The Financial Sales Staff Hiring Report

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Introduction

This report summarizes the findings of a three year study undertaken by Schneider Sales Management, Inc. and Dr. Cliff Young of the University of Colorado at Denver Business School between February, 1999 and June, 2005. This information was supplemented by the results of over 200 corporate-wide sales practices assessments conducted for clients of Schneider Sales Management, Inc. between January 1, 1995 and June 30, 2005. **The overall purpose of the research was to identify which competencies are predictive of high performance and which "fatal flaw" behaviors are predictive of low performance in various sales, service and leadership roles.**

The study involved completion of over 3,000 questionnaires by employees at 50 financial service companies nationwide, twenty-four of them sales consulting clients of Schneider Sales Management, Inc., who place a strong corporate emphasis on sales and client satisfaction. **The financial services industry was selected as the focus industry for our research because virtually every type of selling is represented in this industry and because there is a large population of sales and service workers in this industry with wide geographic dispersion and great variety in corporate culture and size of organization.**

By any measure, this is one of the largest and most complex samples ever undertaken in salesperson selection research.

This research also served as the basis for development and legally defensible validation of the Optimum Performance Profile® hiring assessment instrument, a proprietary product of Schneider Sales Management, Inc. Since the introduction of this instrument numerous leading sales organizations in the financial services industry such as Compass Bank, First Commonwealth Bank, Commerce Bank, and Lipper have further validated with their own large sales forces that the behavioral competencies identified in this research as predictive of superior performance in sales and sales leadership are, in fact, highly predictive of superior performance.

Objectives

The new reality for most sales organizations is that they have to get more revenue from fewer people, and the number of qualified young workers available for sales and service positions is declining. Many organizations actually delay implementation of sales and service initiatives that would substantially increase their sales revenue because they don't believe they have in place the right sales and service personnel who can execute their strategy well enough to justify their investment in these initiatives.

Hiring right is currently one of the highest priorities of both field sales leaders and company CEO's. Jack Welch, former CEO of GE, writes, *"I view my **primary** job as strengthening our talent pools."* Why? The business case for better hiring for sales and service personnel is more sales revenue per FTE, improved employee satisfaction and loyalty, reduced recruiting, selection and training costs, reduced compensation expense, higher client satisfaction and loyalty, better return on investment on sales related growth initiatives such as technology and branch expansion and more choices available for execution of corporate strategy.

The driving question behind this research is simply, ***"Where do we find the people who can produce more client satisfaction and more sales revenue?"***

The objectives of our research were:

(a) identify discriminating differences in behavioral competencies among superior, average and low performers by sales, service and leadership job role that are predictive of future performance,

(b) identify the profile of those people who have substantial potential to improve their performance through learning,

(c) identify best practices and proficiency gaps in recruiting, selection, development and retention of sales and service personnel, and

(d) identify a **preferred** process for recruiting, selection, development and retention of sales, service and leadership personnel that will reduce hiring failure rates, improve client and employee satisfaction and loyalty, and increase average sales per FTE.

Research Methodology

The groundwork for this research actually began in October, 1997 with a comprehensive one year review of prior salesperson selection studies and of current salesperson recruiting, selection, development and retention practices. Prior to development of the instruments used in this study, the University of Denver Business School completed a preliminary market and literature review and a pretest of role descriptions and sales discomfort factors that would be used in the final instruments.

Simultaneous with this preliminary research we began a four year in-depth review of the recruiting, selection, development and retention practices identified in the corporate sales practice assessments that we conduct for our corporate clients throughout North America. These assessments typically include analysis of employee interviews, field observations of top performers, a 135-item employee questionnaire, client surveys, mystery shopper surveys, and a comprehensive review of current sales management practices, including employee recruiting, selection, development, compensation and retention practices.

In February, 1999, Schneider Sales Management, Inc. partnered with Dr. Cliff Young of the University of Colorado at Denver Business School to develop and analyze a comprehensive series of assessment instruments that would assess a wide variety of behavioral competencies important to success in sales, service, and sales leadership job roles. Between June, 1999 and March, 2000 these instruments were administered to employees and their supervisors in fifty financial service companies throughout the U.S. and Puerto Rico.

Participating organizations were asked to select a sample of employees in a wide variety of sales, service and leadership roles. To assure a sample representative of truly superior, average and low producers, they were asked to follow a set of specific guidelines for the selection and performance ranking of respondents. In particular, they were asked to select only employees who had been employed for six months, or longer.

Unlike superior performance in sports or academics, superior performance in sales, service and leadership is multi-dimensional. The definition we embraced for superior performance of a job is the consistent attainment of expected results (outcomes) and the consistent use of preferred behavior required by the job role while adhering to the policies, procedures and conditions of the organizational environment.

To assess the actual job performance of each respondent, each respondent was evaluated by a panel of experts at the respondent's employer as being a superior, average or low performer based on a combination of recent performance appraisals, client satisfaction ratings, and actual sales and/or sales referrals. Each respondent's direct supervisor also completed a questionnaire that rated the importance of various competencies to success in the respondent's job role and evaluated the respondent's proficiency at each competency. This multi-dimensional approach to performance ratings helped us avoid overrating of high sales producers who were not highly valued by their supervisors because of **how** they achieve their results.

Superior performers were selected on the basis of their performance relative to others in the organization rather than on the basis of superior performance relative to a defined threshold standard across all organizations because superior performance can only be assessed within the context of each organization's goals and environment.

Each participating respondent completed a 45-minute written Job Preferences Questionnaire encompassing competencies identified in prior studies as being highly connected with superior or low performance. This questionnaire contained three sections of behavior tendencies requiring self-rating on a six point scale from STRONGLY DISAGREE to STRONGLY AGREE, a section of questions assessing the respondent's optimism using a similar six-point scale, a section requiring the respondent to identify his or her behavior style, two sections requiring respondents to rate their discomfort in performing various job behaviors on a six point scale ranging from NO DISCOMFORT to STRONG DISCOMFORT, a section requiring respondents to complete a set of cognitive intelligence problems that required analytical thinking and numerical pattern recognition, and a final section requiring respondents to complete a demographic and work activity profile.

All respondents also completed a second questionnaire while viewing a 30-minute video. The video featured three vignettes, each consisting of five segments separated by a fade to black. Respondents viewed one segment at a time and then completed a scoresheet evaluation of what they observed. Respondents were given 90 seconds to complete the scoresheet for each vignette. All vignettes were shot close-up on the client from the perspective of the salesperson with the salesperson speaking, but out of view.

While viewing the video, respondents were asked to identify what was said and done by the client that they consider important in choosing their next action as a salesperson, to select the words that best described what the client seemed to be feeling, to identify the statements that best described the interpersonal dynamics of the situation from the salesperson's point of view, to rate the outlook for the situation from the salesperson's viewpoint on a five-point scale from VERY POSITIVE to VERY NEGATIVE, to identify if a shift in strategy was necessary, and to select from a list of next step actions which specific selling actions should be taken next.

The supervisor questionnaire required the participant's supervisor to evaluate the participant's effectiveness in twenty-five job-related behavioral competencies on a five-point scale of achievement that ranged from the TOP 20% of employees they have supervised to the BOTTOM 20%. If a supervisor had limited supervisory experience, he or she was asked to evaluate the participant's behavior in comparison to other people with whom he or she had worked. Supervisors were also asked to select the five behaviors among the twenty-five behaviors evaluated that are most crucial to success in the participant's job function, to identify the employee's behavior style, to identify the specific job accountabilities and work environment required for the respondent's position, to identify the respondent's actual sales production, and to identify one fatal flaw or development need that could prevent the respondent from reaching his or her potential.

Validity of the final instruments in predicting on-the-job behavior was increased by cross-referencing all assessment data to performance data, to performance ranking, and to supervisor evaluations of actual observed on-the-job behavior, a combination of cross checks that has never been done with other salesperson selection research in the financial services industries. The methodology selected was designed to identify distinguishing differences between top and low performers rather than simple associations of competencies with top performers. In analyzing the completed data, the sets of questions making up various competency traits were also analyzed statistically for reliability and for bias against protected minorities.

Job relevance was increased by asking respondents to **demonstrate** their competence in analyzing client reactions on video and selecting appropriate behavioral responses, by assessing respondent discomfort and tendencies with regard to various job related behavior, by assessing respondent sense of control over job related situations, and by asking respondents to complete simple problems involving the type of complex thinking and pattern recognition often required in sales, service and supervision.

Summary of Findings

Analysis of our survey data confirmed that behavior style, cognitive intelligence, personality and demographics such as age, income, gender, race and education are **not** valid predictors of success for sales, service and leadership roles.

We found that the factors which discriminate in a statistically significant way between superior and low performance are emotional intelligence competencies such as initiative, optimism and achievement drive, the self-control to manage negative feelings sometimes associated with required job behavior such as frustration or discomfort, the empathy to seek understanding of other viewpoints and to accurately identify verbal and non-verbal reactions, and a drive to persuade others. The one competency that ranked high in predicting superior performance across all job roles was achievement drive.

Regardless of job title, response patterns tended to group by five distinct job roles with superior performance in each job role characterized by different competencies. High ratings by supervisors on the behavioral competencies they ranked highest in importance for each job role provided higher correlations with superior performance than the direct correlations between scores on individual competencies and superior performance.

In analyzing the data from our primary research with financial industry salespeople and sales supervisors, plus the best practices of high performing sales organizations identified in our corporate-wide sales practice assessments over a ten year period, we found the sales process model shown below to be representative of the sales process at high performing sales organizations. The critical success factor in hiring sales people who can sell is **integration** of hiring and development with all component sales functions to support the organization's goals.

Consistent with this model, we identified seventeen characteristics that seem to define **world class** sales organizations:

1. *Management provides consistent **focus** by prioritizing goals and sales opportunities frequently.*
2. *The sales force consistently accomplishes its sales productivity and profit contribution goals.*
3. *Job roles are organized around **client** needs to facilitate high value client management and delivery of seamless solutions**.***
4. *Senior executives clearly communicate and display passion for a single, well-defined, Preferred Way of Selling®.*
5. *The sales competency of personnel in each job role benchmarks favorably to personnel in top performing companies which have a similar sales process.*
6. *Clear sales task has been defined for every job role, and sales personnel are assessed for the behavioral competencies required for these tasks.*
7. *Senior managers are "hands on" involved in sales and coaching.*
8. *The organization operates with an **integrated** sales environment in which all sales practices are aligned with the corporate mission and strategy.*
9. *The organization values managers who develop talent and measures and rewards them in part for employee satisfaction and development.*
10. *The organization has established a culture of commitment to **continuous** learning and coaching.*
11. *The organization practices integrated advisory selling across product categories with few silos.*
12. *Adherence to the **preferred sales process** is valued as being as important as meeting short term sales production goals.*
13. *The sales process is **client**-focused so client satisfaction is consistently high.*
14. *The organization provides **clear standards and accountability** for both results and process, and nonperformance isn't tolerated.*
15. *Client relationship information is easily accessible and frequently used by sales personnel to focus and personalize sales activity and sales strategy.*
16. *Performance metrics and rewards reflect a balanced scorecard encompassing financial, client, employee and sales process outcomes.*
17. *Sales efforts are directed by a corporate sales manager and/or business unit sales managers.*

Our corporate sales practice assessments also provided us with additional findings that reinforce the importance of getting the right person into the right job role and defining their job roles clearly: (a) a high percentage of service personnel are frequently bored in their jobs, (b) goals and incentives for salespeople are typically poorly aligned with job roles and thus are not motivating, (c) salespeople and sales supervisors receive almost no coaching feedback on their skills or strategies, and (d) approximately half of sales personnel in large financial service organizations believe that they are encouraged to "push" products that clients don't need to meet sales quotas.

