

BUILDING A FRAMEWORK FOR DEFINING TOP SALES TALENT

June 2017

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Only 35% of companies have begun to incorporate non-revenue related tasks into the formula for top sales talent.

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Most Industry Leaders also focus on non-revenue generating activities and qualities when defining top talent.

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Today, Industry Leaders are 82% more likely than All Others to track their rates of attracting and retaining top talent.

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Industry Leaders are 3.5 times more likely than All Others to consider internal and external business drivers when building a talent brand.

While the average sales organization is commoditizing salespeople, Industry Leaders are beginning to focus on those qualities that enable salespeople to contribute to the role beyond revenue generation. In this report, Aberdeen will look at how Industry Leaders are moving beyond the pipeline to understand what truly defines top sales performers.

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Aberdeen's Maturity Class Framework

Aberdeen's research defines Industry Leaders by looking at organizational metrics and categorizing respondents into two maturity classes:

1. Industry Leader: Top 30% of performers
 2. Industry Laggard (All Others): Bottom 70% of performers
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Sales organizations at Industry Leaders were:

- 4.2 times more likely to see increases in revenue per FTE in the last 12 months.
- 92% more likely than All Others to see sales performance improvements align with greater achievement of management goals.
- 19% more likely than All Others to see a decrease in employee turnover in the last 12 months.

Early in 2017, Aberdeen surveyed the market to understand how companies define top talent. The results of the survey were then filtered for sales roles, revealing that today's sales organizations generally define top sales talent based on the ability to generate revenue. As a result, sales managers often pay little attention to how the quality of sales talent, and the time they spend on non-revenue-generating activities, impact revenue growth.

In [*Turn Your High Potentials into Your Leaders of Tomorrow*](#) (August 2015), Aberdeen found that developing top talent contributes to superior revenue generation, and that the valuable contributions of top talent do not always directly result in revenue. Furthermore, in [*Improving the Workforce: Putting Internal Talent on the Front Lines*](#) (March 2017), Aberdeen found that identifying and developing top talent is time sensitive. If new employees become disengaged or feel undervalued, they will leave the organization faster.

As sales managers seek to maintain existing revenue streams while charting a course for greater revenue generation, they naturally gravitate towards a definition of top sales talent that emphasizes revenue growth. In doing so, however, they undervalue non-revenue related sales activities or performance. The result is that many Industry Leading sales organizations experience turnover above 40% year over year.

Salesperson turnover costs companies time, money, and resources. While all companies included in Aberdeen's survey felt pressured by a need to reduce labor costs, Industry Leaders are 13% more likely than All Others (40% vs. 35%) to recognize that they lack insight into the cost of sales organization turnover to separate the cost of turnover from the actual cost of labor. As companies face a mandate to reduce labor costs, Industry Leaders are quickly getting smart about how to optimize sales performance.

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60% of today's organizations measure sales effectiveness in terms of recurring revenue, new revenue generation, and individual quota activity as dictated by the goals of the organization.

Defining Today's Top Sales Talent

Talent management and talent acquisition are often treated as separate processes managed by separate teams. Among today's sales organizations, 61% rely on internal recruitment teams to source new talent, while 59% engage external recruitment process outsourcing (RPO) partners or staffing firms to source and vet incoming talent. Aberdeen's data shows sales managers at two thirds of organizations are more directly involved with performance management leading to the definition of top talent used in recruitment and hiring.

With sales performance management in the hands of sales managers, 60% of today's organizations measure sales effectiveness in terms of recurring revenue, new revenue generation, and individual quota activity as dictated by the goals of the organization. Only 35% of companies have begun to incorporate non-revenue related tasks into the formula for top sales talent.

The biggest challenge facing the evaluation of non-revenue sales activity is that sales performance analysis has been neglected. Today, Industry Leaders are updating their strategies for measuring sales effectiveness. Consequently, sales organizations at Industry Leading organizations are 2.5 times more likely than All Others (20% vs. 8%) to recognize that they need to account for non-revenue related sales contributions. They also find that their current measures lack sufficient performance data to incorporate into the formula.

Analyzing Aberdeen's data going back 5 years shows that more than 70% of sales organizations have not invested in improving the subjective, non-revenue side of sales performance management. Consequently, they are limited to defining top sales talent solely in terms of the goals set by management for the sales organization.

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Table 1: Internal Definition of Top Talent

Characteristic	Industry Leaders	All Others
Management Potential	100%	83%
Top Producer	100%	58%
Brings Up Surrounding Talent	80%	58%
Shows Retention Potential	80%	58%
Takes Initiative	80%	50%
High Integrity Level	80%	50%
Participation in Rewards & Recognition	40%	33%

Source: Aberdeen Group (January 2017) n = 104

Most Industry Leaders focus on non-revenue generating activities and qualities when defining top sales talent.

