

# HOW TO SELECT A SALES FORCE THAT SELLS



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# Sales Performance Solutions

The HR Chally Group was founded in 1973 through a grant from the U.S. Justice Department to develop a selection assessment to measure the skills and motivation of law enforcement candidates and **predict** who would be most successful. Our measurements had to be accurate, statistically valid predictors, and legally defensible.

Chally's success led us to our next goal (also in 1973) to adapt our assessment process to the study of salespeople, managers, and other positions in business. Since that time, we have evaluated over 250,000 individuals. Our current **Performance Database** also includes over 300 sales force validation studies and over 70,000 extensive interviews of our corporate clients' customers.

Today, Chally is an internationally recognized technology leader in **assessing** and **predicting future performance** for sales, service and management positions, evaluating developmental needs, **sales force benchmarking**, and **customer** and **market audits**.

Our mission is to assist clients to increase sales and management productivity and profitability. We do this by helping them to systematically identify sales, service, and management personnel to match top performance requirements. We also help to identify the marketing and service strategies and tactics that will produce the added value needs that **predict sales growth, market share, customer satisfaction, and prospect conversion**. Typically, we work with a client to:

- *Identify gaps against world class benchmark standards*
- *Measure and track potential improvements*
- *Quantitatively establish predictive profiles, skill levels, and work habits of exceptional performers*
- *Develop effective systems for candidate selection and staff development*
- *Establish measurements to monitor performance against world class standards*

CASE STUDIES		
CLIENT CHALLENGE	SOLUTION	RESULTS
Increase Sales Volume for a Major Auto Manufacturer	A <b>Customer Audit</b> (based on 2000) interviews); <b>Sales Force Survey</b> and hiring <b>Validation</b> produced a <b>Selection Assessment</b> and training criteria	New hires averaged an annual sales increase of \$1,781,000 (35%)
High Sales Force Turnover at a National Industrial Distributor	Multiple <b>Hiring Validations</b> identified two different <b>Assessment</b> skill sets for different markets eliminating fatal mismatches	50%+ Decrease in Sales Force Turnover
Ineffective Market Strategy at a Major Aluminum Producer	Through <b>Customer Audits</b> and <b>Selection Assessment Hiring Validation</b> , identified separate core competencies for operations versus salespeople	50% Annual Sales Increase

## What Makes a Great Sales Force

Every three years, Chally completes the *World Class Sales Benchmarking* study. These 18 month projects are sponsored by major Chally customers including: ACDelco, Johnson & Johnson, The Mead Corporation, Pepsi Cola, Reynolds & Reynolds, Steelcase, UPS, and Unisource.

The results of this research are organized into a comprehensive manual, the *World Class Sales Excellence Report*, and a half day seminar "The Benchmarks of World Class Sales Forces."

### What Customers Want from Sellers

Our initial tri-annual interviews with over 1,000 corporate customers established three major needs customers expected vendors and sellers to address, even though customers were not confident they could get them.

1. Customers want to narrow their own focus to the few things they do best, and outsource the rest without the added overhead costs of supervising their suppliers;
2. Customers want sellers to know their business well enough to create products and services they wouldn't have been able to design or create themselves; and,
3. Customers want proof — hard evidence — that their suppliers have added value in excess of price.

### Critical Salesperson Skills

To evaluate a vendor or seller's potential to fulfill these three needs, these corporate customers specifically judged sales forces on combinations of only seven factors. These seven, listed in descending order of the frequency they were cited, are:

1. Personally managing our satisfaction
2. Understanding our business
3. Recommending products and applications expertly
4. Providing technical and training support
5. Acting as a customer advocate
6. Solving logistical and political problems
7. Finding innovative solutions to our needs

Customers believe sales forces that excel at these seven factors will best fill their three basic business needs.

By benchmarking the top 10 of these sales forces, we identified the critical success factors for "World Class" sales, and the standards of sales excellence. Benchmarking pinpoints how world class sales forces manage customer satisfaction, understand their customers' businesses and deliver the other benefits their customers want.

### The Basics of World Class Sales

Simply stated, the overriding philosophy of these best sales forces is: "**Be the outsource of preference.**"

The basic priority, therefore, is to **add value to the customer's business.**

1. For Boise Cascade this means "we're not an office products company or a supplies company, we are your purchasing department."
2. For AT&T ... "we are not telephones; we are communications."
3. For IBM ... "we are not computers, or even information; we are decision analysis or problem-solving."

**Adding value requires** at least three critical elements:

1. **Measure** (identify the business needs of customers;
2. **Develop** the added **services** to wrap around our products which will guarantee customers' business improvement; and
3. **Measure** again for both continuous improvement refinements as well as proof for customers that their business was improved.

Changes at all the world class sales forces are still in process. Customers did not credit these top sales forces with perfection, just being closer to it than their competitors.

In fact, most of the top-ranked sellers were surprised to be named. While customers see how far these top-rated sellers have come, the sellers themselves remain focused on how far they still have to go.

### New Requirements, New Culture

To be the "outsource of choice" forces a seller to refocus the corporate culture. Creative engineers or other technical experts who invent new products are not enough to sustain a competitive advantage. Too many new products do not match customers' priorities or are too difficult to understand or use; sometimes they are simply not needed.

The focus must change from **product** to **benefit** or **business result**. Grandiose products and services with more capacity, features, or options are often just seen as overpriced. Additionally, products and services must be simple to use and manage, either in their own right or because the seller manages the complexity as part of the sale.

The focus must also change from **price and delivery** to **utility and ease of use**, not only of the product but also in doing business with the seller. The outsource of choice will take responsibility for managing the relationship or, as sometimes defined, the “partnership” between seller and customer. This will require the role of the salesperson and, consequently, the role of the sales managers who train and develop the salespeople, to change.

Top sellers are changing from peddlers to relationship managers, from order-takers to consultants. In some cases, order taking, service, technical support, and product expertise are not even directly provided by the salesperson.

While the requirements are changing and many of the solutions are new, the approach top sellers use is remarkably consistent, either intentionally by benchmarking others, through partnerships, or coincidentally by just attacking their own needs. Through a “total quality” styled approach, they are investigating and analyzing their customers’ needs and problems. They are reorganizing their processes, developing new skills, creating new measures and new standards and, most of all, committing to the need for continuous improvement.

The most basic tenets of total quality management require the biggest investments to be in people and measurement. In fact, the hallmark of how the world class selling companies can be recognized is in their approach to their people and their approach to information and its management.

### **The Eight Benchmark Processes for World Class Sales Excellence**

While, in summary, people and information are the major focus, we found eight distinct process areas that could be described as critical benchmarks. All of the top-ranked sales companies have rigorously addressed at least six of the eight. The process areas they have not focused on were either less critical, due to the nature of their product or service, or, more likely, because they had first focused on the most critical processes, and they just haven’t gotten to the others ... *yet!*

More importantly, because of the diversity of products, channels of distribution, and needs of customers across

the best-in-class sales companies, an organized review of why and how they approached each area establishes a valuable decision analysis guideline beyond the solutions established by any one sales force.

The eight sales benchmark process areas are:

1. Establishing a Customer (Sales) Driven Culture
2. Market Segmentation
3. Recruiting and Selecting Salespeople
4. Training (and Development)
5. Compensation (and Incentive)
6. Sales Service and Support Systems
7. Customer Feedback/Measuring Customer Satisfaction
8. Information Technology

The priority and type of solution for each of these eight process areas varies according to the specifics of the product and market. For example, sales force segmentation or specialization is a priority when different customers or customer groups require specialized added values that are not appropriate for other customer groups. The more dramatically added value needs vary, the more critical sales force specialization becomes.

More importantly, and a greater source of error in sales management, is the choice of options to approach the need. For example, a seller who identifies a need to segment markets still must decide how to segment: by customer industry, by customer size, by geography, or perhaps by product or service offered. The difficult challenges include: Can we afford more than one salesperson in the same geographic territory? Will customers accept multiple contact from the same vendor, each representing a different product or service? Can a salesperson afford to specialize and still cover all the accounts assigned? In how many different areas can a salesperson become expert?

By analyzing the very different options that the best sales companies selected, and the rationale and effectiveness of the solution, we can establish a more comprehensive set of criteria that essentially documents the “technology” of market segmentation and sales force specialization. The same is true for each of the other seven benchmark areas. Now, rather than intuit or deduce a solution based on previous and perhaps inappropriate experience, informed sales and corporate executives can apply established guidelines that help analyze and prioritize the options evaluated. The best sales practice companies in aggregate provide a manual of best practice options and appropriate application criteria.

