2012

Salesperson *Onboarding* Survey Results

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Introduction

Companies who hire salespeople would be wise to increase both the length and quality of their onboarding programs, according to the 2012 Salesperson Onboarding Survey which polled over 500 sales management executives and business leaders.

Most companies leave a great deal of potential revenue on the table, experience high, unnecessary sales turnover with corresponding costs and risk reputation-damaging customer interactions. All of these are the results associated with not adequately preparing their new salespeople to sell effectively for the company. In essence, most companies are not leveraging salesperson onboarding as a key corporate strategy to positively impact both the top and bottom lines.

Key findings from the *2012 Salesperson Onboarding Survey*:

- ✓ It takes new salespeople from eight months to over a year to perform at the same level as their tenured colleagues. Yet, most employers devote less than two months to onboarding their new sellers.

- ✓ Fewer than one out of five executives surveyed reported being satisfied with the amount of time it takes for their newly-hired salespeople to get up to speed.

- ✓ Salespeople, who work for employers most satisfied with their onboarding processes, got up to speed 34% faster – i.e., four months earlier – than those working for companies who reported were less satisfied with their onboarding processes.

- ✓ Executives, reporting the greatest satisfaction – and greatest success – with their onboarding programs, have longer onboarding periods that are highly structured and comprehensive.

Survey Overview

During Q4 of 2011 and Q1 of 2012, a team of onboarding experts conducted a global survey on how companies handle the onboarding of their newly-hired salespeople and their satisfaction with the results. The results of this survey provide yet more evidence of the impact of comprehensive salesperson onboarding programs to increase employee engagement and drive better results faster - impacting both the top and bottom line.

Lee B. Salz, leading sales management strategist and creator of *The Revenue Accelerator*® salesperson onboarding technology system; George Bradt, author of *Onboarding*; Dave Stein, founder of ES Research Group, Inc.; and David Lee, founder of HumanNature@Work teamed to analyze the onboarding survey results from 514 sales leaders and business executives.

The main difference between those that are most and least satisfied, with how fast their new salespeople get up to speed, is the time it takes for those new salespeople to generate the same revenue as tenured ones (a four-plus month difference). This is likely due to having a comprehensive salesperson onboarding program in place which leverages mentors and in-person group training; and starts with a well-defined "first day" program. Among those most satisfied, the onboarding period extends for a meaningful amount of time and concludes with exams and simulations. For those onboarding participants who don't achieve acceptable scores, further development programs to help these salespeople meet proficiency expectations.

For purposes of the survey, the term "onboarding" is defined as the period through when the salesperson becomes fully proficient in the role. However, the survey intentionally did not define the term for participants.

The survey participants were evenly distributed relative to revenue. Approximately 10% came from companies under $1MM in annual revenue while the same percentage participated from companies with annual revenue in excess of $500MM.

> The most satisfied respondents get their new hire salespeople producing revenue at the same level as tenured ones **four months faster** than those less satisfied.

Of those who participated, 55% had between six and fifty salespeople on their respective teams and 76% of the respondents hired between one and twenty salespeople in 2011. Approximately 74% of the participants plan to hire between one and twenty salespeople in 2012.
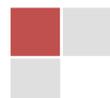
With respect to salary level, 53% of the participants represented companies whereby the salespeople have base salaries ranging from $20,000 to $60,000. In addition, 26% of the represented groups have salespeople with salaries between $60,000 and $100,000.

The survey participants represented the following types of sales organizations:
- ✓ Direct sales – face-to-face
- ✓ Direct sales – by phone
- ✓ Direct sales – in-store
- ✓ Channel sales – face-to-face
- ✓ Channel sales – by phone

The survey participants represented sales organizations who sell to:
- ✓ Corporate
- ✓ Federal/State/Local Government
- ✓ Schools
- ✓ Consumers

Further, 47% of the respondents expected salespeople to produce $250,000 or less of revenue in their first year with the company. However, 51% expect their salespeople to produce over $500,000 of revenue in their second year with the company.

Survey Results

When contrasting the survey data points, several key outcomes were identified which business leaders should consider relative to their handling of salesperson onboarding.

- ✓ 82% of respondents are <u>not</u> satisfied with how long it takes their new salespeople to get up to speed.

- ✓ Respondents, reporting the greatest satisfaction with their salesperson onboarding, were able to get their salespeople up to speed 34% faster than those least satisfied – shaving four months off the time it took them to reach full productivity

- ✓ Respondents, reporting the greatest satisfaction with their new salesperson onboarding, have programs that last almost twice as long as those reporting the least satisfaction.

- ✓ 53% of the most satisfied respondents reported having a comprehensive salesperson onboarding program, while only 18% of the least satisfied respondents did.

- ✓ 93% of the most satisfied respondents reported having a well-defined "first day" program while only 43% of the least satisfied did.

- ✓ While achieving new salesperson engagement was the primary goal for 71% of the most satisfied respondents, it was the primary goal of only 25% of the least satisfied respondents.

- ✓ 59% of the most satisfied respondents reported engaging new salespeople in a sales simulation while only 24% of the least satisfied did.
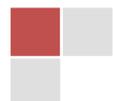
New Salesperson Performance Levels - The survey asked participants to rate their satisfaction from most satisfied to least satisfied relative to the time period for a new salesperson to perform at the same level as a tenured one. The most satisfied respondents averaged 251 days for their new salesperson to perform at the same level as a tenured one while least satisfied respondents averaged 381 days to achieve the same level of performance. It took new salespeople, among the most satisfied, 34% less time to perform at the same level as tenured salespeople.