These findings aren't likely to change soon since sales and service supervisors in the financial services industries are typically rewarded almost exclusively for sales production and/or operating efficiency without regard to development of employee competency or to compliance with preferred sales and service practices and process. Supervisors also receive little training or coaching for their leadership role. Even in our sales management training, the number one performance management issue voiced by participants is the reluctance of sales and service supervisors to ask their employees for better performance because of their fear that their best employees will leave, and they won't be easily replaced.

Conclusions

The combined findings of our secondary research and our analysis of over 3,000 completed questionnaires leads us to conclude that **virtually all financial service companies are suboptimizing their recruiting, selection and development process for sales and service personnel and are incurring unnecessarily high sales opportunity cost and employee turnover rates.**

In the process of assessing current recruiting and selection practices we identified what we believe are **the 9 myths of salesperson selection:**

1. *A born salesperson will be effective in any selling role.*
2. *Sales experience is the best predictor of sales success.*
3. *The best salespeople will be the best sales managers.*
4. *Sales recruiting is HR's job alone.*
5. *Sales competencies are easily coachable.*
6. *We can use one scorecard to evaluate candidates for all sales positions.*
7. *The more restrictive we are, the better the applicant pool.*
8. *We can improve our success rate by recruiting our competitors.*
9. *Training and performance compensation will fix our mistakes.*

Most of the recommendations that we have made in association with our conclusions can be used effectively by sales organizations of any size, sometimes even more effectively by small organizations because senior executives in small organizations can more easily involve themselves directly in hiring and coaching their key sales and service personnel.

Conclusion #1

Top sales producers outperform average producers by 2 to 1 and outperform low producers by 12 to 1.

Superior job performance is defined statistically as 1.28 standard deviations above average performance, or roughly the level of performance achieved by the top 10% of employees in a given work situation. This differential between superior and average performance is especially noteworthy in job roles such as selling which have high strategic importance.

The potential payoff for selecting salespeople and sales leaders who perform at a superior level is greater than the payoff for selecting superior performers for almost any other occupation. Research by Hunter, Schmidt and Judiesch at Michigan State University and the University of Iowa demonstrated that the top 1% of salespeople in sales positions of even medium complexity such as retail selling are **twice** as productive as average performers and **twelve** times as productive as low performers. They conclude that the value of one standard deviation can mean 48 to 120 percent in additional revenue for sales positions. In a study of salespeople in twenty-four Fortune 500 firms, including AT&T, IBM and Pepsico, Lyle Spencer of Hay/McBer found that the top 10% of these sales forces achieved sales of more than twice the average for all salespeople.

The sales production numbers reported in our research and the numbers we see in sales reports for our clients in the financial services industry confirm these numbers identified in our secondary research. For example, top performing mortgage originators, personal bankers, insurance representatives, investment brokers, business development officers, and even tellers who do referral selling typically outperform average producers 2 to 1 and outperform low producers by 10 to 1. These numbers suggest that replacing your bottom 10% of sales producers with even average sales producers would increase your total sales by all sales producers by more than 25%.

These numbers highlight the financial importance of removing people quickly from roles for which they are not well suited and of "top grading" your selection process by targeting for selection the top 10% of available talent ("A" players) for each job role at the compensation level you can afford.

Herb Greenberg, author of <u>What it Takes to Succeed in Sales</u> and founder of Caliper Corporation which has consulted over 25,000 firms on salesperson selection writes, "Our studies show that 55% of people making their living in sales should be doing something else. Another 20-25% have what it takes to sell, but they should be selling something else."

Considering the dramatic difference in performance between superior and low performers, it's important to use the characteristics of **top** performers as the template for selection and development. Otherwise, organizations tend to select and train to mediocrity, to their current average level of performance. Hiring to a profile of the performance differentiating competencies of top performers can easily be done without sacrificing the differences in personal style that are important to the success of individual sales and service teams.

In terms of sales productivity, a realistic improvement goal for most sales organizations is to get two-thirds of employees selling at a sales productivity level that would place them among their current top 20% of sales producers by role.

Recommendations

1. ***Invest more resources in developing and retaining your superior performers than in developing and retaining other personnel.***
2. ***Teach sales and service supervisors how to assess and coach low performers up or out of their current job roles.***
3. ***Recruit continuously for "A" players who represent the top 10% of available talent for strategically critical job roles at a designated level of compensation.***
4. ***Model selection criteria and preferred sales practices around your superior performers in each job role.***

Conclusion #2

Emotional intelligence (EQ) is the core competency that best distinguishes superior performers in sales, service and leadership roles.

Minimum level IQ and job experience are threshold requirements for most jobs, but the core competency that distinguishes top performers from low performers most is intelligence about managing emotions and social interactions. Research by Hay/McBer found emotional competence to be **twice** as important in contributing to superior performance as pure intellect and expertise. Daniel Goleman, author of Emotional Intelligence, asserts that emotional competence accounts for virtually the entire advantage in predicting success in leadership positions.

Our findings support the conclusion that emotional intelligence is the core competency for sales, service and leadership positions with emotional intelligence factors such as initiative, optimism, empathy, self-control, drive to persuade and achievement drive demonstrating much stronger validity in predicting job performance than IQ, experience or specialized technical expertise. Not only did superior performers score better than low performers on EQ competencies, but supervisors distinguished superior from low performers primarily on the basis of their ability to apply EQ competencies to specific job roles. These findings are also supported by the findings of our corporate sales practice assessments which often demonstrate that some of the newest employees rank highest in sales production.

Why is emotional intelligence such a powerful predictor of superior performance for sales, service and leadership positions? First, the more emotionally demanding the work, the more important it is to sustain optimism and to prevent negative feelings from swamping your thoughts or demotivating you to the point of inaction. Second, all of these job roles require considerable empathy for others' viewpoints. Finally, success in all of these roles is dependent on building rapport with other people, motivating oneself in the face of setbacks, sustaining high levels of energy and self-control, and conveying enthusiasm about ideas, all of which require management of one's emotions.

Emotional intelligence skills are twice as difficult as other skills to learn late in life which may account for their strength as a distinguishing competency.

Recommendations

1. ***Give emotional intelligence competencies the highest weight on candidate scorecards for sales, service and leadership roles.***
2. ***Look for evidence of a candidate's emotional intelligence in his or her nonwork experience.***
3. ***Provide learning opportunities for employees to improve their EQ competencies.***

Conclusion #3

There is little correlation between age, gender, race, education or experience with superior performance in sales, service and leadership roles.

Our findings demonstrate that sales, service and leadership are equal opportunity professions. Not only are demographic factors such as age, race and gender not predictive of performance, but even prior experience matters only slightly if it's in your industry and for the role being recruited, and then only among strong learners.

It's somewhat helpful to hire people with experience in the same or similar industries because such people are more likely to have developed required expertise and may be less likely to suffer from inaccurate or ambiguous role perceptions about their position. However, prior experience is not more important than motivational fit with the job role or hard work in explaining variances in sales performance. In general, the better your training and development process is, the less reliant you need to be on hiring for prior experience.

In general, neither men nor women are "smarter" when it comes to emotional intelligence although members of each gender do have a shared profile of strengths and weaknesses. An analysis of emotional intelligence in thousands of men and women across all cultures by Reuven Bar-on found that women, on average, are more aware of their emotions, show more empathy, and are more adept interpersonally at skills such as listening. Men tend to be more self-confident and optimistic, adapt more easily, and handle setbacks and stress better.

Recommendations

1. ***Recruit for role "fit," regardless of candidate experience or demographics.***
2. ***Eliminate most of the experience restrictions from your recruiting ads.***
3. ***Recruit for learning aptitude and motivation using formal education as only an indicator of these competencies.***
4. ***Coach to the strengths of each gender.***
5. ***Invest in training and development so you're free to recruit and select personnel on the basis of their core competencies.***
6. ***Involve part-time sales personnel fully in your sales process even though they may not have much sales experience.***

Conclusion #4

Competency and motivational "fit" with various sales, service and leadership roles is the key predictor of superior performance.

Our data leads us to conclude that almost all sales and service positions and all distinguishing sets of sales and service competencies can be described by five job roles based on the behavioral requirements of the job. These roles are appropriate for all industries based on the competencies and behavior required to perform the role and on an individual's motivational fit for that role.

The skills required for success in each selling role are so different from those required for success in other selling roles that a good salesperson in one role may fail in a different role. Not everyone who **can** do a job **will** do the job well. A person's motivational fit for a job role adds a "will do" component to the "can do" issues of competency. In addition to their causal link to superior job performance, job fit and role discomfort have a significant causal relationship to turnover.

On the next several pages each of the five job roles identified in our research and the competencies that distinguish superior performers in those roles are defined. Each role has also been given a one word descriptor that best describes the most distinguishing characteristics of superior performers in that role.

Any specific position title could fit within several different role categories based on the behavioral requirements of the job unique to that work environment. For example, the job role of an investment advisor could be identified as either consultative selling, competitive selling, or complex selling depending on where the requirements of the job role are placed on a continuum ranging from pure prospecting to advising and managing relationships. The role of a branch manager could be identified as a sales role or as a supervisory role depending on the importance of selling versus supervision to success in the job and on how performance is measured.

Factors which typically influence role assignment include the degree of proactive prospecting and the frequency of close required, the degree of relationship building required, the degree of after-sale service required, and the degree of team accountability or role flexibility required.

Key competencies have to fit the organizational climate, too. Factors which have a strong bearing on motivational fit with the work environment include type of compensation, degree of supervision and the degree of learning and technical expertise required.

BEHAVIORAL DESCRIPTION OF PRIMARY SELLING ROLES

SERVICE (DOERS)	
Job requires servicing client transactions and maintaining friendly client relations, and may require conducting some referral or suggestive selling.	**Position Examples:** Teller, receptionist, loan support, in-bound service teleconsultant, passenger service agent, waiter, hotel and food franchise counter staff, auto service and parts, supermarket checker, in-store personal banker, sales support technician, branch greeter, fast service retail sales, and route sales.

CONSULTATIVE SELLING (CREATORS)	
Job requires completing service transactions, counseling clients on product selection or use, closing first sales quickly, and making add-on or follow-up sales.	**Position Examples:** Personal banker, consumer loan officer, up-scale retail and personal computer sales, salaried auto sales, sales engineer, in-bound sales teleconsultant, lawyer, travel agent, non-commissioned mortgage originator, correspondent banker, trust administrator, pharmaceutical sales, industrial commodities, and route sales.

