



ArcTree  
HR & Business  
Consulting

ArcTree Consulting

HIRING,  
MANAGING & COACHING  
SUPERSTAR  
SALESPEOPLE



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## Chapter One

# HIRING SUPERSTAR SALESPEOPLE

- The cost of a bad hire
- What to look for in top performers

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# This is serious: Hiring salespeople without the big picture is costing you

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Here's what usually happens when we're hiring salespeople.

We check their resume, looking for a strong background in sales. Ideally, they'll have worked with some big names, closed some big deals, and exceeded their targets.

We bring the most promising ones in for an interview and ask them a series of questions, such as:

*What was the most difficult sale you ever closed and how did you do it?*

*How do you uncover and address the prospect's needs before walking in to a meeting?*

*Tell me about a time when a prospect was considering going with a competitor. How did you persuade them to go with your products instead?*

If they perform well, we might bring them back for another interview with some further questions, and possibly ask them to present a sales pitch.

We check their references.

We offer them the job.

Sounds pretty normal, right? It's the standard approach most people use when they're hiring salespeople. And people have been doing it for ages. So, it must be working.

Except that... in 70% of cases, we hire salespeople who underperform and don't deliver the results we need.

This could happen in many different ways, including:

- Not achieving budgets
- Not following the process properly
- Having trouble prospecting and closing deals
- Making excuses
- Taking too long to ramp up
- Not delivering ROI.

This is exactly the situation my client – the General Manager of a leading national manufacturer and supplier of engineered capital equipment - was in last week when I met him for the first time.

They wanted to expand significantly over the next few years, but the problem was that their salespeople weren't delivering the results they needed.

When I spoke to him, they were interviewing two promising salespeople, and were considering hiring both of them.

### **The critical importance of objective evaluations**

While my client thought that their two prospective salespeople looked good, he was concerned that their hiring process wasn't delivering the people they needed.

I offered to do a complimentary evaluation for the two potential hires, so he could get a more objective, scientific and accurate picture of their real behaviours and skills: the kinds of things most employers don't find out about until it's too late.

I also sat in on the interviews with both people, so I could observe the kinds of questions their hiring managers were asking.

Here's what we learned from this process:

According to each candidate's evaluation, they were both lacking in critical sales skills, such as the ability to prospect and build a strong pipeline, build rapport, uncovering client needs, presenting valuable solutions, closing the deal – or even asking for the business. They were also ill-equipped to deal with stressful and non-controllable situations such as sales meetings!



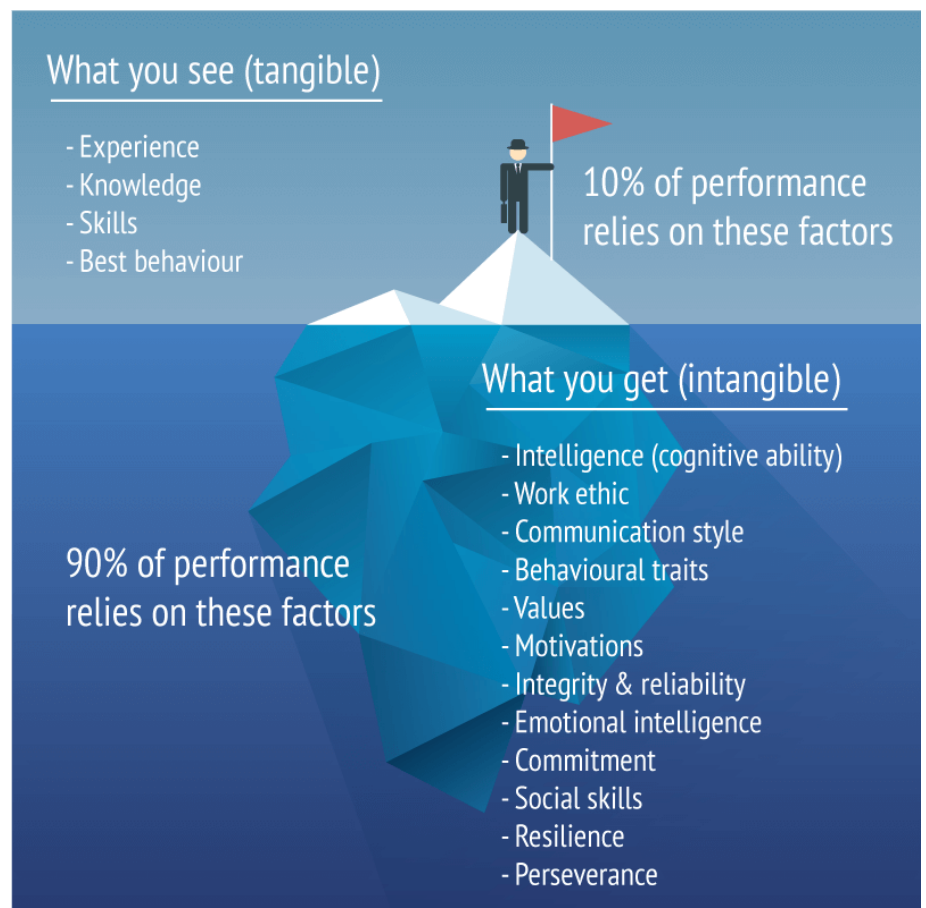
When we replaced 'leading' interview questions (i.e. superficial questions that almost told the candidate the kind of answer we required) that hiring managers were previously using with structured, tailored questions based on each candidate's objective profile, we discovered that both candidates were ill-prepared to overcome most of the challenges they were likely to face on the job.