## How to Match the Right Type of Salesperson to Your Customers\*

**The most successful sales managers recognize that all good salespeople must have certain vital skills and motivations. The degree and type required, however, will vary according to what customers need in order to use the product or service. The best strategy is achieved by matching salesperson skills, focus, and motivation to best serve these needs.**

**Market and customer analysis by The HR Chally Group has identified four distinctly different types of customers. They, in turn, respond most positively to four different types of salespeople.**

### Understanding Market (Purchaser) Types

Truly new products are typically purchased either by technical experts (who must buy new technology to remain expert) or (more frequently) by visionary “gateswingers” who have never used that product—for example, the state-of-the-art dermatologist who buys a new style laser for removing skin blemishes but hires an expert to operate the equipment. Even so, most brand-new products must seem exciting yet be simple enough to understand the benefit. The gateswinger, then, doesn’t want 20 different features from which to choose.

The new “system” buyer is an inexperienced but real user. This could include a financial services buyer who must select asset managers. It could also be a computer system user. Once this person becomes knowledgeable on usage, he or she becomes an experienced and more controlling user of the established system.

Commodities buyers have become so totally experienced with a product or service that the purchase and usage are completely standardized and often delegated as a routine function ... when was the last time you asked how to use an electric pencil sharpener?

### Understanding the Basics of Customer Needs

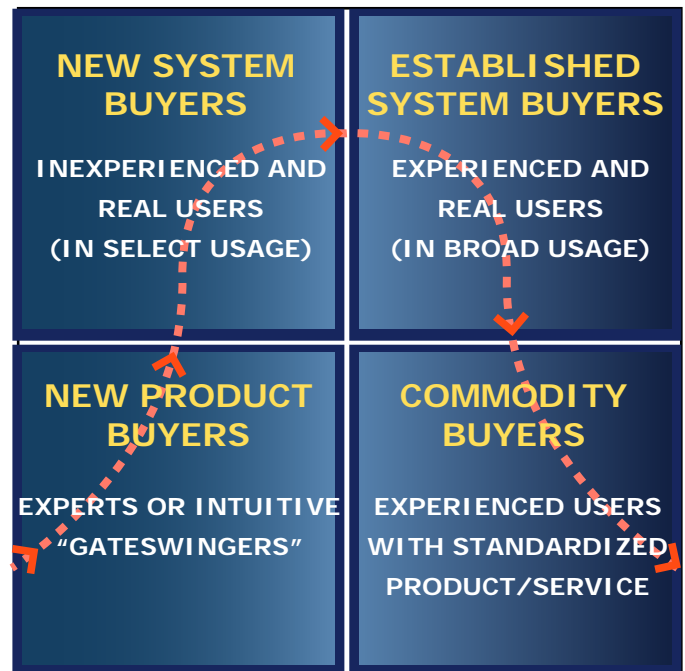
Customer need is largely driven by two factors:

1. Complexity of using a product/service
2. Experience or expertise in its use or application

In Chally research, we have found that intuitive gateswingers need an emotional appeal stimulated by “closing” salespeople in order to buy.

Inexperienced but real users have both substantial technical and application support needs and purchase and delivery needs that must be met by a “consultative” sales approach in order to use their system.

### Market (Purchaser) Types



--- The Product Market Lifecycle

*\*Based on book by: Howard P. Stevens and Jeff Cox, The Quadrant Solution, American Management Association, 1991*

# MATCHING

Experienced and demanding users no longer have high technical and application support needs. However, they continue to have pressing purchase and delivery needs that include a major personal component with a "relationship" salesperson to help in the ordering process.

Typically, only two needs predict commodity buying behavior from "display" salespeople: price and convenience.

## Determining Customer Needs

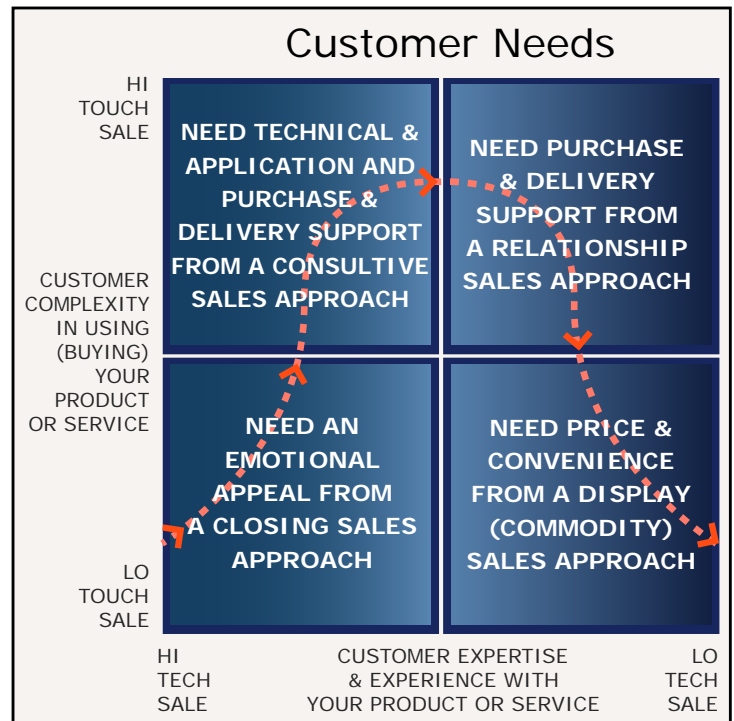
Actually identifying and analyzing customer needs, those that **influence** buying behavior and those that **predict** buying behavior, is an emerging research science being pioneered by The HR Chally Group.

It is a sophisticated process involving scoreable executive interviews that lead to quantifying qualitative, open-ended data. However, we have established key questions that can assist you in determining your customers' basic needs. These are below.

## Questions indicating Technical and Applications Needs:

1. Customers do **not** have an **established system** or procedure to evaluate and purchase your product or service?
2. Customers are biased toward buying from a prestigious name partly because they lack the internal expertise to evaluate or critique your product or service?
3. Customers recognize that the quality of technical assistance and follow-up is more important than price?
4. Your product or service is not so built into your customers' way of doing business that it is essential to them?
5. You are perceived as one of only one or two sources where customers could obtain product/service?

6. Your product or service must be custom ordered?
7. Reliability and credibility (often an image) are more important than price?
8. Follow-up orders will also require technical help to plan or design the order?
9. Price is not a major issue as long as the "benefit" seems worthwhile?



"The Quadrant Solution provides a powerful and practical model for dealing with real time marketing issues. We have applied these principles with great success."

Rick Peters, Chairman and CEO, Retired, Saatchi and Saatchi Direct

# MATCHING

If you answered "Yes" to five or more questions, your typical customer is in one of the two left quadrants. If four or less, your typical customer is in one of the two right quadrants.

## Questions indicating Purchase and Delivery Needs:

1. Your customers see less (or little) technical or qualitative difference between your product/service and competitors, and therefore select on "service" price?
2. Your customers are more bothered by late delivery or poor follow-up than "engineering" issues or new product development?
3. Your customers expect regular contact, not just when you want to take their order?
4. Your products/services would be difficult to buy from a catalog without someone to talk to?
5. Customers tend to stay loyal to vendors they know and trust?
6. Customers often develop personal relationships with salespeople (possibly even following them if they switch to work with another vendor)?
7. It takes customers a fairly long time to really trust and depend on a new vendor?
8. Usually your customers will not just call in an order without at least occasional face-to-face contact?

If you answered "Yes" to five or more questions, your typical customer is in one of the top two quadrants. If four or less, your typical customer is in one of the two bottom quadrants.

"... Real-life business ... drives home an essential of sales force organization, but more than that-it links the sales force with the buying habits of the customer ..."

William S. Arnett, Vice-President for Marketing and Operations, Retired, United States Cellular Corp.