COMPETITIVE SELLING (DRIVERS)	
Job requires prospecting and competing for sales persistently despite high rejection rates, conducting only minimal after-sale servicing, and/or closing sales in one or two interviews using emotional pressure.	**Position Examples:** Transaction based investment or insurance representative, business development officer, commissioned mortgage originator, lease financing, commissioned auto sales, small office equipment sales, multi-level marketing, real estate listing agent, and outbound telemarketer.

COMPLEX SELLING (NETWORKERS)	
Job requires closing large, complex or technical sales with a long selling cycle, analyzing client problems and product applications to propose solutions and sustaining client relationships over time.	**Position Examples:** Commercial lender, cash management officer, trust officer, consulting, high-tech equipment and computer sales, sales of big-ticket machinery, private banker, portfolio relationship manager, financial advisor, key account manager, and advertising account executive.

SALES AND SERVICE SUPERVISION (LEADERS)	
Job requires direct supervision and coaching of sales or service personnel and may or may not require substantial selling responsibility.	**Position Examples:** Branch or store manager, regional market manager and front-line sales or service supervisor.

DIFFERENTIATING COMPETENCIES OF SUPERIOR PERFORMERS BY JOB ROLE

Service Role (Doers)

Role
- Servicing
- Client Relations
- Suggestive Selling

Key Performance Predictors
- Achievement Drive
- Initiative
- Energy
- Organization Skill
- Assertiveness
- Sociability/Tolerance for "Social Fatigue"
- Number/Detail Ability
- Tolerance for Boredom and Routine Work

Consultative Selling Role (Creators)

Role
- Servicing
- Consulting on Product Selection and Use
- Closing First Sales Fast
- Making Add-on Sales
- Making Follow-up Sales

Key Performance Predictors
- Achievement Drive
- Creativity
- Optimism
- Leadership
- Adaptability
- Social Confidence
- Energy

Competitive Selling Role (Drivers)

Role
- Prospecting for New Clients Persistently Despite High Rejection Rates
- Minimal Servicing
- Closing Sales in One or Two Interviews

Key Performance Predictors
- Achievement Drive
- Optimism
- Competitiveness
- Resilience
- Drive to Persuade
- Assertiveness in Applying Emotional Pressure
- Decisiveness
- Adaptability (Low)

Complex Selling Role (Networkers)

Role
- Closing Large, Complex or Technical Sales with a Long Selling Cycle
- Analyzing Client Problems and Proposing Solutions
- Managing Client Relationships over Time

Key Performance Predictors
- Achievement Drive
- Social Confidence
- Empathy
- Organization Skill
- Social Control and Patience
- Energy
- Problem Solving Ability
- Drive to Persuasive (Low)

Sales or Service Supervisor Roles (Leaders)

Role
- Directly Supervising Sales or Service Personnel
- Giving Constructive Feedback
- Inspiring Commitment and Motivation
- Role Varies by Percentage of Time Selling
- Role Varies by Job Roles Supervised

Key Performance Predictors
- Achievement Drive
- Empathy
- Optimism
- Motivation to Develop Others
- Initiative
- Collaborating/Willingness to Delegate
- Enthusiasm
- Organization Skill

Success in a SERVICE role requires high levels of initiative, energy, and assertiveness so a person can repeatedly take immediate action to help clients, say "no" to requests a needed, and handle the pressure of working fast across a number of service transactions without "burning out."

Success in a short cycle CONSULTATIVE SELLING role requires the adaptability, creativity, optimism and conversation leadership to build rapport, diagnose client needs and create a sales opportunity fast.

Success in the prospecting and closing oriented COMPETITIVE SELLING role requires a goal-focused, one track mind set, a high drive to persuade, a willingness to exert emotional pressure, and the ability to sustain optimism and resilience in the face of frequent setbacks.

Success in the long cycle COMPLEX SELLING role typically associated with the sale of technical or advisory products requires self-control, empathy, organization, problem-solving, and the social ability to network and build relationships over time.

Finally, success in a front-line SALES OR SERVICE SUPERVISION role requires a strong interest in developing others, organization skills, and the confidence, empathy, optimism and enthusiasm to inspire others, to create strong emotional connections, and to provide constructive feedback to improve performance.

To do any of these roles well you must have the basic competencies for the behavior required in that role. The idea is to match a person's strengths to the functional requirements of his or her job.

This process of determining job fit also requires good job definition. Not surprisingly, some of the most important research in the field of sales management attributes much of the difference in performance among sales organizations to **"clear sales task"** which is essentially role clarity.

Recommendations

1. ***Make job #1 in recruiting and selection clear definition of what you want sales and service personnel in each job role to do.***
2. ***If necessary, hire for the next position to get the right people into high impact job roles.***
3. ***Avoid "zig zag" career paths that frequently move people into the wrong job roles for their competencies and aptitude.***
4. ***For heavy prospecting, use a dedicated "competitive" sales force whenever possible.***
5. ***Develop career paths by role.***
6. ***Continually update job accountabilities used in personnel selection to reflect current workplace realities.***

Conclusion #5

For each job role, the unique interaction among a few key competencies determines "fit."

Competencies are characteristics that are causally related to effective and/or superior performance in a job role. A characteristic is not a competency unless there is evidence that indicates that possession of the characteristic precedes and leads to effective and/or superior performance in a job as measured by a specific criterion or standard. **Distinguishing competencies** are those characteristics that differentiate superior performance from average or poor performance such as a salesperson setting goals higher than the goals required by the organization.

Our research found considerable difference in the behavioral competencies that distinguished superior performance in the five sales, service and leadership roles. For each job role there are a few distinguishing competencies that are as much as three times as important as other competencies in distinguishing star performance, and these distinguishing competencies are unique to each job role.

For each job role, you can have too much, or too little, of a good thing. For example, empathy is universally viewed as a positive attribute for sales and service personnel, yet too much empathy can be counterproductive in competitive selling and too little empathy can be a fatal flaw in complex selling. The optimum level of any trait characteristic is dependant on the interaction of the key competencies required for success in a specific job role.

David McClelland of Harvard University found that star performers have strengths across a wide spectrum of emotional intelligence competencies such as empathy, social awareness and achievement motivation. Numerous other reliable studies have proven that high performance in sales, service and leadership involves a complex interaction of multiple competencies, yet most selection tests measure one variable such as personality or, at best, several, and many of these tests do not relate personal attributes to differences in job role. According to Churchill, Ford, Hartley and Walker in The Journal of Marketing, *"No simple determinant can explain a very large proportion of the variation in sales performance."*

Our research identified 34 different reliable EQ competencies that influence success in sales, service and leadership roles, but it's the interaction of a few competencies most crucial to success in each role that drive predictive validity for success in a particular job role.

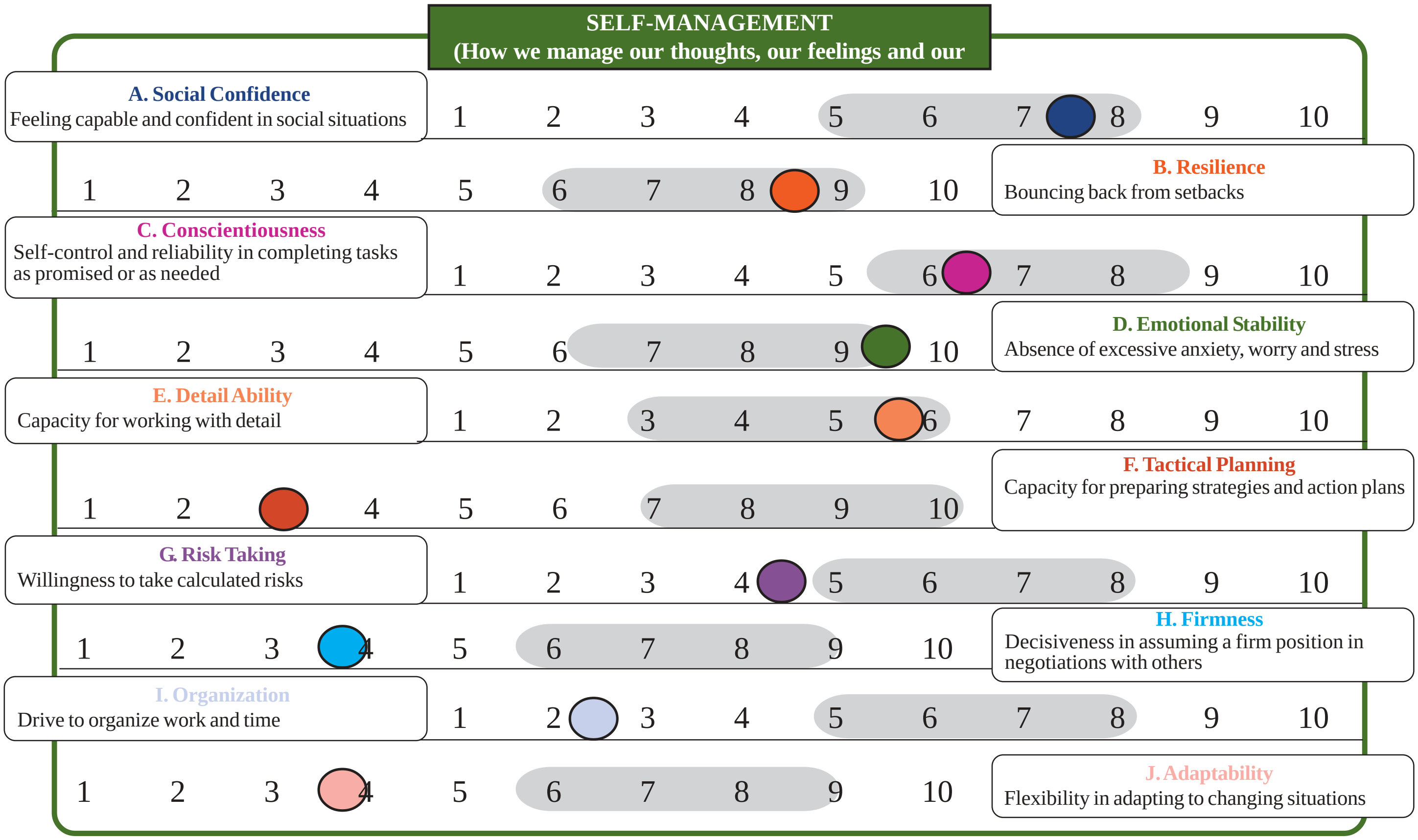
The most critical factor for predicting success in any job is usually as important, or more important, than all other factors combined. If you weigh more than 6-8 factors you risk watering down your criteria and your predictive validity in your selection process.