### Getting a small part of the picture is costing you

My client told me that, if we hadn't evaluated these candidates or refined the interview process, they would have continued on in the same never-ending, incredibly expensive pattern they'd grown used to.

Instead of taking the time and – when you think of the consequences – small cost of skimming below the surface: the resume, past experience, interview performance, and objectively assessing each person's abilities, they would have continued as normal. Expansion and growth would not have been possible had they stayed on this path.

I love the iceberg metaphor when thinking about people: you only ever see the top 10% before you hire someone, and the rest is buried beneath the surface, only to appear once you've gone to the expense of bringing someone on board, training them and all of the associated costs.



But scientifically validated, accurate and scientific assessments will give you all of this information right at the start. You never need to hire an underperforming salesperson again.

### **The outcome: better candidates, better people**

The client didn't hire either candidate. He realised that doing so would just keep the cycle going and never help them grow. In his words:

*I can't believe how the change in questioning approach and having the psychometric information to hand uncovered the glaringly obvious so quickly...I am grateful to Alan as this has saved us a lot of time, money and recruiting the same profile again and again. Without this I would definitely have hired one or both of these candidates!*

He's gone back to the drawing board, with a much more robust, scientific and results-driven recruitment process that will help him find the right kind of people to expand their business.

He's also implemented this approach as standard for all recruitment across the business. HR is refining the way they advertise and recruit for roles, and incorporating the screening approach to make sure they can accurately identify the desired traits before investing in new hires.

And finally, they're conducting evaluations across the rest of the business. Once he saw the power of evaluating candidates scientifically and against specific role criteria, he saw the value of doing the same thing as a development exercise for his current team. Stay tuned as I'm sure I'll have some interesting case studies to share once we complete that exercise as well.

### **The bottom line**

It's really simple: if you want to improve the calibre of the people you hire, you must look beyond the surface.

You need to evaluate their abilities and traits objectively and scientifically, and then tailor interviews to make sure you're asking the right questions that will uncover the information you need to make a financially sound recruitment decision.

# Six attributes of top performing sales people

We've worked with many organisations recently to help them, among other things, take a long hard look at their sales performance. Hiring sales people is almost always a risk, and something that most managers or business owners have gotten wrong more than once.

Often, sales people are great at selling themselves to potential employers. They seem to tick all the boxes: they're friendly, confident, have a strong track record and seem to 'get' your organisation and its products or services.

Then, all too often after 6 months or so, it becomes clear they've over-promised and under-delivered. They're not meeting targets or your expectations. In some cases, we end up going back to the drawing board and starting the whole recruitment process all over again.

Are there any traits that characterise the top performing sales people? In our experience and based on expert opinion, these are some of the attributes you should be looking for.





## **They are customer focused**

There's been a lot of talk over the past few years about how we're living in the 'age of the customer' and businesses are no longer selling B2B – it's now B4B. In other words, businesses only exist because they're offering a product or service that solves the problems of their customers, and they do it more effectively than anyone else.

Top sales people have excellent communication skills: they know how to listen to customers and tailor their own communication to meet the customer. They can put themselves in their customer's shoes and understand their problems from the customer's perspective.

