically develop sales talent, pushing and encouraging sellers to obtain new commercial skills and capabilities.

Unfortunately, most CEOs merely publish a career path, promote a small number of sellers into new titles, with a marginal compensation bump, and hope this keeps their best and brightest around. Our data showed such actions yield little benefit. Retention isn't improved by creating new tiers of meaningless titles. Wise leaders realize that the productivity benefits of employing a strong seller six, 12, or 18 months longer will dramatically outweigh comparable efforts with new sales hires.

Organizations taking this direction are rapidly reinvesting in sales enablement, which many organizations effectively dismantled through the early days of the pandemic. Enablement in leading organizations is tasked with true capability building — and not simply relegated to onboarding and training on the chosen sales method. Increasingly, we see leading sales enablement organizations resembling a product organization: they develop new capabilities and actively manage them, they retire ineffective processes, and put judicious metrics in place to better understand sales effectiveness. These organizations develop different enablement "products" for distinct segments of the team, including tenured sellers, experienced and new frontline managers, as well as new-to-company and entry-level roles. Sellers can perceive significant development opportunities and they have the means to document, demonstrate, and "feel" personal progression no matter their career stage. This is markedly different than the brand of "experiential learning" most organizations profess, which amounts to little more than occasional manager coaching and praise.

The C-Suite must support sellers.

Many CEOs — particularly those with product or finance backgrounds — are comfortable allowing their sales organization to exist on its own island. The sales leader owns the sales culture, and a strong-willed sales leader will protect that culture tooth and nail. However, our analysis showed that sales advocacy from cross-functional leadership teams — spanning well beyond the sales organization — constitute another hallmark of companies with relatively lower sales attrition.

While an excellent sales leader certainly makes a big difference, the entire C-suite needs to engage with sellers, signaling open-door policies and showing strong interest in and support of seller activity. The highest-impact drivers of this type of seller advocacy include the ability of strong front-line sellers to reach out to their executive team with questions and feedback, effective information sharing from executive audiences, and an inclusive culture that encourages sellers to speak up.

Demystify the seller’s path to success.

A hallmark of the leading companies we analyzed was their efforts to quantify and transparently detail the territory assumptions and expectations to sellers. The key is helping sellers envision a realistic, even if challenging, path to over-performance — and ultimately their pay accelerators. We’ve seen other organizations extending this best practice by sharing territory quality analysis with new candidates, helping potential sellers envision a path to success in a new organization with a new territory, and providing assurance that new talent will not receive a “reconstituted territory” consisting of other sellers’ castaways. If sellers do not believe that they have the territory to succeed, they will begin to look for new opportunities.

Our analysis showed that most surveyed sellers generate the bulk of their own pipeline, and only 15% of sellers agreed that marketing generates quality pipeline. CEOs with underperforming marketing teams should impose clearer mid- and lower-funnel contribution targets and stress improved qualification and lead development protocols at the top of the funnel. For organizations that identify the need for improved sales and marketing coordination, consider building unified teams, or at a minimum, creating shared goals and joint-KPIs.

Reenergize your retention strategy.

CEOs and commercial leaders can reduce the odds that sellers will begin exploring new opportunities by improving performance in the three areas we explored in this article. However, the improvements that matter most to sellers are typically under-resourced today and require top-down change. These actions are not costly, yet they have remarkably powerful economic consequences. While retention bonuses and comp bumps may stem a dire turnover situation momentarily, they won’t solve the problem. Re-energizing your strategy for short-term seller conviction and longer-term career building is the smarter fix.