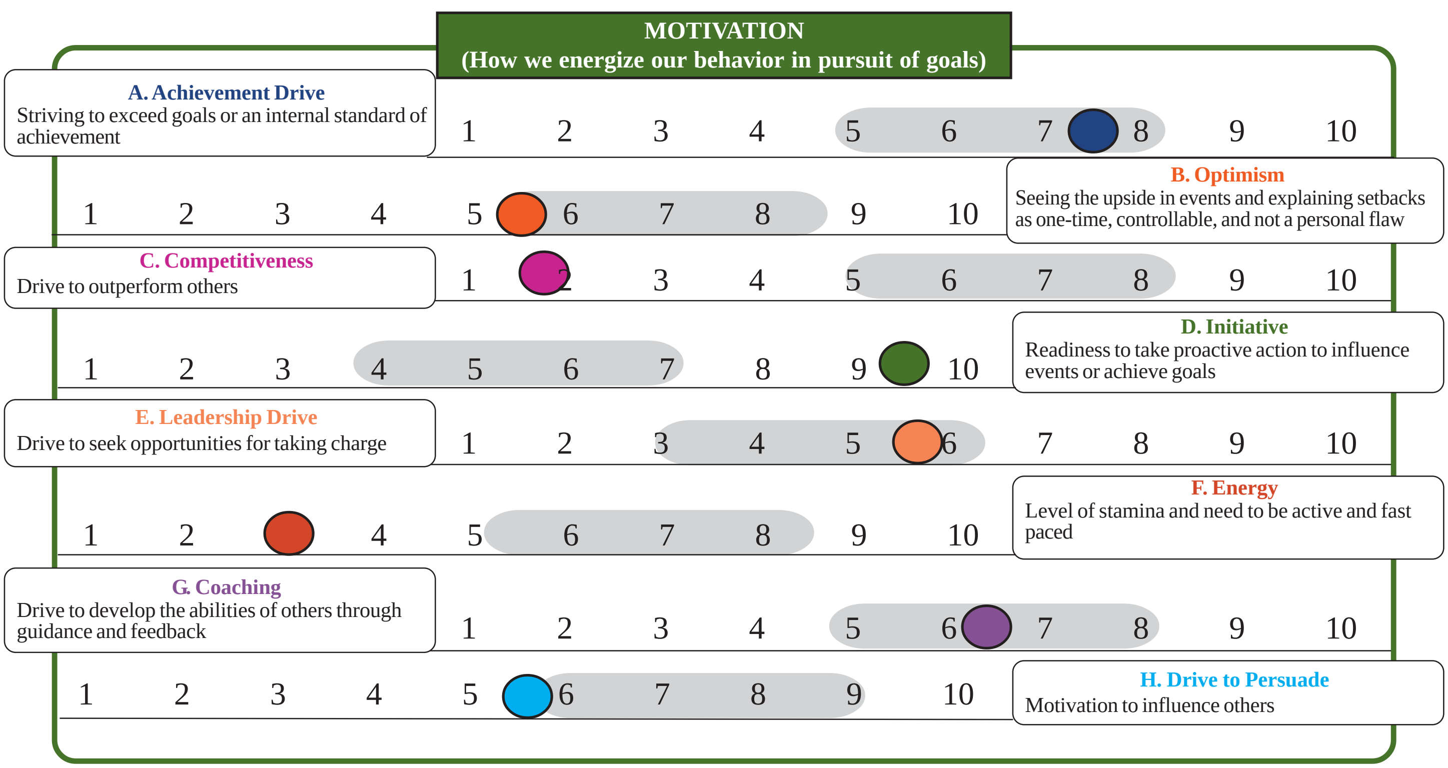
Recommendations

1. ***Avoid one dimensional selection instruments that assess the same competencies across all job roles.***
2. ***For each job role, focus on selecting candidates for their strengths in those few competencies that really distinguish superior performance from low performance.***
3. ***Train and coach to the distinguishing competencies for each job role.***

COMPETENCIES THAT DRIVE SUPERIOR PERFORMANCE

This sample map of key behavioral competencies demonstrates how a job candidate might score on various behavior traits compared to the scoring range of top performers in one of the five selling job roles as indicated by the shaded area of each graph. The ideal scoring range for any single behavior trait may be high or low depending on the behavior required for the job role and the ideal interaction among that trait and others.





GUIDANCE
(How we steer our behavior)

A. Empathy
Understanding situations and others' points of view

1 2 3 4 5 6 7 8 9 10

B. Self-Sacrifice
Willingness to inconvenience yourself to help others

1 2 3 4 5 6 7 8 9 10

C. Originality
Willingness to seek new and creative ways to do things

1 2 3 4 5 7 8 9 10

D. Quick Thinking
Capacity to think quickly to identify next step action

1 2 3 4 5 6 7 8 9 10

E. Learning
Willingness to seek self improvement

1 2 3 4 5 6 7 8 9 10

F. Patient Listening
Capacity for self-control in listening to others

1 2 3 4 5 6 7 8 9 10

G. Problem Solving
Ability to work with complex ideas and to identify cause and effect relationships

1 2 3 4 5 6 7 8 9 10

SOCIAL SKILL
(How we communicate with others)

A. Persuasiveness
To use persuasive behavior in social interactions

1 2 3 4 5 6 7 8 9 10

B. Sociability
Seeks and enjoys opportunities to be with others

1 2 3 4 5 6 7 8 9 10

C. Assertiveness
Willingness to ask for what you want and to express yourself directly and honesty

1 2 4 5 6 7 8 9 10

D. Versatility
Willingness to shift behavior to fit circumstances

1 2 3 4 5 6 7 8 9 10

E. Warmth
Capacity for friendliness and affection that builds trust in others

1 2 3 4 5 6 7 8 9 10

F. Enthusiasm
Capacity for displaying excitement and energizing others

1 2 4 5 6 7 8 9 10

G. Collaboration
Willingness to work cooperatively with others

1 2 3 4 5 6 7 8 9 10

H. Proactive Social Behavior
Capacity to perform proactive social behavior without excessive discomfort

1 2 3 4 5 6 7 8 9 10

I. Emotional Pressure
Willingness to apply emotional pressure in social situations

1 2 3 4 5 6 7 8 9 10

Conclusion #6

Competencies are defined differently for each job role.

Sales selection researchers and designers of performance appraisal systems typically treat competencies such as empathy, achievement drive and optimism as uniform sets of behavior across all job roles. A person who demonstrates the reliable measure of empathy or optimism is considered empathic or optimistic regardless of job role. However, unlike in sports or in academics where performance is evaluated on the basis of simple scoring or grading, job performance in selling is multi-dimensional.

Our findings demonstrate that supervisors define core competencies for selling differently based on the requirements of the job role. Empathy means one thing in terms of required behavior when evaluating competency in service delivery and something quite different when evaluating competency in supervision. This means that selection processes should be based on a different behavioral scorecard for each job role.

Recommendations

1. ***Replace uniform performance appraisal across job roles with behavior anchored rating scales which score behavior differently for each job role.***
2. ***Weight candidate selection scorecards differently for each job role.***
3. ***Implement balanced scorecard measures for sales, service and sales leadership positions which encourage balanced performance that includes measures of both outcomes and use of critical behavior and sales process required for success in each job role.***

Conclusion #7

The profile of top performing sales and service supervisors differs substantially from the profile of the people they supervise and from the profile of successful supervisors of other functions.

While our field experience with sales organizations demonstrates that for many organizations the core competency for corporate or business unit sales managers is *organization* skills, our findings demonstrate that the profile of superior supervisors who lead front-line sales and service personnel on a daily basis is a *leadership profile.*

The profile of superior sales and service supervisors who spend most of their day managing sales personnel and sales process differs substantially from the profile of top sales producers who spend most of their day selling, servicing clients and/or managing a client portfolio or a sales territory. As a result, many sales and service supervisors are a poor fit for their position despite their strong competence in sales.

Our findings are supported by research by Daniel Goleman who writes, *"The fundamental task of leaders, we argue, is to provide good feelings in those they lead."* Goleman argues that superior leaders excel at creating excitement and passion for pursuit of a goal, at inspiring optimism and enthusiasm, at providing supportive, empathetic emotional connections, and at keeping people motivated and committed by channeling emotions in the right direction. They also display more interest in coaching and developing other people.

Prior studies have found that strong service orientation to develop others appears twice as often in models of high performing sales managers as it does in models of high performing managers of other functions who often rely more on their analytical skills and on achieving employee compliance with their plan than on influencing the motivation and skills of others to achieve their goals. For example, research by Lyle Spencer of Hay/McBer found that for sales managers **the motivation to develop others** is the distinguishing competency of superior performers.

Emotional self-awareness and empathy are crucial to coaching and developing others. Front-line supervisors have to be able to recognize and understand their employees' feelings in order to give constructive feedback and to sense when to push for better performance and when to hold back.

When asked how important various supervisor traits are to their satisfaction, respondents in our study who work in sales or service job roles listed the following supervisor traits as most important:

How important are each of the following supervisor traits to your satisfaction with your supervisor?

1. **Professional/treats me with respect.**
2. **Provides encouragement/recognition.**
3. **Provides clear goals and expectations.**
4. **Optimistic/upbeat.**
5. **Delegates/empowers you to act.**

Based on what sales and service personnel want from their supervisors, it's no surprise that the traits that correlate well with superior leadership performance are more **motivational** than managerial.

Reasonable competence at selling is a prerequisite for sales supervision, but sales organizations often regret promoting top sales producers into supervisory roles. The outcome is frequently the loss of an outstanding salesperson and the addition of a mediocre supervisor. Why? Our findings suggest that the competencies that make a good supervisor often conflict with those that make a good salesperson or a good service worker.

The key points of conflict for a top sales producer making the transition to supervision are the top sales producer's frequent inability to explain his or her "unconscious competence" to others, the top producer's preoccupation with production at the expense of emotional connection, and the tendency of top producing salespeople to get most of their satisfaction from making a sale which often conflicts with a supervisor's absolute need to delegate and to develop others.

Recommendations

1. ***Reward your best salespeople well, but promote to supervision only those people who have the competencies for leadership.***
2. ***Provide career paths for sales and service personnel within job roles that don't require promotion to supervision.***
3. ***Provide a supervisory career track in recognition of the special competencies required for this role.***
4. ***Don't promise sales as a road to management.***
5. ***Allow failed supervisors to return to their prior successful role in sales and service.***
6. ***Recruit for supervisory roles people who are optimistic, empathetic and motivated by developing others.***

Conclusion #8

A supervisor's evaluation of an employee's competency at critical job behaviors is a strong predictor of superior performance outcomes.

Traditional psychological testing attempts to identify those personal competencies that most reliably describe the distinguishing characteristics of superior performers and then look for any correlations among those factors with superior job performance. Our methodology also asked supervisors to identify those competencies most important in **causing** superior performance in a specific job role and to evaluate respondent competency on those factors.

We found that supervisor ratings of employees on demonstrated behavior related to competencies most crucial to success in a job role are a far more accurate predictor of superior job performance than direct correlations of personal attributes to performance outcomes such as sales production, particularly for service and leadership roles in which performance outcomes aren't easily described by a single measure.

Recommendations

1. ***Avoid testing instruments that base their validity exclusively on correlations of personal attributes to performance outcomes such as sales production.***
2. ***Base employee appraisals on <u>how</u> results are accomplished in each job role as well as what is accomplished.***

Conclusion #9

Demonstration of competency is a better predictor of a person's ability to do the behavior required for a specific job role than personality or behavior style.

