

TURNOVER – THE SILENT SALES KILLER

How Turnover Drains Your Profits and Opportunities

By Troy Harrison

I answered the phone this afternoon, and an earnest voice said, “Hello, Mr. Harrison? This is Chris (last name eliminated), and I’m your new representative with (Company X). I’m calling to introduce myself, and to see if we could set up a time to chat, so I could learn about your business and we could see if (Company X) could do more for you.”

Company X is a vendor with whom I have done business for six years. I’m loyal to them because they provide a service that helps me a lot. I spend quite a bit of money with them, and I’m sure that when Chris looked at my account, he figured he had a pretty solid customer and a good sales call. That’s why I’m sure that my response was a huge surprise to him (and it might be to you, as well).

“I’m sorry, Chris, but that wouldn’t be a good use of my time or yours,” I told him. Chris was clearly shocked, so I decided to explain more fully. “You see, I get a call just like this every six months from your company. About every six months, more or less, I have a new rep who wants to spend time being a ‘resource’ to me. I’ve had several of these conversations, and I just don’t have the time for another. I’m already buying what I need from your company, so there’s no upsell potential for you. I wish you the best, I have your contact information, and if I need you, I’ll call.”

He said, “Well, I do appreciate your candor.” I told him, “I’m not trying to be rude. I’ll tell you what – call me on your one-year anniversary, and I’ll give you all the time you want.” Chris was disappointed – but I meant what I said. And I doubt, based on past performance, that I’ll get that call on his one-year anniversary.

Turnover in sales is a sales killer and a relationship killer. Sooner or later your customers get tired of hearing, “I’m your new salesperson.” Or, for those salespeople that jump jobs and are saying, “I’m now with a new company,” your customers get tired of that, as well. In both cases, credibility and relationships are the victims.

The reason I wouldn’t speak with Chris was exactly as I told him – it wouldn’t be a good use of my time. History shows that by the time he’s getting it figured out, he’ll be gone, and I’ll be getting a call from yet another new salesperson. I like to train salespeople – but only when I’m paid to do so.

Here are the raw facts. There is a learning curve for salespeople in any job. Stats say that salespeople reach basic competence in six months, become profitable for the hiring company between month 12 and month 18, and don’t reach full productivity until year three or year four. When salespeople change jobs inside that 3-year window (or worse, the 1-year window), that tells me that they don’t know what it’s like to reach full productivity.

Ultimately, excess turnover is a problem for our profession, but there are a few things that salespeople, sales managers, and company owners can do to curb it.

For Salespeople:

- *Stand and fight:* There are many “stated” reasons for salespeople short-timing on a job; however, the main reason is that things get a bit tough and the salesperson bails. Sales isn’t always an easy career – but the best, most successful salespeople fight through the problems and emerge victorious on the other side.
- *Stop chasing shiny objects:* One of the biggest reason for turnover is that salespeople chase. What do they chase? Shiny objects. Or, to put it another way, the new opportunity that seems oh-so-much-better than the current job. More money, better technology, different territory, etc. I recently interviewed a guy who said that he was a ‘chaser of the best technology in my space at any given time.’ This was to explain six job changes in the last ten years, none of which produced significantly better results or income. Don’t get me wrong; I know that there are times when the only way to advance your career is to make a change – but those changes should be infrequent and well thought out.

For Sales Managers:

- *Hire smart:* Too many hires are simply future turnover in the making. Sales managers, lacking a good basis or tools for hiring, simply do ‘gut hires’ that don’t produce results. Lower turnover is the result of good hiring practices.
- *Coach before firing:* Once you have hired someone, you owe it to yourself, as well as to your hire, to give them every reasonable opportunity to succeed. That means that termination should be a last resort, not a first; the first resort is to troubleshoot and coach your salesperson’s performance. Only when you can honestly look at yourself in the mirror and say that you gave them an honest shot should you terminate. I would be remiss if I didn’t mention that both hiring and coaching are well covered in my Unconventional Guide to Sales Management audio course.

For Company Owners:

- *Take a long term approach:* Building a quality sales force isn’t something that happens week by week, or necessarily quarter by quarter. It’s something that happens over the long haul. In the case of the sales rep that contacted me, I’m sure that ownership or upper management has set up a set of standards that basically wash out new sales reps after about six months, hence my frequent calls from new reps.
- *Hire a quality sales manager:* Quality sales managers have the skills of coaching and improving sales performance; they are drivers of the sales effort rather than passengers. If that’s not your sales manager, it’s time to rethink (and maybe invest in coaching or training for that person).

Turnover has many costs, but it doesn't have to be a sales killer. The right approach to building a sales force can greatly reduce turnover – which puts profit on your bottom line.

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