## **They build relationships**

The very best sales people also have a good amount of emotional intelligence. They know how to build relationships with their customers based on mutual respect. They're open-minded and able to relate to people on many different levels.

Most importantly, they're able to earn the trust of their customers by genuinely understanding their concerns and working with them to address them.

## **They're tenacious**

Of course, effective sales people have to be persistent and goal focused. They need to keep their eyes on the prize and be committed to doing what it takes to earn it. They also need to be able to learn from and recover well from setbacks and failures.

It goes further though: the best sales people might believe themselves to be optimists but in reality they're actually quite pessimistic. This helps them to continually re-assess situations and adjust their approach as required to get to a desired outcome.

## **They're flexible**

The best sales people need to be able to roll with the punches and be able to adapt effectively to unforeseen circumstances. They also have to be willing to evaluate their technique and try new ones to achieve their goals.

## **They're goal focused**

It might seem obvious, but it's all too easy for sales people to get distracted by day-to-day events or keeping up with reporting or a myriad of other things which take their focus off their ultimate goals. The best sales people are accomplished at setting and achieving realistic goals and know how to stay on course to meet their targets.

## **They take a broader view**

The very best sales people know their stuff: they have an excellent knowledge of their industry and their customers' problems and goals. They keep themselves informed and aware of what their competitors are doing and what's happening in their industry as a whole.

As mentioned at the beginning, hiring salespeople is always a risk and even someone who meets all of these criteria might still underperform.

The very best way to determine whether someone has the right combination of skills and attributes to succeed in a sales role in your organisation is simple: profile your top performers and then assess your applicants against the same criteria. You'll soon see patterns emerging that show you what your top performers look like, and you'll be able to identify people who share those attributes.



## Chapter Two

# SUPERSTAR SALES PERFORMANCE

- The cost of underperforming salespeople
- The impact of sales training

# Your underperforming salespeople are costing more than you realise

[In a recent case study](#), we talked about how ArcTree helped an Australian capital goods supplier reverse their downward trend.

One of the major 'Aha!' moments for this client was when we started to analyse the cost of his non-performing salespeople. While he'd been content (if somewhat stressed and experiencing far too many sleepless nights) muddling along with salespeople who weren't meeting their targets, when we actually sat down and looked at what keeping these people on his payroll was costing him, he felt sick. And quite honestly, so did I.

There's no sugar-coating it: underperforming salespeople are a major drain on your business. It's not a problem that will go away on its own. And it costs you far, far more than you realise.

## The real cost of underperforming salespeople



Item	Cost
<b>Tangible</b>	
Salary	\$80,000
Commissions	\$12,000
Expenses: Phone, computer, business cards, demo kit, car	\$22,000
Recruitment costs: ads, screening, interviews, reference checks	\$6,000
On-boarding costs: training, ramp-up time – 3 months' salary + training costs	\$25,000
Additional training to attempt to remedy performance	\$5,000
<b>Less obvious factors</b>	
Cost of lost new business	\$100,000
Cost of lost renewals	\$160,000
Cost of lost growth of existing customers	\$80,000
<b>Intangibles</b>	
Damage to brand reputation	\$340,000
Business transferred to competitors	\$130,000
Reduced morale leading to losing other good people, e.g. one top salesperson leaving	\$220,000
Damaged customer relationships and trust	\$70,000
<b>If person is dismissed, replacement costs</b>	
Recruitment costs	\$6,000
On-boarding costs	\$25,000

**Total costs**

**\$1,281,000**

The table above shows the exercise we went through to get a clearer view of how much each under-target sales team member was costing him.

There's nothing out of the ordinary in these figures. They're an honest, conservative estimate of all of the costs you're incurring if you have underperforming salespeople on your team.

If, like my client, this is an eye-opener for you – you're not alone. We seem to prefer to delude ourselves and only think in terms of the person not achieving their quota. So we might tell ourselves that Frank only missed his quota by \$80k, so that's just some lost revenue. Or that Julia lost a big account, but she brought in 2 new accounts, so that's not too bad, right?

The fact is, you can't afford to be paying continual under-performers. And here's the writing on the wall: you either need to pay to up-skill them – if that's a possibility - or find someone who's not going to be churning through your money and damaging the precious reputation of your business.

I invite you to complete the table above yourself and get an honest and accurate picture of how much your low performers are costing you. I'm quite certain it will be a lot more than you expect.