Our research confirms that assessment of actual job role related behavior is a much better predictor of superior job performance than factors such as personality or behavior style. Differences in a job candidate's ability to read emotions and other non-verbal cues in job related situations and to overcome felt discomfort in performing job related behavior such as contacting people they don't know by phone are clearly more predictive of superior performance in various sales and service job roles than personality or behavior style.

Personality and behavior style instruments are very popular and very useful tools for self-awareness training, for team building and for assessment of coaching needs, but our research confirms prior studies which concluded that personality and behavior style instruments have very low predictive validity in **predicting** actual sales and service job performance. As Daniel McClelland of Harvard writes *"The best predictor of what a person can and will do is what he or she spontaneously thinks and does in an unstructured situation - or has done in similar past situations."*

Demonstration of behavioral competencies should be expanded as a tool in selection as a means to further assess the ability of a candidate to **use** those dimensions of his or her emotional intelligence most crucial to success in a specific job role, particularly new hires for whom there is no track record of observed competency. Among all of the current assessment methodologies, the highest validity correlations are generally achieved by skill tests such as assessment centers, simulations, work sample tests, internships and other tests that require candidates to **demonstrate** competencies as close to those needed in actual critical job incidents as possible.

Recommendations

1. ***Ask candidates to <u>demonstrate</u> their competence at situational behavior crucial to success in various job roles, such as selling themselves in a telephone interview.***
2. ***Ask candidates to describe what they said and did in the past in critical incidents important to success in their job role.***
3. ***Require new hires and employees who have recently completed training to demonstrate mastery of key competencies for their job role.***

Conclusion #10

"Learners" yield the best return on your investment in training and coaching.

Specific selling and/or leadership skills are less important than the underlying ability to learn on the job. Our findings demonstrate that some people are much better learners than others, and that these "learners" learn more and perform much better than other people in certain job roles. Training and coaching work best with employees who show initiative, set motivating goals, display empathy, demonstrate adaptability, seek feedback, display optimism, and can control their impulsive behavior.

When it comes to building lasting skills and habits, motivation and how a person feels about learning matter immensely. People learn what they want to learn. Even in the goal-driven arena of sales, learning goals have been shown to have more impact on performance improvement than have performance goals.

Not only are some people better learners than others, but only about 20% of any typical work group are ready to put in the work required to change their behavior significantly at any point in time. This rule of thumb is particularly significant with regard to learning the EQ competencies required for sales, service and leadership roles because these competencies are only developed through extensive practice and feedback over time.

The good news with regard to learning sales, service and leadership skills is that unlike IQ which changes little after age ten, EQ competencies are learnable throughout life. Anyone can **improve** his or her social skills. However, for people who lack the prior life experience that would have enabled them to master EQ competencies, learning these skills will require more **motivation** to learn since ingrained habits will have to be undone before new habits can be established.

Recommendations

1. ***Recruit and promote people who have demonstrated through their prior interest in learning that they have potential to improve their performance through learning.***
2. ***Coach first your coachable volunteers.***
3. ***Conduct personal competency assessments that make employees <u>aware</u> of their need to change their EQ behavior.***
4. ***Use action plans to establish learning goals that support performance goals.***
5. ***Don't undervalue prior experiences outside the workplace that may have required or developed competencies important to success in a specific job.***
6. ***Coach more to help an employee use his or her existing <u>strengths</u> well than to shore up weaknesses.***

Conclusion #11

Current recruiting and selection practices for sales, service and leadership roles aren't working.

Most industries, and the financial services industry in particular, have a well documented record of high failure rates in the selection and retention of successful sales and service personnel.

Our data confirms that a large percentage of financial industry employees are misplaced in sales, service or leadership roles which aren't well suited to their competencies. These mismatches between employees and their jobs reflect a flawed recruiting and selection process.

Since 20% of salespeople are still providing approximately 80% of sales, **average** sales productivity in most industries is low, particularly in the financial services industry which suffers from widespread sales role discomfort among its workforce. The actual failure rate for true sales positions in financial services is close to 50% when both turnover and low sales production are considered, and turnover among commission driven sales organizations such as those in real estate, brokerage and insurance are even higher. Turnover rates for **service** personnel in the financial service and retail industries are also estimated to be 40-60% per year with 80-90% turnover in three years, including rising dismissal rates for dishonest behavior. The cost of these hiring failures is staggering since the cost of employee turnover is estimated to be 1.5 to 2.5 times the annual salary of a replaced employee.

Why is it seemingly so difficult for financial service organizations to recruit and retain people who can sell? First, most financial service organizations aren't viewed as **sales** organizations so candidates with an interest in sales don't apply. Second, line managers aren't held accountable for proactive salesperson recruiting and development in their performance scorecards so hiring is typically done in a crisis mode at the last hour. Third, sales, service and leadership role accountabilities aren't well defined so hiring scorecards aren't well defined. Finally, financial industry hiring criteria are overly restrictive in terms of criteria that have little to do with success in sales, service and leadership roles.

There appear to be two prevalent hiring approaches today, both ineffective. First, there are companies in which the recruiting and hiring process is selective, but the hiring criteria have nothing to do with predicting success in a particular sales, service or leadership role. The second approach is to outbid competitors to hire the "warm bodies" who seek employment and then use performance standards or variable compensation to separate the good performers from the poor performers, an approach which is costly in terms of compensation, management time and turnover expense.

For most sales organizations the employee interview remains the primary tool for employee selection. Since very few organizations conduct formal job analysis, develop structured interviews and applicant scoring mechanisms, or conduct in-depth training for supervisors in **how** to interview, **current selection practices in most sales organizations are random, biased, legally indefensible and poorly predictive of on-the-job success.** Numerous studies have shown that unstructured, nonbehavioral selection interviews have little power to predict who will do well in a sales or service position based on their low validity correlations with job performance that typically range from .05 to .19.

Recommendations

1. ***Reevaluate the effectiveness of your current recruiting and selection process NOW.***
2. ***Invest disproportionately large resources into recruiting and selecting top 10% level supervisors who will recruit top 10% level sales and service personnel.***
3. ***Track the effectiveness of your recruiting by tracking leads, applicants, interviews, offers, hires and successful hires.***

Conclusion #12

To achieve a high level of predictive validity in selection of personnel for sales, service and leadership roles it's necessary to use a variety of integrated assessments.

Our research demonstrates that no single competency and no single component of the selection process has adequate predictive validity to stand alone as a selection tool. Since no one selection tool can provide a complete assessment of a candidate's ability to *use* the critical competencies required for each job role, the best way to increase predictive validity is to conduct multiple assessments based on a validated and integrated scorecard for each job role.

In Competency at Work, Lyle and Signe Spencer report the following criterion validity correlations with performance for various methods of assessment:

Assessment Method	Correlation
Assessment Centers	.65
Interviews (behavioral)	.48-.61
Work sample tests	.54
Ability tests	.53
Personality tests	.39
References	.23
Interviews (nonbehavioral)	.05-.19

We conclude that selection should be viewed as **process** that runs on a continuum from continuous and proactive recruiting through screening, testing, interviewing and orientation. Each of these components of assessment will be reviewed in succeeding sections of this document.

Recommendations

1. ***View selection as a multi-dimensional process.***
2. ***Conduct multiple assessments of candidates to increase predictive validity.***
3. ***Integrate all candidate assessments with a common candidate scorecard for each job role.***

Conclusion #13

The first priority of sales and service recruiting is to increase the applicant pool of top 10% candidates.

In the absence of **continuous recruiting**, most sales and service organizations rely on crisis recruiting at the last hour which makes it difficult to build an applicant pool large enough to maintain their applicant standards. Financial service organizations have the additional problem of not being positioned as employers of opportunity for salespeople, of being overly restrictive on qualifications such as experience which are not related to superior job performance, and of not providing the same level of role clarity for sales, service and leadership positions as found in other industries.

Our findings demonstrate that the total universe of applicants who have the behavioral competencies to become superior performers in each sales, service or leadership role is already relatively small so proactive marketing to build the applicant pool is a bigger priority than improving selection from among walk-in candidates, many of whom are low performing "escapees" from competing organizations who are seeking easier employment. Since the top 10% of available talent typically are not looking for a new position, the success rate for hiring walk-ins from competitors is very poor.

Our findings also demonstrate that the motivation of superior performers differs substantially by job role. For example, top tier applicants for competitive selling positions tend to be motivated by independence and opportunity, whereas top tier candidates for service positions tend to be motivated more by security and structure. This means your recruiting appeals should vary by job role. What candidates really want is a good job that fits their capabilities and interests so they'll have a good chance to succeed.

The most important factor in recruiting is placing ownership of building the talent pool with line managers. They "own" the performance scorecard for their sales team, and they should also "own" the accountability for the quality of the talent on their team. In world class sales organizations sales supervisors recruit continuously for top 10% talent so when they lose a strong sales producer, they have a list of names to call to shorten the replacement cycle and to minimize any negative impact on sales production.

Recommendations

1. ***Treat recruiting as target marketing to the top 10% candidates who aren't looking for a job.***
2. ***Break the cycle of crisis hiring by recruiting continuously for talent to capture people when they are ready to make a move and by preparing a replacement plan for unexpected turnover.***

3. ***Recruit with a specific job role in mind even if that requires placing a new hire in a short-term "utility" position.***
4. ***Eliminate non-validated screening criteria such as sales experience.***
5. ***Hold supervisors accountable for the strength of the talent pools they build.***
6. ***Involve senior executives, particularly market managers, in recruiting and interviewing for key sales, service and leadership positions.***
7. ***Develop a competency based database of employees and applicants for job roles.***
8. ***Market your company as a great place for salespeople, and "sell" a career in financial selling by emphasizing the wide variety of selling and supervisory roles available in financial services, the opportunities to learn about business and technology, the availability of sophisticated client data and qualified leads, and the "professional" status of financial industry selling and working conditions.***
9. ***Place ownership of recruiting with line supervisors.***
10. ***Create a pocket-sized marketing brochure for a career in sales at your organization that line supervisors can use in recruiting with different recruiting appeals for each job role.***
11. ***Recruit non-salespeople with sales aptitude from your company and from your competitors.***
12. ***Offer and <u>promote</u> substantial referral bonuses for existing personnel.***
13. ***Emphasize applicant <u>benefits</u> rather than job requirements in your ads.***
14. ***Focus on generating applicant response, not on generating qualifying resumes.***
15. ***Recruit part-timers who <u>want</u> to work part-time with PT benefits.***
16. ***Hold recruiting events.***
17. ***Work through brand name internet recruiting sources.***
18. ***"Sell" your web site to potential applicants.***
19. ***Make it easy for candidates who typically aren't looking for a job to apply by eliminating obstacles such as requiring a resume or a phone call for application and by using a web site to screen and disburse applicant information.***

Conclusion #14

For each job role, you can screen for "fatal flaws."

Fatal flaws are the weaknesses of an individual that would make it difficult for the person to perform well in a specific job role in spite of his or her positive attributes.