Table 1 shows the characteristics that sales organizations seek in top talent today. The data shows a marked shift among Industry Leaders towards changing the formula they use to measure top sales talent. As you can see, Industry Leaders are united when it comes to looking for both production and management potential. Similarly, the data shows that most Industry Leaders also focus on non-revenue generating activities and qualities when defining top sales talent: Bringing up surrounding talent; taking initiative; and exhibiting high levels of integrity. These organizations are 50-60% more likely than All Others to consider these characteristics beneficial to sales activity.

Assessing Today's Sales Candidate Profile

Sales recruitment activities traditionally focus on assessing hard skills and promoting the company as a good place to work. The lack of credibility in internal sales performance reviews, coupled with the constantly changing definition of top, non-revenue-based performance, prevents sales managers from focusing on the candidate as an organizational performer.

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Table 2: Recruitment Capabilities

Competency	Industry Leaders	All Others
Skills Assessments	60%	50%
Talent Branding	60%	42%
Applicant Tracking	40%	33%
Social Recruitment	40%	33%
Outsource Partnership	40%	8%
Team-Based Hiring	20%	50%
Talent Lead Scoring	20%	25%

Source: Aberdeen Group (January 2017) n = 104

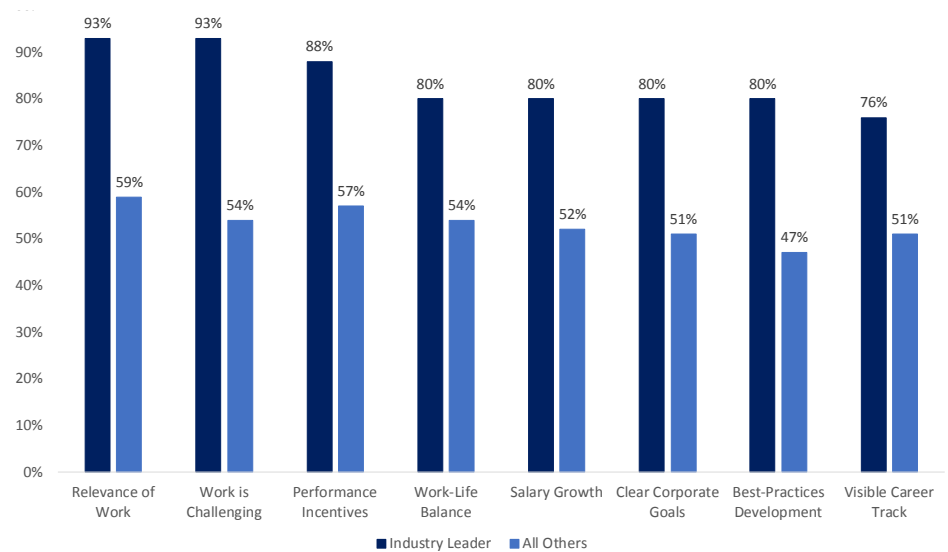
Industry Leaders are 5 times more likely than All Others to use outsourced partnerships in their recruiting efforts.

Table 2 shows the talent acquisition activities undertaken by sales organizations. As you can see, aside from skills assessments and talent branding, there are no practices being used by the majority of sales teams. Additionally, Industry Leaders are 5 times more likely than All Others to use outsourced partnerships in their recruiting efforts, serving as a tacit acknowledgement that, when it comes to hiring, Industry Leaders see value in third-party expertise.

The data in Table 2 also shows that All Other companies are more than twice as likely as Industry Leaders to practice team-based hiring. This indicates that, in the absence of a clear, data-driven definition of the ideal candidate, these companies opt to hire by consensus.

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Figure 1: Reasons Why Salespeople Join and Stay



Industry Leaders are 82% more likely than All Others to track their ability to attract and retain top talent.

At Industry Leading sales organizations, performance incentives play a major role in attracting and retaining top talent.

Figure 1 shows the reasons given by sales managers when asked why salespeople join and stay with the organization. Above all, as you can see, salespeople seek out work that is challenging and relevant to their experience and goals. Many also want to work in an environment where there are clear corporate goals and an emphasis on the development of best practices.

At Industry Leading sales organizations, performance incentives also play a major role in attracting and retaining top talent. These organizations also find that talent expects salary growth and an obvious career path when they join the organization if they are to stay long-term.