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# Yes, sales training can and does have an impact

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I am always surprised that organisations frequently allocate funds to creating more stock and assets, improving their products or services, moving to new premises, and even increasing employee headcount. All of these things are important and should be in the growth plan of any business. But essentially, they don't have a great impact on the sustainable growth, profitability, increased market share, and the wealth of the business. These successes rely largely on sales, re-sales, up-sells and cross-sells. In other words, sales.



Without generating revenue through selling its products or services, any business is susceptible to collapse.

I believe that to achieve this growth and sustainability, businesses need to take a thoughtful and invested approach to sales training. Note I say 'thoughtful and invested'. A one-size-fits-all approach, or an outsider coming in to deliver sessions that don't meet the specific needs of the business, or don't take each individual's skills and behavioural styles into account, is likely to meet with disinterest and disengagement. Not to mention a waste of time and money.

If training and development is conducted in a dynamic and thoughtful manner, designed to be delivered to the needs of the business and the personalities of the audience, and is engaging, interactive and specific, it can be extremely powerful.



This approach and investment has been shown to increase staff retention, attract the best talent (becoming an employer of choice), increase management effectiveness, and lead to heightened levels of customer service, amongst many other benefits.

## **The changing sales environment**

While the sales environment has changed, particularly due to the impact of the digital and online world, the capabilities, skills, power and potential of your sales people should not be underestimated. In fact, today more than ever, sales skills matter.

In many cases, there's more competition. It's easy for people to compare vendors before they speak to anyone. And it's simpler than ever for buyers to switch to a different provider if they're not happy.

Despite the technological environment, it is still the human element that can build rapport, and trust; understand customer drivers and desires, as well as make recommendations and understand the long term needs of the buyer.

Organisations need to recognise and adapt to the current trends. They need to be aware of the impact – and also the opportunity – of technology, and be open to new methods of learning. They also need to understand that the skills that worked for salespeople 20, 10 or even 5 years ago may not be as useful today. Sales skillsets, like all other skillsets, need to be continually updated and built upon to cater for changing circumstances and environments.

In an ever-changing world, these organisations stand the best chance of maximising the skills of their people and maximising the rewards and opportunities.

## **Sales training: what works**

So, how can organisations ensure their salespeople are continually learning and up-skilling? These are some techniques I've found useful.

### **Leading By Example**

Stakeholders, leaders, management and HR departments need to lead by example and show a visible commitment to creating a Learning & Development culture. It needs to be a part of who you are and how you do things.

Essentially, you're creating a learning culture of continuous improvement and a commitment to this approach.

### **Reiteration**

Training needs to be a part of the strategic and budgetary discussion. It should be in all meeting agendas, and its importance should be continually highlighted.

### **Create an environment that supports behavioural change**

The only way to increase the skillset and capabilities of your teams is through ongoing training and continual learning. From the top down it should be an environment of investment of time, money and activity. This will support ongoing cultural and behavioural change and lead to increased levels of revenue.

### **Plan for success**

All training should be planned, budgeted and committed to as a critical and ongoing business process.

Once your plan is in place, and you have the cultural environment in which it can thrive, you can then implement it effectively; track and measure results, and refine and amend where required to drive ongoing exceptional results.

### **Support employees in other ways**

With continual training you will develop a strong, diverse and capable team who can take on other roles within the business. This supports the growth and retention of your IP. Promoting from within is a great retention process and aids the business if you have developed the right skillset with each individual.

Although the world of selling has changed – and continues to change rapidly, providing ongoing training and development for your people is still as critical as ever.

Organisations who embrace a culture of continual, tailored and ever-evolving learning and development for their sales people will go a long way toward achieving and retaining their customers and their competitive edge.

Remember the popular quote:

*Q: What if we train our people and they leave?*

*A: What if you don't train them and they stay?*



## Chapter Three

# SUPERSTAR SALES STRATEGIES

- Selling by understanding
- In defence of cold calling (just don't be a zombie)



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# What keeps prospects awake at night? How to sell by understanding

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For a salesperson, landing a plum deal feels fantastic. Many salespeople are driven by the thrill of the chase and feel on the top of the world when the prospect they've been working on for months finally signs off on the deal.

I believe there's something much better than that, though. It's knowing you've helped someone sleep a little better at night.

Maybe your prospect owns her own business and has been losing sleep over the lack of new business coming in the door.