Our findings demonstrate that the factors which most frequently lead to job failure in a selling or sales supervision role are factors that can be identified in candidate screening through testing, interviews or work simulations. Many of these fatal flaws are motivational factors that identify which candidates are likely to "give up" in the pursuit of their goals.

Since people often fail in a job due to factors different than the criteria used to select them, we asked supervisors to identify for us why employees have failed in various job roles. The factors our research identified as fatal flaws for various selling and supervision job roles are the same factors which experienced sales managers tell us that they use as "knock-out" factors in candidate interviews: pessimism, discomfort with required behavior or the time commitment to perform key behaviors, fit with corporate or business unit culture, motivational complacency (e.g. overly satisfied with their current level of income), extreme or inflexible behavior style, arrogance, dishonesty or lack of self-control, and poor motivation or aptitude for learning.

Top performing sales managers seem to confirm intuitively the research by Dr. Leonard Seligman at the University of Pennsylvania in identifying **pessimism** as one of the fatal flaws most damaging to motivation and to success in selling. Seligman defines optimism in terms of how people explain to themselves their successes and failures. People who are optimistic see a failure as due to something that can be changed so they can succeed next time, while pessimists personalize their failures, attributing them to lasting characteristics or situations that they are unable to change.

Looking just at **job role discomfort** as a potential demotivator and fatal flaw here are the job factors that financial industry respondents in our research ranked highest in causing them discomfort:

How would you rate your level of discomfort in performing the following activities?

1. **Work with uncertainty about my income.**
2. **Stick to a fixed schedule and perform the same tasks and routines every day.**
3. **Ask tough questions that force clients or coworkers to evaluate their situation.**
4. **Prepare and analyze sales reports, budgets and sales plans in detail.**
5. **Work with people who are very competitive to win sales contests in direct competition with them.**

Most organizations rely on resumes, applications and experience checklists to screen out candidates who are clearly not suited for a job. However, the most effective screening practice for fatal flaws is also the simplest. **World class sales organizations are direct with candidates up front about the job requirements and expectations that may cause discomfort for many candidates.**

Some organizations such as Wells Fargo Bank and Merill Lynch purposely incorporate simulated job conditions into their candidate testing and assessment so that candidates will either opt out of the selection process upon realizing that the job for which they're applying is not a good fit for them or prepare themselves psychologically for the negatives of the job. Candidates who have been exposed to a realistic job preview have been proven to be less likely to quit.

Recommendations

1. ***Tell candidates directly and upfront about the job requirements and expectations that may cause them discomfort.***
2. ***Give candidates an opportunity to experience or observe actual work conditions.***
3. ***Use multi-candidate group interviews to assess social skills and teamwork.***
4. ***Probe for how a candidate has handled setbacks and made decisions in the past to identify signs of pessimism and impulsivity.***
5. ***When telephone selling or service is required for a job role conduct at least some interviewing by phone.***
6. ***Use telephone interviews to ask questions such as, "How comfortable would you be with spending ten hours a week making calls to prospects you haven't met to obtain appointments with them?", or, "How many hours can you work per week?" to qualify candidates for more extensive assessments.***
7. ***Develop a customized application for each job role that incorporates screening questions that flag potential fatal flaws for each job role.***

Conclusion #15

Testing can dramatically improve selection success rates and reduce legal risks in hiring by improving the quality and objectivity of employment interviews.

Testing instruments can improve the quality of employment interviews by providing candidate information that's difficult to get **prior** to interviews so that interviews can be better focused on exploring specific candidate strengths and weaknesses. Our research of 28 high performance bank sales organizations found that 46% of these banks conduct pre-employment testing for sales aptitude and that 93% of the organizations that do not do such testing **want** to develop that capability.

Our findings demonstrate that assessments of behavioral competencies are strong predictors of performance in direct contrast to personality scales which have demonstrated low validity correlations in the range of .39 causing them to fall under increased legal scrutiny recently and aptitude scales which tend to overvalue experience and interests, factors which have not proven to be good predictors of success. Personality is somewhat more predictive of success for job roles in which employees have wide latitude in how to behave such as a commissioned competitive selling role in which a salesperson may operate without close supervision.

The most frequently cited reason for not using testing instruments to improve selection success rates is the fear of lawsuits for discrimination in hiring. In fact, the unstructured interviews typically used in lieu of testing lead to a much higher incidence of discrimination and adverse impact in hiring than testing does by treating candidates differently and by giving undo weight to factors that are unrelated to job performance. The Stanford Law Review found, *"There are six times as many lawsuits for terminating an employee than for not hiring an applicant."*

All sales selection tests have relatively low predictive value. Predictive validity increases significantly only when multiple factors and multiple measures are assessed and when assessments of behavior attributes and motivations are integrated with differences in job role requirements to create a job match.

Recommendations

1. ***Use only testing instruments that are properly validated, role specific and linked to interviews and other assessments.***
2. ***Use only multi-dimensional tests that assess behavior competencies.***
3. ***Use only tests that evaluate "fit" to specific selling roles.***
4. ***Avoid "pop psychology" instruments based solely on personality or behavior style.***
5. ***Use testing to improve your interviews to maximize predictive validity.***

6. ***For sales leadership roles, test both for sales competency and for supervisory competency.***
7. ***Don't rely on testing alone in making your selection decisions.***
8. ***Administer tests in a nondiscriminatory way by using test results primarily to eliminate clearly unqualified candidates rather than to make fine distinctions between more qualified candidates.***

Conclusion #16

The predictive validity of candidate interviews can be improved substantially by combining pre-interview testing with structured behavioral interviewing.

In a University of Michigan study titled “The Validity and Utility of Alternative Predictors of Top Performance,” John and Rhonda Hunter found that the typical unstructured candidate interview improves the chances of choosing the best candidate by less than 2% while structured interviews have been known to achieve predictive validity scores of as high as .60. Why? Most interviewers don’t prepare their questions prior to their interviews, don’t assess candidates against a well defined scorecard for the job role, and give too much weight to first impression criteria such as confidence and appearance at the expense of objective criteria.

Structured interviews incorporate a standardized format, job related questions and a method of scoring candidate responses. While 80-90% of organizations rely exclusively on interviews to assess candidates, fewer than 10% of Fortune 500 companies use structured interviews. Two or more interviewers using the same structured interview will reach the same decision almost 90% of the time.

By demonstrating the relative high predictive validity of supervisor evaluation of important role-specific behavior, our findings make the case that interview validity can be improved by testing prior to interviewing to narrow the focus of candidate assessment to a candidate’s strengths and weaknesses with regard to those few competencies most crucial to success in the job role. The integration of testing with interviewing typically improves the job relatedness and objectivity of interview questions.

Recommendations

1. ***Use test profiles to provide focus and job relevance for your interview questions.***
2. ***To avoid first impression bias, provide interviewers only job related data on candidates and don’t give them overall test scores prior to interviews.***
3. ***Ask senior executives to interview candidates for key positions.***
4. ***Make early interviews demanding and tough.***
5. ***Probe for signs of past achievement by candidates in any endeavor.***
6. ***Don’t oversell the candidate on the job.***
7. ***Ask about candidate preferences before you provide a realistic job preview.***
8. ***Provide interview guides and structured interviewer scoring to facilitate structured behavioral interviews that assure that critical questions are asked of all applicants in the same way.***
9. ***Conduct multiple interviews using at least 3-5 interviewers to cancel out interview bias.***
10. ***Require candidates to interview on at least two separate days.***

11. ***Require written assessments from all interviewers.***
12. ***Probe for cultural fit.***
13. ***Ask questions about <u>prior</u> behavior in key job related situations and about how candidates would handle further critical incidents and grade candidate responses.***
14. ***Train managers how to interview and how to listen for EQ competencies such as achievement drive by asking questions about behavior such as how a candidate keeps score of progress against goals.***
15. ***Evaluate candidate strengths and weaknesses on specific dimensions as opposed to their overall suitability.***
16. ***Always complete your reference checks, focusing on validating the candidate's honesty and on exploring how the previous employer would "coach" the candidate for the specific job role you have in mind.***
17. ***Make any specific job offer to a candidate while you're with the candidate.***
18. ***Teach candidates how to quit their current position and how to handle counter-offers.***

Conclusion #17

New employee orientation should be the final hurdle in candidate assessment.

For many financial service companies, new employee orientation is a "feel good" indoctrination to company benefits and to company operations, and **sales** training is wrongly deferred until the new recruit has "learned his or her job." The goals of employee orientation for sales and service roles should be to assess each new employee's **actual** competency so you can develop personalized coaching plans and weed out nonperformers fast, to communicate clearly the organization's expectations for sales and service, and to develop new employees to minimum standard competency and sales production as quickly as possible.

Our research demonstrated that learning is a crucial competency for most sales, service and leadership roles, and there's no better time to assess a candidate's motivation and capacity to learn than during the first few weeks of employment when an employee is normally most motivated to learn.

By placing ownership for learning on the recruits themselves, an organization establishes orientation as a final assessment based on motivation, aptitude for learning, comfort with required behavior, and fit with the role and the culture. Similar to the dynamics that occur in a Marine Corp. boot camp, new employees learn more when they know that to survive the orientation assessment they **have** to learn.

When a new employee is first hired, the employee should be given clear expectations for mastery of specific role competencies and achievement of minimum performance standards for activity, preferred behavior, and results within specific time frames. Our data suggests that superior performers will respond well to keeping score of their progress in a sales and service "boot camp" environment, and low performers and pessimists will give up quickly.

High performing sales and service organizations ranging from IBM to good restaurant chains won't put personnel in front of their clients until they've demonstrated **proficiency** at client contact competencies. Step by step skill mastery can be continued over extended periods of time by developing skill mastery certification paths for various sales, service and leadership roles. Ultimately, a strong sales orientation will give you a faster payback in terms of sales revenue on your investment in new personnel and improve employee satisfaction and retention rates.

Recommendations

1. ***Develop a sales and service "boot camp" orientation for new hires to accomplish training and job mastery assessment.***
2. ***Place ownership for learning on each recruit.***

3. ***Establish skill mastery contracts for demonstrating specific competencies by specific dates.***
4. ***Conduct situational role play with recruits that simulates pressure conditions that require recruits to respond to critical job role related incidents.***
5. ***Based on individual assessments of each recruit, prepare development plans and coaching checklists for their supervisors to use in their field orientation and coaching.***
6. ***Use certification paths to document skill mastery and to attract and retain motivated learners.***
7. ***Develop an employee orientation model for acquisition.***
8. ***Offer retention bonuses instead of hiring bonuses.***

Conclusion #18

Current sales, service and leadership personnel should be assessed for optimum job role fit.

It makes good economic sense to get the most out of the people you have before you add new players to the team, particularly when the success rate for new hires is less than 50%, and the success rate for placement of internal hires can be very high based on the high predictive validity of supervisory assessment of competency that was demonstrated in our research.

The key question our research raises with regard to current employees is, *"In what role and for what level of pay can this person be an 'A' player?"* Our research demonstrates that a high percentage of employees, whether superior performers or low performers in their current role, may be better performers if placed in a job role for which their competencies and motivation are a better fit. For this reason, the first use of our Optimum Performance Profile assessment for most clients has been assessment of existing employees who are struggling or who are being considered for promotion or reassignment.