## Matching the Right Salesperson

Matching the right salesperson to customer needs, then, requires an understanding of the four types of salespeople:



# How to Understand the Four Types of Salespeople

### **There is No Universal Salesperson!!!**

**Every pro baseball player must throw, catch, and hit. Yet, what it takes to be a great hitter or a 20-game-winning pitcher is dramatically different. So, too, in sales...all salespeople must talk to customers and take orders. However, The HR Chally Group has established four different sales roles and "superstar" skills which are distinctly different and measurable. The types are: the "super" Closer, the "IBM'er" Consultive, the "good ol' boy" Relationship, and the "friendly order-taker" Display.**

#### **1. Closing**

All salespeople must use closing skills at some point during the sales process. Here, we are talking about a personality type. This type starts with nothing and, therefore, must aggressively initiate customer contact. In most cases, one or two contacts are made with the prospect. The risk of failure is high because there is little time to interact with the customer. Therefore, this type must not have a high fear of personal rejection. This sales environment requires that salespeople quickly establish a prospect's emotional desire and need for their product. Demonstration sales, new high-tech equipment, trade show promotions, pyramid sales and high-ticket executive vanity items (like corporate jets) are examples.

#### **2. Consultive**

Consultive sales situations usually are reserved for bigger ticket items, high technology items, or intangible "intelligent" services; for example, telephone systems, computer systems, consulting services, law services, etc. Here, both patient, interpersonal contact and aggressiveness are needed. Forget the personal touch of the relationship or fail to persist for a close, and the sale is lost. These sellers perform extremely well with prestige-image products/services.

This type of sales environment requires consultation with customers to meet their specific needs. Consultive salespeople are usually career oriented. Also, they are much more academically inclined than the other sales types. Consultive sales professionals are not daring risk-takers. The best ones do take risks, but only after careful thought and calculation. They pay a high level of attention to detail and have an above-average level of aggressiveness. The super sellers in this sales environment are able to handle personal rejection and the fear of failure extremely well. They exhibit self-confidence, patience, and the ability to quickly develop interpersonal relationships with all business prospects.

#### **3. Relationship**

Relationship salespeople like independence. They like the freedom of sales, the feeling that they are their own boss. They exercise discipline and take responsibility for their actions. Relationship salespeople become resistant if management tries to control their actions too much, or if management tries to change the rules.

## FOUR SALES TYPES

Relationship sales requires great patience over a long period to finally cement a customer. This practically eliminates one's concern with failure on a day-to-day basis because the sale is heavily dependent on the relationship between the salesperson and customer. A "good" relationship will generate at least some business eventually. Many industrial selling situations and both territory and route sales typify relationship sales. Relationship selling is characterized by the ability of salespeople who move to a competitor to take business with them. Local stock brokers, industrial suppliers, distributors, etc., typify Relationship sellers.

### 4. Display

Display sales requires little personal involvement, relatively little risk of personal rejection, and a compensation or reward system that does not depend on actually completing the sale. Display salespeople (retail clerks, for example) get paid even if the customer fails to buy. Many retail salespeople fit this category, as do bank tellers and other salespeople who are on total salary and receive little or no commission. Some telemarketing "order takers" (not the boiler room or high-pressure telephone sales) also sell from a "catalog" and fall into the Display sales category.

**Personal and Biographical Characteristics of the Four Basic Sales Types**

Closing	Consultive	Relationship	Display
1. Extroverted	1. Career-oriented (especially into management)	1. Strong work ethic (feel guilty if doing nothing)	1. Low career ambition
2. Energetic		2. Self-sufficient	2. Easily bored (need to have something to do)
3. Optimistic	2. Status and image conscious	3. Independent (don't like to be bossed)	3. Enjoy people
4. Strong work ethic	3. More academic	4. Cooperative	4. High physical energy level
5. Competitive	4. Self-confident	5. Patient-traditional, conservative right-leaning	5. Impulsive
6. Success image but less likely to save frugally	5. Independent and self-developmental	6. Strong and rigid value system (school of hard knocks)	6. Work tends to revolve around home and other goals
7. "Positive mental attitude"	6. Team-oriented		
8. Highly self-confident	7. Not impulsive or "extreme" risk-taking		

## FOUR SALES TYPES

### Success Rates Will Differ

Using selection assessments to identify the different types and then tracking performance, Chally has determined that sales type success rates vary according to markets and customer needs.

		CUSTOMER NEEDS			
SALESPERSON TYPE	Closing	Consultive	Relationship	Display	
Closing	85%*	40%	25%	20%	
Consultive	50%	82%*	46%	30%	
Relationship	15%	55%	89%*	35%	
Display	10%	9%	18%	70%*	

\*Maximum Match

Sales Type Summary			
Type	Style	Primary Skills	Personality Strengths
<i>Closing</i>	<i>Theatrical &amp; Confident</i>	<ul style="list-style-type: none"> <li>• <i>Build Emotion, Enthusiasm</i></li> <li>• <i>Give "Permission" to Buy</i></li> <li>• <i>Create Urgency</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Handle High Failure Rate</i></li> <li>• <i>Handle Personal Rejection</i></li> </ul>
<i>Consultive</i>	<i>Expert &amp; Competent</i>	<ul style="list-style-type: none"> <li>• <i>Demonstrate Technical Competency</i></li> <li>• <i>Professional Credibility</i></li> <li>• <i>Systemized &amp; Organized</i></li> <li>• <i>Answer Objections</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Handle Confrontation and Negotiate</i></li> <li>• <i>Handle Personal Rejection</i></li> </ul>
<i>Relationship</i>	<i>Dependable &amp; Loyal to Customer</i>	<ul style="list-style-type: none"> <li>• <i>Demonstrate Product Knowledge &amp; Customer Knowledge</i></li> <li>• <i>Customer Advocacy</i></li> <li>• <i>Time &amp; Territory Management</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Patience</i></li> <li>• <i>Persistence</i></li> </ul>
<i>Display</i>	<i>Responsive &amp; Service-Oriented</i>	<ul style="list-style-type: none"> <li>• <i>Congeniality</i></li> <li>• <i>Demonstrate Product Knowledge</i></li> <li>• <i>Energy &amp; Stamina</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Handle Boredom</i></li> <li>• <i>Handle "Social Fatigue"</i></li> </ul>

## How to Specialize Your Sales Force to Meet Company Objectives

Companies emphasizing growth and specific business initiatives often find it appropriate to segment sales activities beyond recognizing the four broad segments of customers. Extensive Chally research of more specialized sales forces has identified 14 specific sets of sales and service skills that are required to succeed in specialized sales roles. The sales specialist “map” below demonstrates a decision tree that allows a sales executive to identify the one unique profile best suited to accomplish a specialized sales initiative. A series of no more than five questions will lead to the best match.

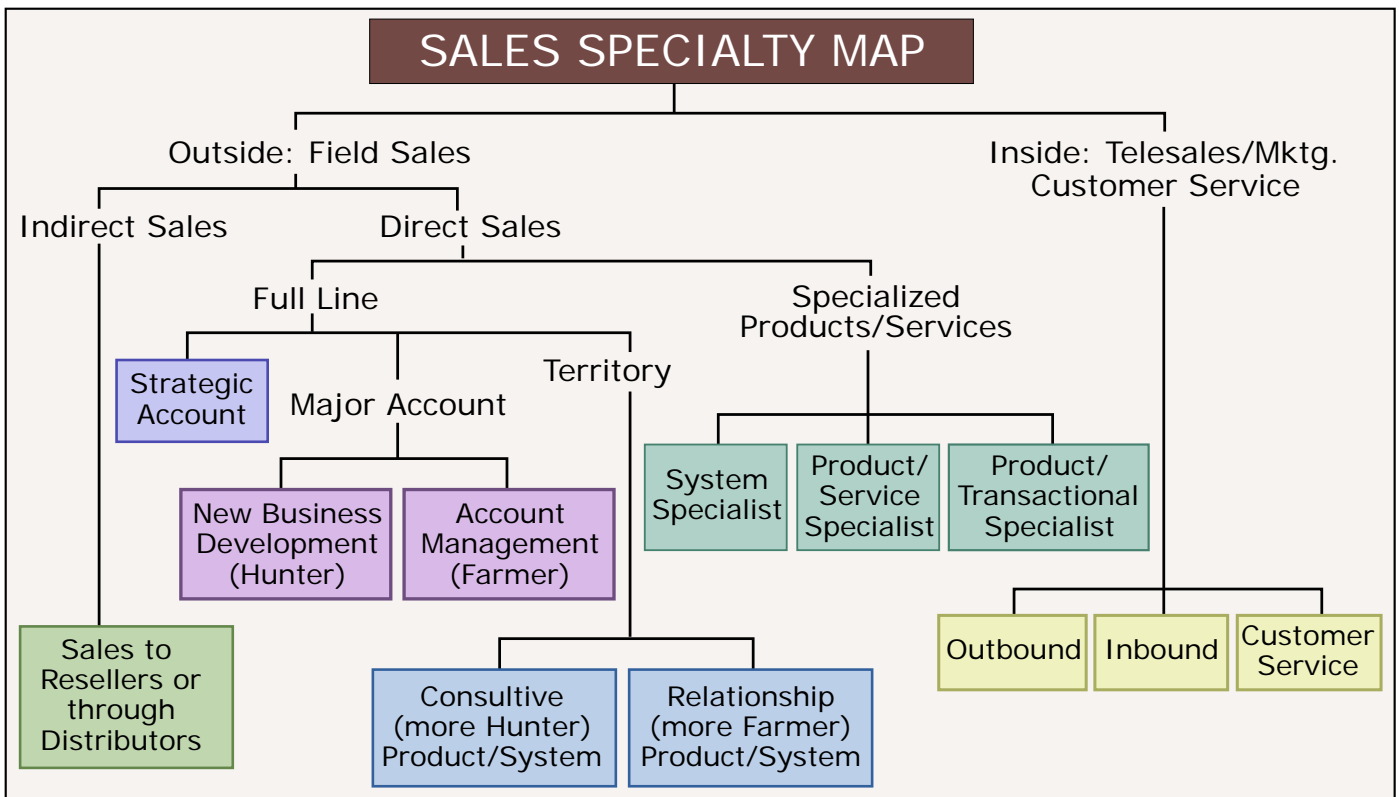
**Q. 1:** Is this position **field** (outside) sales **or inside** (tele) sales?