Or he's worried that he's spending too much time *in* the business rather than working *on* the business, and fears that he's not spending enough time with his family.

Or she's watching her profit slowly but surely decline and has tried several things to reverse the trend, but nothing seems to be working.

Or he's continually stressed out by someone who isn't working well with the rest of the team, who is causing friction and unhappiness amongst other employees.

### Looking beyond the stated need

Often, when I'm talking with people for the first time, they have a particular problem or need they've identified that I might be able to help them fix. For example, they may have a vacancy they need to fill because someone is leaving their business. Or they know that one or some of their people have performance problems, and they want to try to diagnose and fix them.

We start by talking about their specific problem - which of course we're happy to help them with - but invariably, the conversation turns towards the real, underlying issues behind the issue.

In many, many cases, the issue they're seeking help for is actually a symptom of a much bigger, underlying problem. And that's what's keeping them awake at night.

It often turns out that they have a vacancy for a particular reason: perhaps the salespeople they've been hiring aren't able to perform to the standard required. Or they've moved someone into a management role and people are leaving because they can't work effectively with their new manager.

We then start to discuss how we can work together to fix the immediate issue. Once that's taken care of, we collaborate to develop solutions that will help them remedy the underlying causes and get their business back on the right track.

As a result, they should be able to sleep better at night, spend more time with their loved ones, reverse their downward trend and lower their stress levels and blood pressure.

## Successful selling requires understanding

Why am I talking about all of this? It's because it epitomises what I believe is the most basic and fundamental principle of selling: listening to your customers.

In many, many cases, I've seen salespeople say, 'Sure, I can sell', when what they actually mean is they can present their product to a prospective client. These are the kind of people who tell prospects all about what they do, what their business does, and why they think it's a great product.

The problem with this approach is that it's all about them: the salesperson. Sometimes it's based on a sketchy understanding of the prospect's needs, but more often than not it's based on assumptions: that the prospect is in business Y and therefore should use product Z.

Successful salespeople know that selling is all about understanding their prospects' needs. Their role is simply to uncover what's important to their prospects: their pain points, their vision, their goals, their barriers. Unless they do these things, they won't be able to offer a genuine solution or provide value to their customers.

And in this 'age of the customer', where it's easier than ever for customers to switch from one provider to another, it's more critical than ever to have a holistic understanding of what your customers need and want.

## How to learn about your prospects

There are many techniques out there to help people sell solutions by understanding their customers - enough to fill another blog post. I'd like to outline a few of my favourites here.

**Do your research:** learn as much as you can about their business, their industry, their role, their environment

**Ask intelligent questions:** the purpose of a prospecting call or a first meeting is not to present a ready-made solution that may or may not meet their needs. It's all about finding out what they're currently doing; what's working and not working; what they hope to achieve by speaking with you (and probably others like you also wanting to sell their solutions).



**Listen carefully:** Often when others are talking, we're thinking about what we're going to say next. Active listening is all about focusing on what the other person is saying, ensuring you understand, and encouraging them to speak further about the issue.

**Seek to understand what drives them:** everyone has personal and professional goals and sometimes, if you develop a strong enough relationship with your prospects, they'll trust you enough to tell you about them. This is where we begin to learn about what's keeping them awake at night; how they hope to progress in their role; what's sending their stress levels through the roof and so on.

It also relates back to listening and observing carefully: people may not feel comfortable telling you they're losing sleep, but often the signs are there: they might look tired, sound weary when talking about a particular topic and display body language that reinforces their tiredness and stress.

Only when we take the time to really learn about our customers and understand what success means to them can we begin to sell them a solution that will genuinely help them achieve their goals.

The best salespeople understand this: it's never about them or their product. And it's always about understanding your customers and helping them become more successful.

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# In defence of cold calling (just don't be a zombie)

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Picture this: you're a salesperson back in the pre-internet days. You spend your time sitting in front of the yellow pages and dialing your way through businesses that could... just maybe... be interested in your product or service. Or you could be wandering around an unknown neighbourhood, knocking on doors and hoping someone will at least listen to you for a few minutes before slamming the door in your face.

You're working blind. You know nothing about the people you're trying to sell to. Your best - and often only - hope is to get better at being a salesperson. That means learning from experience and learning more about your prospects: their business, the

market they operate in, what their competitors are up to, and the things that keep them awake at night. And most importantly, how your products can actually help them solve some of those problems.