Recommendations

1. ***Stack rank employees by job role based on the most important measure of performance or on a balanced scorecard for performance for each job role.***
2. ***Target your top 10% of performers in each job role for "re-recruiting" by senior executives.***
3. ***Conduct testing, documented field observations and/or assessment center reviews of selected existing personnel to identify their competencies for various roles.***
4. ***Staff your critical sales, service and leadership positions with your highest ranked employees within these roles.***
5. ***Involve senior managers in assessment and weeding out of low performers.***
6. ***Create as many career paths as you have people.***
7. ***Recognize and reward your superior sales producers without promoting them to supervisory roles by offering "special status" with perks, learning opportunities and challenging coaching or sales roles such as field training or management of key client relationships.***

Conclusion #19

The key to retaining superior performers is to improve supervision.

Effective supervisory leadership is the single most important factor in improving sales and service performance. Research has consistently demonstrated that good supervision is the key factor in retaining employees and in sustaining a positive emotional climate for employees. As Goleman writes, *"Employees who feel optimistic and upbeat are more likely to go the extra mile to please clients."* Our corporate sales assessments have also demonstrated that good supervision is even more powerful than incentive compensation in improving sales productivity for most selling roles and is crucial in improving service delivery.

Our data demonstrates that a high percentage of supervisors are not motivated to develop others and lack the empathy to guide their coaching and thus are not well fit for their role. Inept supervisory criticism is one of the primary sources of employee job dissatisfaction. Since this deficiency in sales supervision is as much a problem of job matching as it is a problem of poor sales and service process, we conclude that organizations can best minimize their need to recruit by placing in supervisory positions people who can build the emotional climate and competencies that will retain superior employees.

Recommendations

1. ***Measure and reward supervisors for development of employee competence and for employee satisfaction and retention.***
2. ***Freeze, or even reduce, compensation for first time promotions to a supervisory role until the employee being promoted has proven himself or herself in that role.***
3. ***Recruit and promote supervisors for their <u>leadership</u> competencies, not for their specialized knowledge or for their success in selling.***
4. ***Provide leadership training, job shadowing and/or peer mentoring to new supervisors <u>prior</u> to their assuming their new role.***
5. ***Move supervisors from one business team to another to learn <u>leadership</u> skills.***
6. ***Provide more training in the emotion management skills of supervision, particularly how to listen empathetically, how to provide constructive feedback and encouragement, how to display enthusiasm for the mission, and how to challenge pessimistic thinking.***

Conclusion #20

Sales and service learning should be specific to job roles and to each learner.

In our corporate sales assessments we've found that few organizations align their sales and sales leadership training with their core strategies. For example, most financial service organizations today want a **client**-focused, relationship type of sales process for most selling roles, yet most still teach a **product**-focused, transactional type of selling for all selling roles with no training in how to use their CRM information systems to retain and develop existing client relationships.

Training is about making employee behavior the **same** in some important way. In terms of selling, the purpose of training is to establish consistent use of your Preferred Way of Selling, the behaviors, process and practices that you want adopted for each job role. Unfortunately, most organizations haven't defined their Preferred Way of Selling so their salespeople have no standard of behavior from which to learn, and their supervisors have no standard of behavior from which to coach.

Our behavioral profile research demonstrates that differences in the behavior required for various sales, service and leadership roles and in the competencies and motivations required for success in each role are significant. As a result, training and coaching should be highly specific to the job role to be performed, to your Preferred Way of Selling®, and to your strengths and weaknesses of each learner.

Testing of employee behavioral competency can put training to work where it does the most good. First, train the core competencies required of each learner, and then assess each learner and build a development plan specific to each learner.

Key competencies for <u>Service Roles</u>:

1. Displaying initiative in approaching clients and in offering assistance.
2. Displaying energy.
3. Taking action to help clients within the limits of empowerment.
4. Displaying friendly, trust building behavior.
5. Communicating in ways that prevent service dissatisfaction.
6. Listening proactively and empathetically.
7. Resolving conflict.
8. Recognizing sales opportunities.
9. Conducting 20 second sales conversations to create referral sales.
10. Avoiding client contact burnout.

Key competencies for <u>Consultative Selling Roles</u>:

1. Building trust with clients.
2. Converting inquiries into sales interviews or appointments.
3. Adapting to client behavior styles.
4. Asking questions to profile/diagnose client situations quickly.
5. Simplifying the selling proposition and selling fast.
6. Establishing competitive difference beyond price.
7. Adding to the sale.
8. Working fast and sustaining high levels of weekly and daily sales activity.
9. Making effective use of technology and client segmentation data in selling.

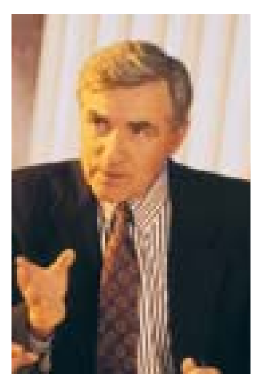
Key competencies for <u>Competitive Selling Roles</u>:

1. Prospecting proactively.
2. Identifying and qualifying prospects.
3. Organizing sales activity for sales contact efficiency.
4. Displaying patient listening.
5. Overcoming call reluctance.
6. Networking for referrals/self-promotion.
7. Creating urgency in closing.
8. Building optimism and resilience in the face of setbacks.
9. Managing sales pipeline strategy.

Key competencies for <u>Complex Selling Roles</u>:

1. Analyzing and quantifying client business problems.
2. Building social networks.
3. Developing strategies for specific relationships.
4. Establishing relationship objectives and managing a client portfolio.
5. Working with multiple decision influencers.
6. Negotiating relationship terms.
7. Writing persuasive letters, emails and proposals.
8. Making effective group presentations.
9. Selling cooperatively with other team members.
10. Sustaining an advisor relationship.
11. Adopting an integrated advisory selling process that provides a seamless client experience across business lines.
12. Calculating the financial impact of solutions.
13. Managing sales pipeline strategy.

Key competencies for <u>Sales or Service Leadership Roles</u>:



1. Displaying an optimistic, encouraging leadership style.
2. Stating clear expectations.
3. Giving **specific** constructive feedback.
4. Coaching the use of component sales behaviors.
5. Coaching sales strategy.
6. Negotiating challenging, yet realistic, goals.
7. Leading effective meetings.
8. Maintaining a positive emotional tone for the team.
9. Creating excitement and passion for the mission.
10. Confronting people constructively over their nonperformance.
11. Recruiting and selecting “A” players for the team.

The softer side of sales and service learning includes learning company values and closing gaps in emotional intelligence skills unique to each employee such as empathy, assertiveness, optimism and coping with sales reluctance. For example, when financial advisors at American Express Financial Advisors were trained to be emotionally self-aware and to have more empathy for their clients, they were better able to build long term, trusting relationships, and these relationships translated directly into higher sales per client.

It's a common misconception that all sales training is the same. **Product or presentation focused sales training or training that isn't aligned with the client-centered sales behavior requirements for a specific job role can damage a salesperson for life by reinforcing discomfort with selling and/or reducing sales success rates.**

Recommendations

1. ***Define your Preferred Way of Selling® in terms of the specific behavior required for each selling role.***
2. ***Train for specific sales and service competencies required for various job roles.***
3. ***To maximize your return on investment, invest first in training sales leaders, top performers and "learners."***
4. ***Provide assessment and development planning for all sales and service personnel specific to their job role.***
5. ***Divide sales and service personnel into teams for personalized training and/or classroom breakout sessions based on personal assessment to work on specific EQ development needs such as optimism, empathy, assertiveness and goal setting specific to their job role and to their personal strengths and weaknesses.***
6. ***Tailor product and CRM sales application training to the information requirements of each job role with emphasis on building client segment and product application knowledge.***
7. ***Select as sales trainers only personnel who can serve as effective models of emotional competency such as creating a "swat team" of effective field sales managers to serve on the training team.***
8. ***Add assessment, feedback and competition components to your training design for competitive selling roles to increase participant openness to learning.***
9. ***Focus learning around a detailed model of your preferred sales process.***

Conclusion #21

"Start and stop" training initiatives and most computer based training delivery options aren't very effective in improving EQ competencies.

Unlike product expertise, technical skills or other cognitive skills, emotional intelligence competencies are learned in the brain's limbric system which governs feelings, impulses and drives. As a result, EQ skills are learned best through motivation, practice, and feedback over an extended period of time.

Most of the leverage for learning preferred sales, service and leadership behavior is in practice and field coaching. Xerox Learning found that without follow-up reinforcement, 85-90% of selling skill improvement is lost within 60 days of sales training, yet the sales and service training initiatives for most financial service organizations are "start and stop" initiatives.

Learning EQ Competencies

Before *Training*

Focus

- In-depth assessment of personnel
- Focused development plan
- Clear communication of your Preferred Way of Selling® and your performance expectations
- Focused sales **process**

SKILL BUILDING

After *Training*

Accountability

- Required practice and role play
- Field observation and **specific** behavior feedback and coaching
- 90 day improvement plans
- Skill mastery certification
- Scorecard performance metrics for behavior

EQ skills are learned best through overlearning with practice and feedback far beyond the point at which the learner can perform well which reduces the likelihood of falling back on old habits. The return on investment for skill practice under realistically simulated job conditions **during** training is **seven** times greater than for lecture sessions.

This proven need for continuing practice, feedback and motivation to improve EQ competencies explains why most computer based learning hasn't yet been proven successful in building EQ skills, and why **certification** of sales skill mastery similar to certification of martial arts competencies is a fast growing concept in sales development. Classroom training combined with instructor and peer modeling, field or computer-based practice, supervisory feedback and skill mastery certification testing provide the continuing feedback and accountability necessary to improve an employee's **motivation** to learn and to use new skills over the long haul.

Recommendations

1. ***Implement sales and service <u>certification</u> processes to spread learning over time and to provide accountability for skill mastery.***
2. ***Use "hands on" skill building rather than computer based learning for development of EQ competencies, and/or integrate CBT training delivery with extensive field application and coaching.***

Conclusion #22

Sales strategy, sales process performance metrics, and method of compensation should vary by job role.

Our behavioral profile research adds dramatic evidence to support the importance of supervisors providing a clear sales task for each job role so strategy, people and process can be aligned. For example, long cycle selling requires an emphasis on prospect selection and strategy while short cycle selling requires more emphasis on sustaining high levels of sales activity. Often, organizations try to manage a complex or consultative selling unit using a sales process best suited for competitive selling, or vice versa.

One of the distinguishing traits of world class sales organizations is that they define a Preferred Way of Selling® for their organization and for various sales, service and leadership roles and monitor compliance with that process. Typically, senior executives in these organizations demonstrate a **passion** for their preferred process.