**Q. 2:** Is the position **proactive** (outbound tele or direct sales contact) or **reactive** (inbound tele or indirect field sales through a distributor) or primarily **customer service**?

**Q. 3:** Is the position primarily responsible for a **full line** or a **specialized product or service**?

**Q. 4:** Is the sales effort **account based** (strategic or major accounts) or **geographically based** (territory sales)?

**Q. 5:** Is the salesperson’s responsibility primarily to acquire **new accounts** (hunter) **or** maintain and grow **existing accounts** (farmer)?



# SPECIALIZED SALES POSITIONS

## Roles and Requirements of Specialized Sales Positions

### INDIRECT SALES (via distributors or resellers):

Acquires skills at training customers (on sales and programs), making joint sales calls, sales motivational and presentation techniques, product knowledge, and the ability to maintain repeat sales

### STRATEGIC ACCOUNT MANAGER:

Strategic relationships are built with major customers through initiative, a willingness to work long hours, proactive assistance and support, a willingness to further develop technical competence, and an emphasis on sharing information that is pertinent and will have lasting educational impact

### NEW BUSINESS DEVELOPMENT (Hunter):

Demands individuals who can develop leads, find opportunities, penetrate prospects and customers, and be willing to put in long hours as well as problem solve and close

### ACCOUNT MANAGEMENT (Farmer):

Requires excellent customer relations skills focused on working internal systems on the customer's behalf, and effectiveness at explaining and clarifying issues to the customer; this is driven by the desire to increase business and the ability to work long hours when necessary to accomplish that

### TERRITORY CONSULTIVE PRODUCT SALES:

Focuses on establishing a credible image, developing new business through effective qualifying and presentation skills driven by the motivation to be an effective consultant

### TERRITORY RELATIONSHIP PRODUCT SALES:

Calls for a disciplined and systematic approach to goal achievement and a focused response to customer needs in a service capacity, as well as effective communication skills and the ability to work a sales plan in account penetration; removes objections and gives permission to buy

### TERRITORY CONSULTIVE SYSTEM SALES:

Demands the skill to develop business through effective lead generation, qualification of profitable prospects, and tailored presentations; willing to work long hours to meet objectives,

sets ambitious goals and achieves them through effective selling, and understands sales strategies and tactics

### TERRITORY RELATIONSHIP SYSTEM SALES:

Adapts image to accommodate customers, gives personal attention, and takes hands-on responsibility for assuring continued customer satisfaction; knowledgeable of sales strategies and pushes to set personal records in sales; comfortable with the recognition of a high-profile role

### SYSTEM SPECIALIST:

Focuses on assuming the leadership to learn customer needs and goals, stays continuously aware of the market and spends the long hours it takes to influence and train others

### PRODUCT/SERVICE SPECIALIST:

Customers look for individuals who provide reliable information, learn their business, know the market, and communicate effectively while remaining dedicated to their own sales results

### PRODUCT/TRANSACTIONAL SPECIALIST:

Demands initiative and perseverance to develop leads, qualify, and close on an ongoing basis

### OUTBOUND TELESALES:

Takes the initiative to present benefits and answer objections in order to grow the business; willing to learn the products and services; can persevere for as long as necessary to succeed

### INBOUND TELESALES:

Requires an image conscious vocal demeanor in a service oriented individual who is interested in learning the customer's needs, solving problems, and making the appropriate (and profitable) recommendations

### CUSTOMER SERVICE REPRESENTATIVE:

Calls for a focused commitment to take personal responsibility for satisfying all customers, regardless of their attitude or style; solutions must be intelligently thought out, often quickly, and presented with a positive attitude

How Specialized Sales Positions Fit the Four Markets

	CLOSING	CONSULTIVE	RELATIONSHIP	DISPLAY
(2) Pro/Re active	Telesales		Telemktg. (Customer Service)	
	Direct Sales			
	Indirect Sales			
(3) Product Offering	Concept Sales	System Sales	Product & Service	Product Only
(4) Customer Size		Strategic Accts. & Major Accts.		
		Territory Accts.		
(5) Growth Rate	New Business Dev. (Hunter)		Acct. Management (Farmer)	

## How to Recruit the Four Types of Salespeople

**Understanding what salespeople want from a job is critical to successful recruiting. The three most important attractions of a selling job and the commitment to earn them are:**

1. **Independence requiring self-discipline**
2. **Opportunity requiring risk**
3. **Security requiring loyalty**

**However, the importance of these attractions is very different with each of the four types of salespeople.**

### Recruiting Closing Salespeople

Closing salespeople are usually high energy, fast pacers, who leave a sales job only because incentives or commissions are capped, or because the company itself is in decline.

We suggest recruiting only experienced salespeople from companies (competitors or not) who pay most or all of their compensation on commission or bonus. Good closers usually have to be found by personal contact. Very few successful closing salespeople are looking for a job. Risks don't bother them if a great **opportunity** comes along. In fact, security is almost irrelevant. But some degree of **independence** is critical; they seldom work well as a part of a team.

### Recruiting Consultive Salespeople

Consultive sellers also want **opportunity** and are willing to accept both "the risk of failure" and "the risk of rejection" in order to have a shot at that opportunity. Often the most desired opportunity is advancement into management. **Security**, however, is more important than independence; they'll be both loyal and team players if it advances their career.

Consultive sales jobs can draw directly from school graduates if extensive classroom **and** on the job training and **mentorships** are provided. Individuals with less than top grades are often the best candidates, since they studied "practically" (i.e., enough to reach a goal-graduation). They spent a good deal of their time learning social skills (excellent for selling) at the expense of academic pursuits (not always so excellent for selling). They are usually very image and prestige conscious (though often reticent to admit it) and seek an employer that has a prestigious professional image, like the IBM look.

### Recruiting Relationship Salespeople

Relationship sellers want independence—the freedom to be their own boss. They will exercise discipline and take responsibility for themselves. They become resistant if management gets too much in their way, or if management tries to change the rules and control their selling environment too much. They'll be **loyal** if not manipulated unfairly, but will be team players only in verbal confirmation (after which they'll do it their own way, anyway).

Relationship salespeople are basically small entrepreneurs. Most of them get into sales accidentally. They could just as easily have started in some other business. A key is locating people who started, or tried to start, their own business, or who worked in situations where there was relative autonomy. They typically can be found with competitors, distributors, and working for customers. They are usually politically "right" or conservative in orientation and participate in or are interested in sports because these are competitive activities.

### Recruiting Display Salespeople

Display salespeople and order takers want **security** and routine and are willing to give loyalty in return. Many retail salespeople are used as clerks, not offered security, and thus aren't very loyal. Hobbyists, however, who become retail specialists in their hobby area typically develop a high degree of loyalty to both their sales area and products, as well as to their customers (e.g., fashion buffs who sell clothes or electronic enthusiasts who work in electronics outlets).

