

Break Away from the 80/20 Rule and Build a Sales Team of All Winners!

The client company in this case study is in what most would call a “mature” segment of the economy—Corporate Accounts in the Retail Office Supply industry. While the company had done well for years, like most companies, it looked for a way to **increase its share** of this inelastic market. At the same time, the company was experiencing relatively high turnover in its sales staff and they were looking for a way to **reduce the turnover**.

We suggested they start with an assessment of the sales force to understand the attributes of their top performers (**the top 20%**) versus the rest of the pack (**the bottom 80%**). This would then lead to recommendations for changing the selection process going forward so that new hires would look like the Top Performers. By going through this process, the company would realize both of their goals:

- Increase sales to increase market share
- Reduce sales force turnover

The assessment chosen was the Profiles Sales Indicator (PSI). Two groups of 12 salespeople were assessed:

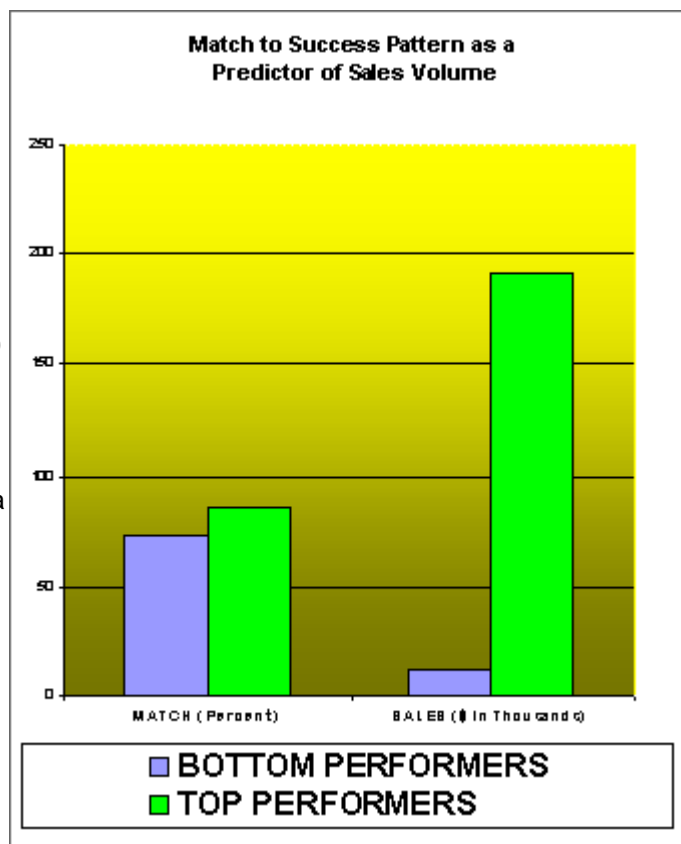
- a group of the Top Performers (based on annual sales volume)
- a group at the very bottom of annual production, the Bottom Performers.

Using the Top Performers to produce a Success Pattern, it was found that the characteristics of the two groups were markedly different compared to the Success Pattern. The difference was even more dramatic when comparing the sales production between the two groups. These results are summarized in the chart.

This company had calculated the cost of turnover in the sales department at **\$15,000** per person when advertising, recruiting, hiring, training, compensation, and termination were figured in.

In the second year, following the recommendations developed from the PSI data, the company applied the PSI and the Success Pattern of the Top Performers as a selection tool. This hiring process resulted in selecting people who had a high likelihood of thriving in the company because of a close fit between themselves and Top Performers.

The results were lower turnover and increased sales. The company also used the Management Reports generated out of the PSI to coach their salespeople throughout the year, helping them to maximize their performance and job satisfaction. In the first 10 months of the year, **turnover** dropped from an annual rate of **65.48% to 23.26%**, a reduction of two-thirds! This reduction resulted in turnover savings of **\$525,000** in just one year!



If all 12 Bottom Performers were replaced by Top Performers, the company calculated the potential in increased sales would be **\$2,150,940!** Over three years the total cost of the PSI assessments were estimated to be \$36,000. Even if all of the sales gain were deferred until the end of a three-year term, sales volume increase would exceed costs by a factor of 58:1. Ultimately, this increased revenue means market share will increase!

Bottom Line? Don't settle for the old 80/20 Rule—get your sales team to all be winners!. Contact us to learn how you can get there.

"Dig where the gold is unless you just need some exercise."

– John M. Capozzi



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