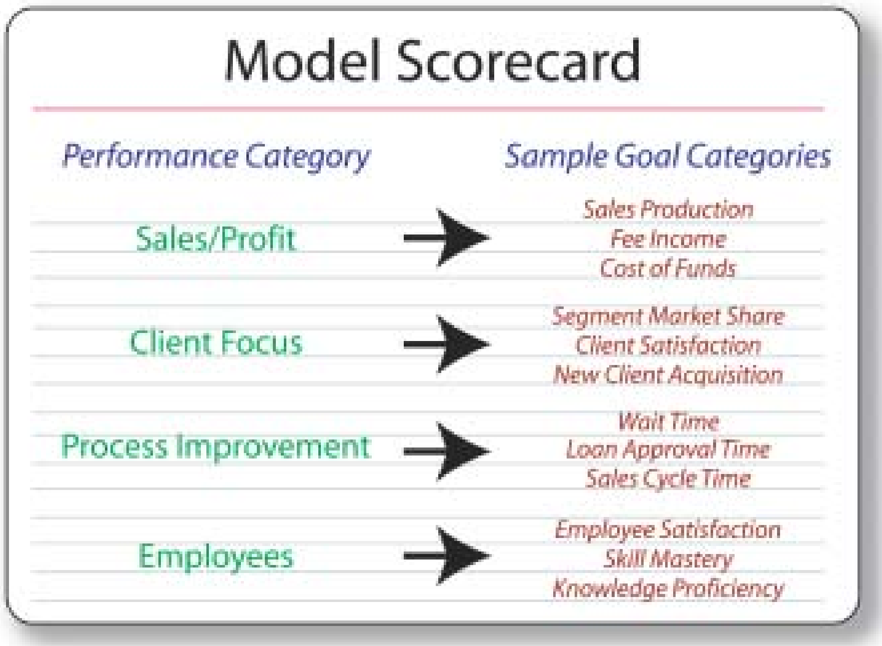
At GE, Jack Welch took the position that if you achieved your annual performance numbers and you exhibited GE's preferred practices and values, you stay. Miss on both, you go. Miss on the numbers, but demonstrate the preferred practices, or make the numbers and lack the preferred practices, and you get a second chance.

The key to high salesperson productivity is focused supervision, and that requires adherence to a PROCESS that provides focus and accountability continuously. For all the talk about the importance of coaching, our corporate sales practices assessments involving surveys, personal interviews, and observations with thousands of financial industry employees have found that fewer than 10% of sales and service employees are observed and given constructive feedback on their skills and strategies in any given month.

Observation coaching is important because to improve emotional competencies you first have to make people **aware** of their deficiencies. People perform better when they get information about **how** they behave than when they get feedback on performance outcomes, and preferred behavior varies widely by job role.

Our research also demonstrates that methods of measurement, compensation and recognition should vary by job role. The tasks required for each role and the motivational profile of superior performers in each role are so different that no single method of measurement, recognition or compensation can accomplish the desired behavior for all roles.

For all five sales and service job roles, a **balanced scorecard** of performance as shown below tailored to the specific job role is crucial to promoting the preferred behavior for the job role. For example, a supervisory compensation plan should always reward supervisors for the development of their sales personnel.



In competitive selling, a high percentage of variable compensation works well because the salesperson is typically the major factor in identifying and closing a prospect; the role typically requires extraordinary discretionary effort to meet narrowly focused activity and sales production quotas; the salesperson typically must apply emotional pressure to win a sale; and the profile of superior performers is typically competitive, optimistic, and oriented towards extrinsic motivators such as money.

Other selling and service roles typically provide more support to an employee in making a sale or servicing a relationship over time; use more balanced measures of performance that often involve contributions by other team members; place a premium on sustaining relationships over time; and attract superior performers who are often driven more by intrinsic motivational factors such as personal achievement and who may have substantial discomfort with variable income.

Many sales organizations actually **overpay** salespeople substantially by trying to force fit a competitive selling role compensation solution on a consultative or complex selling role, or vice versa.

Recognition can also be adjusted to specific job roles. For some job roles team recognition and opportunities for everyone to be a winner if they achieve designated levels of performance work best. For other roles, individual recognition and recognition for competitive ranking work best. At its best, recognition is tailored to **individual** preferences.

Recommendations

1. *Manage employees in each sales role differently.*
2. *Use behavior test profiles and 90 day plans to personalize objectives for coaching.*
3. *Designate field coaches to mentor individual employees.*
4. *Require consistent adherence to a well defined coaching regimen.*
5. *Include skill improvement goals in 90 day plans to focus employees on their developmental needs specific to their job role.*
6. *Require frequent documented observations of each sales and service employee's interactions with clients to monitor compliance with the preferred behavior for each job role.*
7. *Require use of processes that force discussion of strategy appropriate to the job role.*
8. *Score each employee's use of preferred behavior.*
9. *Encourage role play to model and practice preferred behavior for each job role.*
10. *For new salespeople, low performers and competitive sellers, manage closely their sales and service behavior, sales activity and sales efficiency.*
11. *Provide tools for assessing the effectiveness of field coaching by supervisors.*
12. *Set goals by job role for post-training skill improvement.*
13. *Measure and reward supervisors for adherence to your preferred sales and service process and coaching regimen.*
14. *Use role plays in sales meetings to drill repeatedly on the preferred behavior for each job role.*
15. *Use teleconference and e-mail follow-up to monitor compliance with your preferred sales process.*
16. *Manage each salesperson's strategy and activity weekly prior to their sales contacts, particularly with sellers in complex or competitive selling roles.*
17. *Observe, observe, observe. Even with top performers.*
18. *Sell your employees on the benefits of complying with your sales process.*
19. *Use a balanced scorecard of performance tailored to each job role to promote preferred behavior for the job role.*
20. *Select methods of compensation and recognition that fit each job role and fit the motivational profile of superior performers in that role.*

Conclusion #23

Sales organizations typically underestimate the link between job role satisfaction and sales productivity.

The clarity of performance outcome measures for sales relative to most job roles typically leads sales organizations to focus exclusively on short term sales productivity at the expense of employee development and satisfaction. Concern over job role stress, work/home life balance, and "product pushing" was very pronounced among respondents in our research sample.

Our findings demonstrate such wide variance in required competencies among various sales, service and leadership roles that job fit has to be a crucial component in employee satisfaction and retention. Job role satisfaction is crucial to employee satisfaction, and prior research has proven that it's also crucial to sustaining client loyalty and sales revenue.

Based on analysis of high and low performing markets across their branch networks, CIBC of Canada and Sears reached similar conclusions in putting a dollar value on the direct link between employee satisfaction and commitment and the performance outcomes of sales revenue and profitability.

How People Issues Drive Client Loyalty and Profitability
(Percentage Improvement and Resulting Outcomes)

Recommendations

1. ***Make employee satisfaction by job role a key measure on your organization's performance scorecard.***
2. ***Measure and reward employee satisfaction and development by supervisor.***
3. ***When job role satisfaction is low, try redefining job accountabilities, improving supervision, or replacing current employees with employees who are a better fit for the job role.***

Schneider Sales Management, Inc.
Sales and Service Solutions

Schneider Sales Management, Inc. is the premier provider of **integrated** sales development solutions for financial service organizations. **On average, clients of Schneider Sales Management, Inc. increase their net income per FTE three times faster than the national average for all financial institutions.** The findings of our national research are interwoven into the following sales and service solutions for our clients throughout North America.

Solution: The Optimum Performance Profile® Instrument

This web-base assessment instrument was developed from our research findings to **improve hiring success rates for sales, service and sales leadership positions.** The instrument takes 30 minutes to complete and provides **instant assessment of a candidate's behavioral competencies and fit for the five sales, service and sales leadership roles** which encompass virtually every sales and service position in the financial industry. Reports include an overall score for each job role, our hiring recommendations, a detailed behavior profile, and a behavioral interview guide customized to each candidate. The Optimum Performance Profile® can be used as an assessment or coaching tool with existing employees or as a tool to improve applicant interviews and hiring success rates. The **Service Readiness Profile,** a short low-cost version report for assessment of **service** role candidates only, also includes a numbers skill assessment, and an assessment of the candidate's potential promotability to a consultative selling role.

Solution: Corporate Sales Practices Assessments

Schneider Sales Management, Inc. conducts comprehensive assessments of both low performing and high performing sales organizations and business units to **identify opportunities for improving sales practices to generate additional revenue per FTE.** These assessments typically include top performer interviews and observations, client and employee surveys, and a comprehensive review of current practices and performance documentation resulting in definition of a Preferred Way of Selling® and a **sales plan** for the organization and/or specific business units or markets.

Solution: Skill Development

Schneider Sales Management, Inc. offers fourteen different sales, service and sales leadership learning programs designed for specific sales and service job roles plus **customized workshops** designed to meet specific sales objectives. Topics range from Service Quality and Referral Selling for front-line service and support staff to sales courses such as Retail Selling, Strategic Selling, Branch Teleconsulting, Profiling and Relationship Development, and contact center selling and sales leadership courses such as Sales Management, Franchise Management, Behavioral Interviewing, Front-line Coaching, and Performance Measurement. The new Optimum Performance Selling Course for salespeople in top producer sales roles is the most advanced and comprehensive sales course in the financial industry and features customization to the selling strengths and weaknesses of each participant. Programs are available for single use or multi-year licensing arrangements for training conducted by your training staff or by our own experienced financial industry consultants.

Solution: SaleSkill® Mastery Selling Skill Certification

As a follow-up reinforcement to our core curriculum courses, or as a low-cost skill development option, organizations can provide on-line learning and practical field skill mastery certification in sales and service skills. This unique program assures consistent practice and mastery of sales and service skills over time with supervisory feedback. Two levels of certification are available, each consisting of eight modules. Final certification requires supervisor sign-off on completed assignments, passing scores on eight module exams, a passing score on role-plays and a comprehensive final exam, and documented improvement in sales behavior and sales productivity.

Solution: Consulting on Sales Strategy, Sales Process, Sales Organization, Recruiting, Scorecard Performance Metrics, Performance Standards, Recognition and Sales Compensation

Schneider consultants provide sales consulting for business units ranging from retail banking and business banking to wealth management, mortgage origination, contact centers, and insurance. Our consultants have pioneered many of the most important innovations in financial industry selling ranging from balanced scorecard performance metrics for selling to role-based hiring scorecards, objective-based pipeline management, and client portfolio management.

Solution: Sales Applications for Contact Centers and CRM Technology

Schneider Sales Management, Inc. is a strategic partner with MARQUIS Software Solutions in providing SalesTrax, an integrated sales and sales management software solution that features client, profitability and sales reporting combined with sales training and sales processes that guide effective **use of** this information. We also frequently consult with our financial industry clients on the practical sales applications for their existing CRM and contact center technology.

OUR THANKS TO THESE NATIONWIDE RESEARCH PARTICIPANTS

CREDIT UNIONS

- San Francisco Federal Credit Union
- Commonwealth Central Credit Union
- American River Health-Pro Credit Union
- First New England Federal Credit Union
- Community First Credit Union
- Teachers Credit Union
- Hudson Valley Federal Credit Union
- Best Source Credit Union
- IBM Rocky Mountain Employees Federal Credit Union
- Norlarco Credit Union
- Burbank City Employees Federal Credit Union
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