To understand effective display salespeople better, we need to recognize the combination of "some" ambition to keep busy and be involved with the work ethic, along with a **stronger** interest in non-work activity, such as maintaining home obligations or other non-career-related aspects of life. These people can have an interest in success, but they don't want to narrowly direct their attention toward a career.

Security-oriented people usually select jobs that require little decision making, are convenient to home, and are well structured. They often have strong commitments to hobbies and moderate to high community interests. Recruiters can find them in non-sales jobs like clerical and office work, paraprofessional health service jobs, and low-skill service jobs. They can be reached by ads in

# RECRUITMENT

the home section of the newspaper, through community affairs contacts, etc.

## The Tough Recruiting Questions: How Much to Spend? How Much Experience? When to Recruit From Competitors?

Spend as much as you would expect it would cost to cover the actual replacement cost of a top salesperson leaving. That figure includes the cost of lost sales, start-up time, etc.

If you have the time to develop a good recruiting program, you will be able to focus in and increase your recruits' average level of performance dramatically. If you don't have the time, consider using good recruiters and give them a clear picture of the kind of salesperson you need.

Experience is critical in relationship and consultive sales. It usually takes at least three years for a motivated recruit to become the best. If you can afford that development time, you may be able to pick candidates fresh out of school. If you can't, choose experienced people.

Consultive selling is both the hardest and easiest to do. It is difficult because it depends upon a technical base which comes naturally only to **academic** people, and easy because it relies on a well-developed selling system (advertising support material, etc.) that has been carefully planned and implemented. In general, you will find it easier to train the technical skills than to train

the selling skills, but the difference is slight. If you don't have extensive classroom and on-the-job sales mentor training programs available, pick an experienced pro.

Recruiting from competitors offers a two-edged sword. On the one hand, such candidates may already have many of the necessary skills. On the other hand, if salespeople will leave a competitor, they may well leave you also. The key issue is whose fault was the transition. Strong "superstars" who left a company because their careers or commissions were capped are a good source. Otherwise, be wary of competitors whose poor-to-average salespeople may simply be looking for an opportunity that is going to be **easier** for them, rather than an opportunity that is going to have **greater potential**.

Also, be aware that many competitors' jobs vary just enough from your own that negative transfer of skills becomes a problem (e.g., people who had their leads generated for them now have difficulty generating leads of their own).

### Successful Recruiting: Three Steps

Good recruiting isn't a matter of chance in the long run. By carefully (1) analyzing what you need, (2) identifying who likes to do that **well**, and (3) offering them the "reward" they really want, you'll set a company "image" that will recruit for you! Now you can pick from some of the best recruits available... and they contact you!

Benefits That Attract the Four Basic Sales Types	
<p><b>Consultive</b></p> <ol style="list-style-type: none"> <li>1. Opportunities for management</li> <li>2. Availability of development opportunities (classroom as well as OJT)</li> <li>3. Sophistication of product or service</li> <li>4. Prestige or image of the company in the eyes of the general public</li> </ol>	<p><b>Relationship</b></p> <ol style="list-style-type: none"> <li>1. Quality of product or service</li> <li>2. Image of the company in the customer's eyes</li> <li>3. Sales support (not sales management)</li> <li>4. Customer service support</li> <li>5. Control of territory and selling method</li> </ol>
<p><b>Closing</b></p> <ol style="list-style-type: none"> <li>1. Size of commissions</li> <li>2. Emotional appeal of product or service</li> <li>3. Glamour of product - "high status" is best</li> <li>4. Sales training (OJT, not classroom)</li> </ol>	<p><b>Display</b></p> <ol style="list-style-type: none"> <li>1. Flexibility of hours</li> <li>2. Physical facilities</li> <li>3. Image of the company or product</li> <li>4. Fringe benefits</li> <li>5. Holiday and vacation accrued</li> <li>6. Perqs (e.g., merchandise discounts)</li> </ol>

## How to Interview Sales Candidates to Get the Real Picture

**The HR Chally Group realizes that more emphasis is put on the interview than any other selection aspect. Here are key factors that experience has proven to be valuable. We've also included a short, practical interview example to assist in interview design.**

### 1. Planning Interviews

While interviewing may be the most common of selection techniques, it is effective only if it focuses on factors that are truly observable. The format should be structured and applied consistently across all candidates. An interview:

#### Can:

- *offer an avenue to explain unclear background data*
- *provide an opportunity to evaluate presentation skills, poise, appearance, and the ability to think on one's feet*
- *furnish an opportunity to check stress tolerance, planning, and some learning ability*

#### Can't:

- *verify honesty or integrity*
- *attempt to separate between real motivation and the present need for a job*
- *provide totally objective and valid proof of non-bias for legal purposes (in most cases)*

### 2. Conducting Interviews

Determine the job-relevant characteristics and skills necessary to do the job successfully, and define the

purpose of a specific, upcoming interview. This will depend on where the interview is positioned in the selection process. Earlier interviews typically screen people out while later interviews focus on confirming a positive impression which could lead to an offer.

Prepare the questions to probe the candidate and determine the match between the person and the job.

Start the interview by greeting the candidate in a professional manner, establishing rapport, and stating the objective for this specific interview.

Allot time to discuss each key area you need to talk about before you discuss the job requirements and your company. The amount of effort you spend on "selling" the job and the company should be determined by how closely the applicant appears to match your requirements.

Finally, ask the applicant if he or she has any questions and respond accordingly. Finish by telling the candidate the next steps and by reviewing what to expect.

### 3. Getting The Real Picture Put the Candidate at Ease

This is often called a "permissive environment." By helping the person to feel free to talk, you create the opportunity for the applicant to provide more candid responses.

#### Listen - Don't Give Away the Show

The key point of a selection interview is to gather information, not to sell. Even naive and inexperienced candidates can follow interview clues projected by a talkative interviewer, allowing them to package their answers. Practice the 80/20 Rule: listen to the applicant 80% of the interview; talk 20%.

"Chally's assessment quite often highlights candidate traits and characteristics that can be probed in more detail during subsequent interviews."

Vice President, Sales

## Silence - Don't Be Afraid of It

Talking may be either communication or a defense. Too much of it on your part is an indication of your own discomfort with silence. Likewise, the need for an interviewee to talk too much indicates discomfort with silence, a characteristic that can hinder future success. No one can listen while talking.

## Offer Opportunity - Not Just Security

Good employees tend to live on their own merits and expect to be rewarded as a result. They prefer more opportunities for growth, not just long-term security. They may be unwilling to commit to guarantees for employment tenure.

## Look for People Who Exhibit the Courage of Their Convictions

People are better suited to persuade others to buy an idea or product in which they strongly believe. Even the best actor cannot feign a false belief in the product all the time. A lack of conviction leads to cynicism and, eventually, personal problems for the candidate.

## 4. A Structured Interview Example

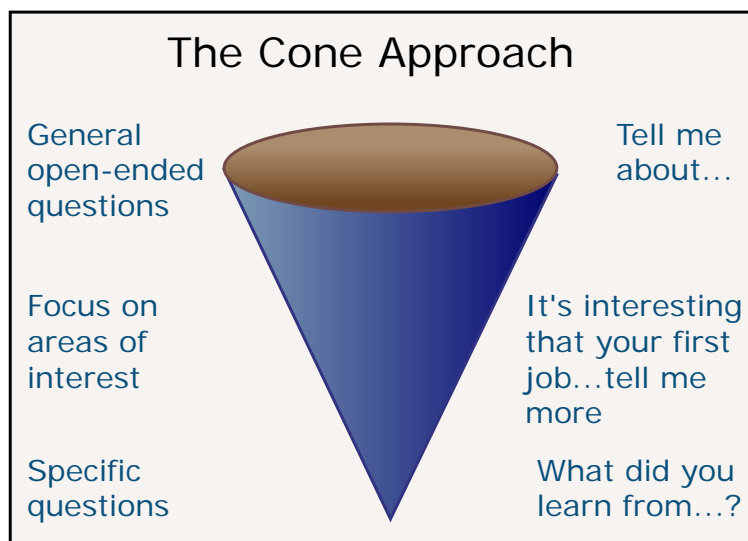
In terms of overall impact on the value of an interview, "asking the right questions" is second only to understanding what you are looking for in the first place.

For an in-depth interview, we at The HR Chally Group advocate a **"Cone Approach."**

When using this approach, the interviewer starts by asking open-ended questions which focus on a characteristic sought in the candidate.