Eventually, you might also come to understand what works and what doesn't: how to open a conversation with different people, how to build relationships and gain trust, how to find out more about them, and how to address common objections. You also grow more confident in your knowledge and understanding of the product you're selling.

Hopefully, all of this will be enough to help you gain one or two sales out of every hundred or so calls you make.

### **'Cold' calling today: the Zombie approach**

These days, there are still a lot of people doing it wrong. Last month alone, I had over 20 unique calls from what I can only assume were local or foreign cold calling centres. I didn't recognise the number so didn't answer. They didn't leave a message. I called them back and either heard a generic, garbled recorded message, or no-one answered.

That's bad cold calling. I don't know what their success rate is, but quite frankly, it puts me off that company and their products. They're clearly not interested in their customers and helping them solve their problems: they just want to annoy as many people as possible in the hope that if they hammer away at enough people, some of them will eventually submit.

They're often hiring cheap labour, who I imagine sitting in a warehouse-sized call centre and having to clock out just to use the toilet. They might even have bad eighties motivational posters on the wall and a supervisor walking around with a big stick, ready to punish anyone who doesn't follow the script.

Okay, it might not be that bad. But that's the impression I get from these types of calls. They're made by zombies who don't have much free will, and I'm not speaking to a real human being who genuinely cares about my business.

But does this mean cold calling is dead? I don't think so.

That type of cold calling is - in my opinion - dead. If it's not, it should be.

It encompasses some of the reasons people often use when arguing for the death of cold calling:

- People won't answer calls from numbers they don't recognise
- People don't want to be 'sold to'
- It's hounding people who aren't interested.
- Other reasons, not necessarily confined to the zombie call centre type of cold calling, can be:
- It takes too long to get results
- People prefer to do their own research and take things at their own pace. They'll contact us if they're ready
- People prefer online marketing/sales than a phone call.

I disagree with most of these. Why? Let's look at them one by one.

### **People won't answer calls from numbers they don't recognise**

Maybe not. Some will though. And if you leave a friendly, conversational message that focuses on how you might be able to help them, they may even be more receptive when you call them again.

### **People don't want to be 'sold to'**

No, they usually don't, if they think someone is trying to railroad them into something that's not in their best interests. But, if we actually take the time to learn about and understand the person, their business, their industry and competitors, we might just be able to help them solve a problem that's important to them.

### **It's hounding people who aren't interested**

The way I see it, it's only hounding people if they make it clear they aren't interested and we keep persisting. Either they didn't see how our product or service could help them, or they're not in the market. They might be interested in subscribing to your newsletter or following you on LinkedIn. Or it could just be a dead end. Over time, you learn how to tell the difference.

### **It takes too long to get results**

This one is often touted by organisations who sell email or social marketing tools and want to promote them over more traditional methods. Sure, it's fast and easy

to send an email to thousands of people and this approach will hopefully net you some sales over time. But it's shortsighted to focus on just one technique: we need to use all of the tools in our kit bag, which include email, social, content, and good old phone conversations.

**People prefer to do their own research and take things at their own pace. They'll contact us if they're ready**

Maybe they will... and maybe (more likely) they won't. And if they're contacting you, they're highly likely to contact your competitors too. They don't know anything about you other than what your online presence (and maybe some of your email, social and content marketing) tells them.

**People prefer online marketing/sales than a phone call.**

None of these approaches replaces a genuine human relationship based on trust, and in many industries people are much more likely to make a purchase from someone they know and like, who they feel 'gets' their business, than a website.

**Say goodbye to the zombie approach and pick up the phone**

I firmly believe that cold calling has a vital role to play in today's marketplace. As a person who prefers to speak to someone in person and get to know them and their product, and feel that they have my best interests at heart, a phone call is much more likely to get my attention. Unless, of course, it's a zombie phone call.

It also needs to work alongside all of your marketing efforts. If people already know who you are and what you do and are interacting with your content, cold calling becomes warm calling and the odds improve significantly. We just need to know our stuff and our customers, and pick up the phone.



ArcTree

## GET TWO COMPLIMENTARY PROFILES

If you'd like us to help you to objectively and scientifically assess your team members to ascertain how they could be more effective in driving your business forward, we're always happy to have a preliminary consultation.

See for yourself how our method works with two completely free profiles for yourself and another person, or two of your employees.

Get your free profiles

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