In essence, the least satisfied group is waiting over a year for their new salespeople to produce revenue at the same rate as their tenured ones. This is likely related to the most satisfied group having comprehensive onboarding programs in place as well as leveraging mentors and in-person group training. The onboarding periods start with a well-defined "first day program," continue for a meaningful duration - concluding with performance testing at the end.

Onboarding Program Duration - The survey asked participants to rate their satisfaction from most satisfied to least satisfied relative to the length of their salesperson onboarding program.

The most satisfied respondents' onboarding programs averaged 55 days while the least satisfied averaged 28 days. In essence, those most satisfied have onboarding programs twice as long as those least satisfied.

Contrasting the new versus tenured salesperson performance data with the onboarding program duration data, even the most satisfied respondents would be well-served to increase the duration of their onboarding programs.

 "Comprehensive" Onboarding Program – The survey asked participants to rate their satisfaction from most satisfied to least satisfied relative to the design of their onboarding programs. The term "comprehensive" was intentionally undefined and left to respondent perception.

53% of the most satisfied respondents described their onboarding as "comprehensive" while only 18% of the least satisfied described their onboarding program the same way.

> The most satisfied have program durations
> **2x**
> as long as those dissatisfied.

First Day Program - The survey asked participants to rate their satisfaction from most satisfied to least satisfied relative to the structure of the salesperson's first day with the company. The term "well-defined" was intentionally undefined and left to respondent interpretation.

93% of the most satisfied respondents described their first day program as "well-defined" while only 43% of the least satisfied described their first day program the same way.

82%
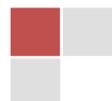of those surveyed were dissatisfied with how long it takes new salespeople to get up to speed

Onboarding Sales Simulation - The survey asked participants to rate their satisfaction from most satisfied to least satisfied when using sales simulations (i.e., role plays) at the conclusion of onboarding.

59% of the most satisfied respondents use sales simulations at the conclusion of onboarding while only 24% of the least satisfied respondents use those tools.

Salesperson Onboarding Program Objective - The survey asked participants to identify the primary objective of their onboarding programs. 71% of the most satisfied respondents identified employee engagement as the primary objective while only 25% of the least satisfied identified that same objective.

Key 2012 Salesperson Onboarding Survey Takeaways

✓ The length of time required to develop productive salespeople is significant and varies based on role responsibilities. The onboarding program duration should be designed to reduce the amount of time it takes for new salespeople to produce at the same level as tenured ones.

✓ The onboarding period in most companies is too short. Thus, the time to achieve high-level productivity from newly-hired salespeople becomes protracted.

✓ The most effective onboarding programs are highly-structured and comprehensive in nature.

✓ Those most satisfied with their salesperson onboarding results have longer, more comprehensive programs that involved rigorous testing and coaching.

✓ Interestingly, even the most satisfied companies only involved their new salespeople in onboarding programs lasting just 22% of the time it took new salespeople to generate the same revenues as experienced salespeople.

Those least satisfied reported a considerably shorter time duration with their structured onboarding program which lasts only 7% of the time it took their new salespeople to get up to speed. This speaks to the need for all employers to look at how they might extend their onboarding programs as a way to provide structure leading to the skill acquisition and professional development farther along the learning cycle.

✓ Few companies are taking advantage of having a testing module executed at the conclusion of onboarding inclusive of sales call simulations, group presentation simulations, sales business plans, CRM practicals and written exams. While few are using these tools, it is highly recommended that they be incorporated into the process as a means to measure onboarding participant performance.

✓ Those who provided coaching and re-testing for those who failed their sales tests were 2.5 times more likely to be *most satisfied* than those who did not. This speaks to the importance of providing a tailored, one-on-one learning experience for new salespeople.

About the Analysts

Lee B. Salz is a leading sales management strategist and talent management expert specializing in helping companies build scalable, high-performance sales organizations through hiring the right salespeople, effectively onboarding them, and aligning their sales activities with business objectives through process, metrics and compensation. He is the Founder and CEO of Sales Architects, Business Expert Webinars and The Revenue Accelerator. Lee has authored several books including the award-winner *Soar Despite Your Dodo Sales Manager*, is the host of the *Sales Management Minute* and serves on the Editorial Advisory Board of *Sales and Marketing Management* magazine. He is a results-driven sales management consultant and a passionate, dynamic speaker. Lee can be reached at lsalz@SalesArchitects.net or 763.416.4321.

George Bradt is the Managing Director of PrimeGenesis. When leaders take on new jobs, roles, or circumstances, PrimeGenesis is the leverage they and their teams need to deliver Better Results Faster. PrimeGenesis' expertise, tools, and perspective allow them to get imperatives, milestones, early wins, role sorts, and communication campaigns set within 100-days instead of the more normal 6-12 months, reducing their failure rates from 40% to 10%.

David Lee, the founder of HumanNature@Work (HumanNatureAtWork.com), helps employers improve employee productivity, engagement, and customer service though his work as a consultant, facilitator, and coach. Called a "pioneer in the field of Onboarding", he is the author of over nearly 100 articles and book chapters on employer branding, onboarding, and other topics related to employee performance that have been published in trade journals and books in the US, Europe, India, Australia, and China. The second edition of business classic, *The Talent Management Handbook*, will feature a chapter of his on the topic of Onboarding

Dave Stein, author of the Amazon best-selling *How Winners Sell*, is the CEO and Founder of ES Research Group, Inc. ESR is a research and advisory firm that evaluates and compares sales training programs and the companies that provide them. Dave is also Adjunct Professor of Sales and Sales Management at the Dublin Institute of Technology and delivers workshops for CEOs and VPs of sales sponsored by the Irish Government. In addition he is an advisor to, and writes the sales training column for *Sales and Marketing Management* magazine. Dave is recognized as the world's leading independent expert on sales training.