As you can see in the following diagram, **coning** questions often start with the broad inquiry, "tell me about." For example, an opening question could be, "Tell me about yourself. How would you describe yourself in a work situation?" As the candidate answers, listen for areas of interest, and begin focusing downward in the cone. In our example, a more narrow, second-stage question might be, "What have been some of your biggest mistakes?"

This last question would lead you to the bottom of the "cone" with a very specific follow-up question intended to pinpoint what was learned from key mistakes as in, "What did you learn from \_\_\_\_\_ (one specific mistake)?" In this example, what you are looking for is a person who owns his or her mistakes and can persevere in spite of barriers. Having debriefed what went wrong in order to learn for the future, your candidate has taken responsibility for fixing the situation. It is this final point in the inquiry where you can start forming conclusions about the candidate, drawn from specific answers to your pinpoint questions.



## A Sales Example

As we defined earlier, successful performance is supported by a number of critical skills. Using a **Cone Approach** to evaluate customer relations skill could flow as follows:

1. **General:** Describe a long-standing customer relationship you've had.
2. **Focus:** What tactics have worked well to help maintain the relationship? Look for:
  - *a recognition of situations which may become problems in the future*
  - *a focus on building goodwill*
  - *pro-activity in asking the customer for ways to improve*
  - *not allowing previous problems to bias how customers are treated now*
3. **Specific:** On a scale of 1 to 10 (10 = high) how would you rate your ability to nurture customer relationships and why? Look for:
  - *willingness to listen to customer's challenges and help problem-solve even in unrelated areas*
  - *helping customer stay abreast of changes that may be of benefit*
  - *objective and cool-headed approach; not trying to impress for its own sake*
5. **What To Avoid:** In the United States, it is illegal for employers to disqualify job candidates based on a variety of personal characteristics. For example:
  - *Questions dealing with arrests*
  - *Questions asking about citizenship*
  - *Questions concerning a spouse, the spouse's employment or salary, children and child care arrangements, dependents, or pregnancy*
  - *Overly specific questions not likely to affect job performance, such as health questions*
  - *Questions dealing with marital status*
  - *Questions about type or condition of military discharge*
  - *Questions about whether applicants own or rent their own homes*

# How to Get Valid Information in a Background Check

The HR Chally Group's experience shows that many employers never really check references, or else they do it hastily and it becomes little more than a rubber stamp. Here are 10 techniques to make the background check a useful and productive tool in aiding the selection process.

While it is often difficult to get references to cooperate because of cautious internal policies or other legal concerns, many will comment verbally or off the record, but not in writing.

### 1. Be wary of first party references

Good sales candidates are not going to name references who will describe them negatively. Such first party references are not as valuable as the candidate's past customers, who will probably be more candid. These references can indicate how loyal and satisfied the customers were with the candidate, which is a good indication of a prospective employee's past performance.

### 2. Radial search referrals might be used

The radial search for referrals is a method of reference checking which requires getting additional references from the first party references. Such "second generation" references will not be carefully selected to present only a positive impression.

**Remember: Ask references to help you out; don't ask them just to criticize. Ask them to highlight strengths and let them build up the salesperson, and see how high they are willing to go.**

### 3. Use an interview background check

This will show whether or not the salesperson is likely to change in terms of work performance. In other words, what degree of reliability do the references suggest? What "odds" do they give for the person's future success?

### 4. Use the critical incident technique

Determine the one trait or incident for which the candidate is best remembered. Could this be described as primarily good, bad, or neutral? Does it indicate an individual who is results oriented or service oriented?

### 5. Pick out problem areas

Determine the candidate's customers who were the most difficult to handle, and those problems that were the toughest to solve. Even first party references may reveal difficulties which can be indicative of future sales performance. Find out if the candidate eventually overcame the difficulties.

### 6. Obtain a numerical scale reference rating

Keep in mind that 70 points on a 100 point scale is "passing" to most people; 50 points would be "failing" Reference rating scales are often easier for people to deal with. For example, references generally do not like to say negative things, but they may be willing to call a person an "85" instead of flatly saying "average."

### 7. Identify an individual's best job

Notice whether or not the reference needs to think excessively about identifying an individual's best job. This may suggest that the individual's behavior was consistent, but not necessarily exceptional.

### 8. Check for idiosyncrasies

Did the candidate have any outstanding idiosyncrasies? If so, did they help or hinder job performance?

### 9. Check financial and personal habits

Credit difficulties and any indication of alcoholism or gambling are clearly negative indicators for future success. A strong interest in betting, even associated with a measure of success, is frequently associated with long-term problems in sales.

### 10. Get customer opinion

Has the candidate kept regular customers? How loyal are customers to the candidate personally as opposed to the product or the company? Why? Was the candidate seen as efficient, dependable, and genuinely interested in the customers?

## How to Budget Sales Employee Selection

**The success of The HR Chally Group depends on improving the bottom line for our clients. If we can't improve your profit and reduce your costs, we're in trouble! Here are a few guidelines that we use to maintain our good reputation.**

### 1. Estimate the cost of turnover

If turnover rates are high, as may be the case with high school students in magazine sales, then turnover costs are probably low. On such jobs, the training required is minimal, and high turnover may be a necessary way to keep enthusiasm fresh. If the cost of turnover is high, plan to spend more for selection to beat this high hidden cost.

### 2. Estimate the cost of the mistake

Try to determine how much income was lost in potential sales from a poor salesperson during the unsuccessful employment tenure. Also, estimate the costs of replacing the individual in terms of selection and training. Your turnover calculation could include: recruitment cost, relocation cost, training cost, plus an estimate of lost sales per salesperson.

### 3. Determine your success rate

Is your company's selection track record good 95% of the time? That is, if 19 out of every 20 individuals exceed the sales quota after two years, fewer resources need to be budgeted for selection in the future.

### 4. Estimate the possibility of improvement

If industry norms or personal intuition suggest that you could be doing better in selecting candidates, allow for greater investment in selection.

### 5. Estimate the quality of the available recruits

There is obviously no point in seeking out potential engineering salespeople in a group of high school dropouts. Even if one out of 100 might work out, the odds of success are so low that it simply is not worth trying. If **all** candidates have excellent track records and are known to be real producers, extensive selection procedures may not be necessary. However, such candidates are likely to be successful only if the new sales jobs are **very** similar to their past jobs.

### 6. Know the different costs of various selection techniques

Estimate the improvement that is possible with different methods of selection. In general, the cheaper selection techniques are less accurate and the more expensive ones are more accurate. Although this is not a hard and fast rule, there are a few generalizations:

1. **The interview** can be the cheapest method of selecting salespeople, but it may also be the most subjective and the least reliable. However, if highly paid executives are involved or there are transportation costs, it can be the **most** expensive method and **still** be of variable reliability.
2. **The background check** is slightly more expensive, in terms of money and time, than a simple interview. If it is pursued thoroughly and effectively, it can produce indicators of real problems and strengths that might need to be considered before hiring.
3. **Assessments** can be the most objective and thorough method of evaluating a candidate. It suggests a greater commitment to finding good candidates, but it is more expensive than a phone interview or simple background check.
4. **Probation** mistakenly can seem to be the least expensive technique used. A trial period is often the most expensive method for evaluating candidates; however, the costs are concealed.

### 7. Determine what percentage of success in selection is desirable

Generally, to increase from 85 to 90 percent success will cost as much as an increase from 50 to 75 percent. If selection is really important to a firm, and in most cases it should be, then higher selection accuracy rates are called for, and the cost is more than justified. If not, cruder and less effective selection techniques will be sufficient.

"If each of us hires people who are smaller than we are, we shall become a company of dwarfs, but if each of us hires people who are bigger than we are, [we] will become a company of giants."

David Ogilvy, 1983

## How to Get Predictive Results Using Selection Assessment

**A selection assessment that measures general factors for sales success can give an accurate description of an individual's personality and motivations and how they might influence performance in a general selling environment. Many sales managers, however, require more tailored information and measurements.**

**Research has proven that the most valid factors will differ according to product/service sold, types of customers, and market environments. A statistical validation process identifies which factors will predict sales success for a specific position. Individuals measured against a validated profile may be given an actual forecasted percentage (e.g., 60%, 75%, 93%) prediction for success.**

### What is a Validation Study?

A validation study is an analysis of a statistically reliable large sample of salespeople ... which distinguishes top performers from poor performers.