As noted earlier, Industry Leaders recognize that they need to improve the metrics they use to define top sales talent. At the same time, as Table 2 indicated, All Others overcome their own lack of metrics by choosing to hire by consensus, which consumes time and resources, and can lead to candidate disengagement.

Eighty percent of today’s sales organizations at Industry Leading companies feel that they have done a good job establishing what

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salespeople should expect from them as employers.

Unfortunately, they fail to connect the goals of the organization to the goals of prospective employees.

This leads to a misalignment between what the organization can offer, and what incoming talent seek to achieve. Industry Leaders are 82% more likely than All Others (60% vs. 33%) to track their rates of attracting and retaining top talent. What they have found is that their top choice candidates join the organization less than 50% of the time, and that 67% leave the organization after the first 1-3 years of employment.

Improving the Definition of Top Talent

When sales managers lack a consistent definition of top talent, particularly one closely aligned with performance management practices, they lose the ability to discern between top talent and the rest of applicants. As we saw in Table 2, when it comes time to hiring, most sales managers collaboratively make the decision with little or no thought given to future performance potential or how to ensure that it is achieved.

The ability to predict future performance aside, Industry Leading sales organizations are 2.4 times more likely than All Others (40% vs. 17%) to see that candidates with low skill levels or inadequate qualifications are making it through early vetting. The good news is, these candidates do eventually get weeded out. The bad news is, this makes the hiring process inefficient: Poor early vetting keeps 80% of industry leaders from making quick hiring decisions.

Sales managers need to define top talent in terms of sales performance. At the same time, they need to understand what other abilities are essential for sales staff who will help the organization grow and thrive. Once sales managers have settled on a definition of top talent, they also need to ensure that the organization can offer top talent what they truly seek: Relevant, challenging work that is rewarded fairly.

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Building a Framework for Getting to Top Sales Talent

As Industry Leaders struggle to define and attract top talent, there are several key actions they can take to quantify the aspects of good sales performance that go beyond just selling. These actions include:

- ➔ **Account for internal and external business drivers when defining top talent** – In most cases, top performers do not achieve success in a silo. Their efforts – as leaders, mentors, or simply as effective collaborators – improve the overall performance of the sales organization. At the same time, their skill and experience allow them to adapt to changing market conditions and emerging challenges. Accounting for both internal and external business drivers is critical in defining top talent. As Industry Leaders chart their strategies for the next year, they are 3.5 times more likely than All Others (60% vs. 17%) to consider internal and external business drivers when building a talent brand.
- ➔ **Integrate data beyond revenue and quota achievement** – Managing sales talent according to whether they have achieved quota is easy. It is not, however, sufficient for sustained success. If you lack a clear definition of sales performance beyond the quota, and your performance review process is broken, how do you identify top performers? In this case, rewards and recognition programs can fill in the gaps. Today, 80% of Industry Leading sales organizations view recognition data as vital to identifying top performers. Indeed, 53% of all organizations are strategizing to integrate data sets across performance management, rewards and recognition, workforce management, and payroll to produce a stronger definition of top sales talent.
- ➔ **Use organizational data sets to develop a top sales profile** – As sales managers evaluate data sets from across the sales

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organization, they should compile a series of organizational best practices and behavioral characteristics that lead to a consistent definition of top talent. By accessing data sets at multiple organizational levels, managers can develop both a macro-level definition for the sales organization, and individual profiles that fit specific roles within the structure of the sales organization itself.

- ➔ **Project the top sales profile to talent pools as part of employment branding** – More than 50% of Industry Leading sales organizations are linking performance data to talent acquisition to generate a single profile of top talent for acquisition, development, and retention. Seventy-one percent of Industry Leaders find that, by doing so, they are able to hire stronger talent and retain them at a 14% higher rate.
- ➔ **Continually measure and track talent and use these metrics to inform development and succession planning** – Finally, the top sales profile should inform sales training and succession planning. Industry Leading sales organizations are 19% more likely than All Others (80% vs. 67%) to develop internal talent to be equally competitive with external talent when filling the skills gap. Once sales managers have a definition of top talent, they should weave it into training initiatives and succession planning to ensure that internal talent is developing along performance best practices.

For more information on this or other research topics, please visit www.aberdeen.com.

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Related Research

[Improving Performance: Resources and Recognition are Must-Haves](#); February 2017

[Improving the Workforce: Putting Internal Talent on the Front Lines](#); March 2017

[Total Performance Management: Mapping Performance to Equitable Talent Selection](#); February 2017

[The Power of an Integrated HCM Ecosystem](#); November 2016

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