The sample is measured to identify behaviors, skills, and other vital factors that predict sales success. The sample is also surveyed for descriptions of specific sales environments. This data is then correlated against specific performance criteria such as actual sales results. This identifies the specific assessment items/skills which predict sales success in your environment.

### Screening out False Indicators or Stereotypes

Companies often hire on the basis of characteristics that are "believed" important by interviewers, but which later prove to have little to do with actual on-the-job performance.

For example, a group of real estate firms had consciously selected individuals who were highly accurate and had a sense of detail. Those traits were considered to be very important for those who choose to go into real estate sales. However, they were not a determinant of success because high performers and low performers shared those same traits relatively equally. Only a validation study will screen out this type of false indicator of success and focus on true predictors.

### Determining the Critical Number of Success Factors

Data analysis may validate four to nine critical success factors for sales performance in a particular position. The process may reveal that strengths in all of these skills are important for success in sales in the company. However, **top performers may have a different mix** of those important characteristics which account for their success. Thus, even within the same company, two successful salespeople selling the same product may have different personal styles. Yet they both will have the same overall average across the critical skills.

Chally has found in some instances that two distinct types of salespeople, a design and a service specialist, for example, were necessary to sell some products or services effectively. These different types can be identified with a validated selection technique and combined to form complementary teams.

"The Chally assessment profile helps us determine which candidates are most qualified .... It is an excellent tool to be used in the hiring process."

Operations Manager

### A Specific Success Profile

Once the validation analysis is complete, a specific profile for success within a specific position is established. New sales candidates can be measured against this profile and an accurate assessment made of their success potential.

Each assessment will show the candidate's profile against the validated success factors for that organization. It will point out strengths and limitations, and it will indicate where candidates need further development once hired.

More importantly, it gives the company a tangible measure of the candidate's competency ... for example, "this applicant has skills better than 70% of our existing force." With this kind of accuracy, a sales manager can build a sales force which closely parallels his or her top performers.

## Validation Identifies Success Profiles that Differ by Company Specific Requirements, as in the Examples Below

### **S**kills Potential Summary

#### *for* Account Management

CRITICAL SUCCESS SKILLS	PERCENTILE
MAXIMIZES RESULTS BY SYSTEMATICALLY MANAGING AN ACCOUNT PLAN	80
DRIVEN TO PRODUCE BY INCREASING SALES TO EXISTING ACCOUNTS	97
WORKS THE SYSTEM FOR THE CUSTOMER	34
EDUCATES CUSTOMERS THROUGH STRUCTURED TRAINING	75
PROMOTES CUSTOMER RELATIONS BY SOLICITING FEEDBACK	43
RESPONDS AT ANY HOUR	81

#### *for* New Business Development

CRITICAL SUCCESS SKILLS	PERCENTILE
EFFECTIVE NETWORKING	91
PROBLEM-SOLVING	61
QUALIFIES PROSPECTS WITH STANDARD PROBES	40
COMMITTS TIME AND EFFORT TO ENSURE SUCCESS	62
CLOSES THROUGH LOGICAL, INCREMENTAL STEPS	67
OPPORTUNISTIC	29

#### *for* Sales Executive

CRITICAL SUCCESS SKILLS	PERCENTILE
CLOSES THROUGH PERSONAL IDENTIFICATION WITH THE PRODUCT/SERVICE	23
MAXIMIZES RESULTS BY PARTNERING AS A CUSTOMER ADVOCATE	82
DEVELOPS RELEVANT PRODUCT KNOWLEDGE SPECIFIC TO CUSTOMER NEEDS	76
FOCUSED ON JOB EFFECTIVENESS AND EFFICIENCY	75
OPTIMISTIC PERSPECTIVE	90

## How to Avoid the 10 Most Common Incentive Mistakes

**Incentive Programs can motivate your sales staff to new heights ... but make certain you sidestep counterproductive and potentially disastrous mistakes.**

### **Mistake 1: Trying to Keep Everybody Happy**

Poor performers needn't be and probably shouldn't be too content, unless they are trainees from whom you wouldn't expect great results. Incentive professionals advise that everyone should win something in an incentive contest, and that's fine. However, just make sure not to go overboard in rewarding poor performers.

The key is making job satisfaction a result of productivity. In a well-run incentive program, salesperson satisfaction improves as a result of increased efforts and sales. Seldom does job satisfaction lead to increased performance.

### **Mistake 2: Failing to Separate Novices From Veterans**

Don't use the same contest guidelines for both trainees and experienced salespeople. During training, a salesperson is still learning how to produce. The points awarded in an incentive contest, then, should be tied to the quality or quantity of efforts. Award points for the number of calls made, leads followed, or increase in

product knowledge. Trainees generally don't produce impressive results. An incentive contest that assumes they will can have a negative effect on trainees' attitudes toward sales as a career.

### **Mistake 3: Negative Reward on High Productivity**

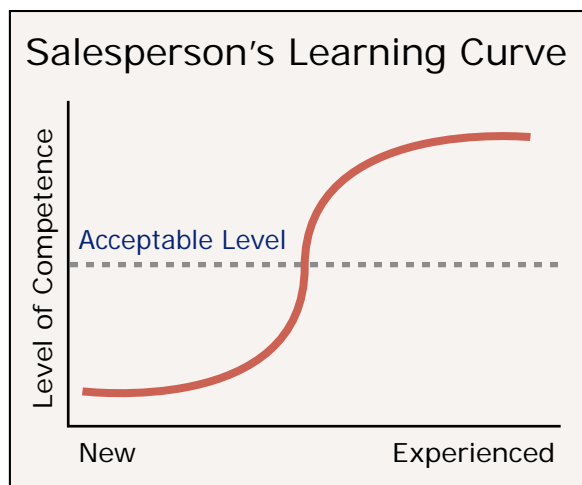
Many times, as salespeople produce more, the increased performance is believed to be a result of easier sales, rather than more effective selling skills. Some psychological theorists believe that managers have a hard time believing anybody who reports to them is worth more than they are, and they have to cap a salesperson's salary and incentives so they won't become inordinately high. Many top salespeople perceive this practice as unethical, so it is not always wise to ensure that a regional manager wins as much in an incentive program as the best salesperson.

A sales manager may also feel justified in doing this because he or she feels that selling is getting easier because management is doing a better job of advertising and sales support. This would probably be accepted by most sales forces if the incentive program awards increase in value when selling gets more difficult, such as in tough economic times.

### **Mistake 4: Targeting Prizes Toward the Wants of the Entire Sales Force Instead of the High Performers**

Generally, one finds experienced high performers seeking independence vs. security and desiring rewards with some long-term underlying value. They usually prefer to satisfy many short-term needs themselves. They want to build long-term advantages, such as hobnobbing with top executives on an incentive trip, that will give them prestige and lead to advancement.

Many less effective individuals look for easier to reach short-term rewards and don't like to worry about their long-term performance. Slanting incentive awards toward top performers may help alter such attitudes among the lower rungs of the sales force. In closing sales, however, the short-term rewards are critical since everything depends on excitement and hoopla.



### **Mistake 5: Planning a Contest with No Sales Force Input**

When planning an incentive contest, form a committee of sales superstars to help pick the incentives and plot the guidelines for winning. Surprisingly, they will set standards tougher on themselves than managers would. But because they are still members of the rank and file, the entire sales force will usually respect their decisions. You risk the exact opposite when managers set all of the standards and rewards.

### **Mistake 6: Leaving Top Management Out of the Plan**

Incentives are an important part of the psychological gratification of the salesperson and, therefore, need to be given the recognition and esteem associated with top management. At the very least, include comments from the company's president or chief executive officer in a promotional mailing to contest participants.

### **Mistake 7: Being Inflexible**

Too often, contest rules and prize choices are clad in iron, and it becomes impossible to improvise rewards that may be more appropriate in a specific situation with a given winner. For instance, a company once offered a top prize of a year's use of an automobile. It was won by an antique buff who owned classic cars that were all more attractive and glamorous than the prize automobile and, because the car was a rental, it was not transferable. It had no cash value and the winner gained no satisfaction from winning the prize.

### **Mistake 8: Hoping for X While Rewarding Z**

Make sure to gear incentive rewards to reaching the company's real goal. Many sales managers will talk about goal X but go on to design an incentive plan predicated on reaching goal Z. For example, a sales manager kicks off a contest by telling salespeople they need to develop long-term customer relationships. Then he reveals that incentive points are based on the number of sales dollars accumulated. This usually happens because Z is easier to evaluate than X, and managers are afraid to try out an untested system. Such a plan can rob the future to produce favorable short-term results.

### **Mistake 9: Forgetting That Good Salespeople Always Work for Their Own Good First, Not the Company's**

Sales managers are usually paid a set salary and so are motivated by the prospect of promotion and advanced status in the company. They often forget that when skilled salespeople are not performing up to par, it is because they feel there is not enough in it for them. When choosing incentive awards, then, be sure to find out what would make it worthwhile to the salespeople. Sales force input is crucial to all aspects of incentive planning.

### **Mistake 10: Being a Do-gooder**

Since most sales managers enjoy influencing other people, they tend to pride themselves on improvements they see in their sales forces. They have a natural tendency to spend too much time on individuals who are poor performers and, therefore, more in need of improvement. This tendency, popularly called "do-gooder" management, has no place in a successful incentive program. If you are a do-gooder, fight the urge to make special concessions to poor performance.

## State-of-the-Art Selection Systems

The Chally assessment is based on extensive and ongoing actuarial research. The database includes profile results and measures of performance for over 250,000 incumbents and candidates in sales, management, skill, and specialized functional positions. Chally completes numerous validation studies each year to develop specific profiles for customers, comply with regulations, and develop new scales that accurately predict on-the-job performance.

### Beyond Describing to Predicting

Because Chally focuses on predicting candidates' ultimate success on the job, we have researched and developed objective scales that measure the actual skills needed to succeed. It may be interesting to know a candidate's energy level, for example, but it is critical to know that the sales candidate can successfully resolve objections, or that a manager is able to direct subordinates.

This approach has led to identifying specific skill requirements for different positions. The skill sets required for a Strategic Account Manager, for instance, are different than those needed by someone in Inbound Telesales, even though they are both sales positions.

To date, Chally has researched **predictive** sets of **scales** for:

- 14 Different **Sales** Positions
- 10 Different **Skill** Positions
- 17 Different **Management** Positions
- 10 Different **Functions**

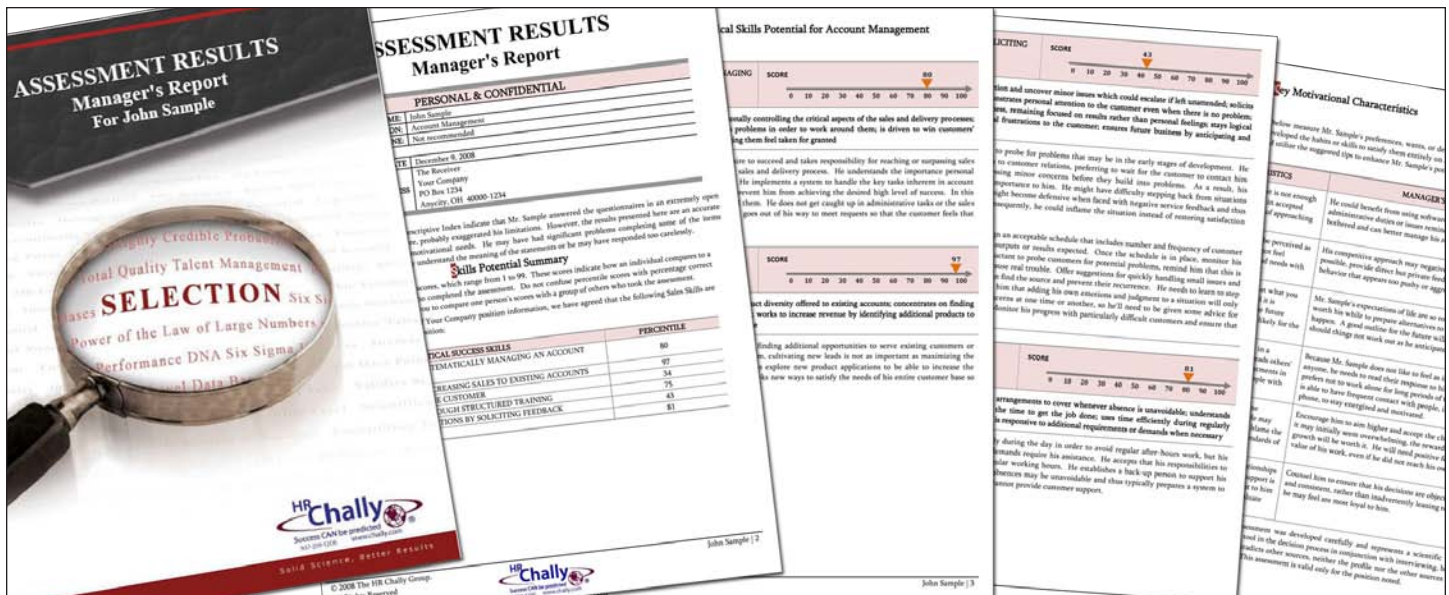
### User Friendly Results

Based on customer feedback, the Chally report has been designed to provide maximum information in a clear format. See the illustration below for excerpts from a sample report.

The first page provides a complete overview of results, including the scores for each job skill and one of three recommendations: not recommended, recommended, or recommended if concerns are addressed (specifying the concerns).

The following pages provide a detailed explanation of each skill and the degree of the candidate's strengths or weaknesses. This includes examples of typical on-the-job behaviors that can be expected. In addition, coaching tips are suggested for each weakness.

Additionally, it provides a specific listing of the major motivational and personal drivers for the candidate (typically 5-9 different factors) with matching management suggestions for maximizing the candidate's effectiveness.



# CHALLY ASSESSMENT

Features	Benefits
1. FOCUSED SALES	Objectively pinpoints only the skills for the specific position that affect bottom-line results
2. DESCRIPTION OF "ON-THE-JOB" BEHAVIOR RATHER THAN ABSTRACT "GOOD GUY" CHARACTERISTICS	Focuses on specific behaviors that affect results, and that can be observed and coached
3. VALIDATED PROFILES	Substantially improves selection accuracy from existing methods
4. QUANTIFIED (NUMERICAL) SKILL MEASURES	Predicts actual level of performance in comparison to present force; provides firm instead of vague or hedged recommendations
5. COACHING TIPS FOR WEAKER SKILLS	Provides immediate targets for development based on recommendations from top performers
6. DEDICATED CUSTOMER SERVICE CONSULTANTS	Your Consultant will acquire experience with your company in your market
7. QUICK TURNAROUND	Fewer delays and loss of good candidates
8. HIDDEN (NOT OBVIOUS) SCORED ITEMS AND BUILT-IN VALIDITY SCALES	Discourages attempt to manipulate the test results Adjust scores of "fakers" to better reflect actual on-the-job behaviors Permit non-monitored administration of the test
9. REPORT FOR THE CANDIDATE AVAILABLE	Provides results review vehicle at hiring when candidates are more receptive
10. "SCREEN" REPORTS AVAILABLE FOR VALIDATED POSITIONS	Reduces cost to evaluate non-qualified applicants
11. SELECTION AUDIT	Selection scales adjusted periodically to reflect new needs or market changes

## Added Value

Good products are only one element of Chally's commitment to customer satisfaction. Our customer service includes:

- *Dedicated consultants focused on your market*
- *Assistance in selection related topics such as interviewing, recruiting, or coaching*
- *Individual consulting as requested, to fit specialized sales or marketing requirements*
- *Tailored profiles for all positions with a large enough number of incumbents to statistically validate*
- *Ongoing tracking to refine selection criteria*

"Chally assessment profile...not only provides us with a solid prediction of how successful a candidate would be, it also provides guidance to develop internal candidates for future positions."

Human Resource Manager

"Chally assessment profile is reliable, insightful and responsive...They are indispensable in our hiring process...We will never override the Chally recommendation...when we did in the past we regretted our decision [and] they go the extra mile in serving our needs."

Company President

*"...the Chally assessment profile provides an excellent barometer for the likelihood of success ... of a candidate."*

Vice President, Sales

*"The Chally assessment profile ... provides us guidance to develop internal candidates for future positions."*

Human Resource Manager

*"A pre-employment assessment profile by Chally can radically increase your chances for success when recruiting and hiring. ...low-priced evaluations, while interesting, simply don't offer the in-depth analysis provided by Chally."*

Business Owner

*"Chally gives us a good forecasting tool ... saves planning ... (and) flags areas to probe ..."*

Customer Service Manager



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