

# Are Salespeople Becoming Obsolete?



Beginning in 2010, several industry pundits and research firms said that salespeople were becoming obsolete. Many predicted that the number of B2B salespeople would decrease by as much as 8 million by 2020.

Were they correct?

Well, the answer is 'No' . . .and 'Yes'.

At the beginning of the last decade, several industry pundits and research firms had dire predictions for the future of B2B salespeople. The explosion of eCommerce, sales enablement technology, and increasing amounts of information available on the web would limit a buyer's need for a salesperson. Many prognosticators saw a decrease in B2B salespeople by 2020, some by as much as 8 million. Over time, many salespeople would become obsolete.

Were their predictions correct?

Well, the answer is 'No' . . . . . and 'Yes.'

As emerging technology businesses grew and the economy exploded in the latter half of the decade, both new and existing companies needed salespeople. The predictions of a massive decrease in salespeople were not only wrong; cumulative research has shown that there was an increase in B2B salespeople between 2010 - 2020.

So although the dire predictions of a decrease in salespeople did not materialize, there were some disturbing trends in sales performance during this period.

Just as some predicted a significant decrease in salespeople during the last decade, many promised substantial improvements in sales effectiveness and productivity during this same time. Not only did those promises fail to materialize, vast research documents that the key metrics of corporate sales performance declined.

US companies spent over \$800 billion in sales enablement between 2010 - 2020. However, quota attainment, win rates, and revenue per rep decreased, while sales turnover increased. Although the number of B2B salespeople did not decline, the percentage of them achieving quota has, hitting a new low of less than 50%. Although there are more salespeople than ever, the pundits from ten years ago were correct about one thing - many of them are, in fact, obsolete.

Our research has uncovered three causes for this decline in sales performance and the obsolescence of many salespeople.

## Reason #1

At the risk of sounding cliché, buyers are more knowledgeable than ever. Research indicates that buyers are 65% into their buying and decision process before they engage with a salesperson. Within the sales cycle, three processes are occurring. Although they are linear, they are not perfectly aligned. The first two are with the prospect, being their buying, and decision processes. During the buying process, the prospect is evaluating options and formulating their criteria. Due to the wealth of information available, they can get the majority of the information they need, including case studies, testimonials, and references. At some point during the buying process, they begin their decision process. Once they have determined the direction they want to take, they then engage with a salesperson.

However, most salespeople blindly follow their company's sales process and start at Step 1. They ignore where the buyer is in the selling cycle and continue to push through their sales process. Buyers today have no patience for salespeople who don't get it. They are not interested in going through the seller's qualification methodology. They don't want to be 'Challenged' or have their thinking 'Re-engineered' or whatever the sales methodology catchphrase is of the day.

## Reason #2

Companies have invested billions in sales training, but most sellers don't know the art of effective social interaction selling. A new generation of sellers lack human relation and communication skills. For many, the majority of their communications have been texts, emojis, gifs, tweets, and Facebook/Instagram posts over the last decade. Risk avoidance is the primary factor for companies and individuals when making a buying decision. For prospects to openly discuss their concerns with a salesperson, it is incumbent upon the seller to have highly developed communication skills and emotional intelligence. More product and sales methodology training is not what it needed, nor will sales enablement tools fix the problem, if salespeople don't possess solid communications skills.

## Reason #3

Too many sellers are in the wrong role, and many are in the wrong job altogether. In working with companies, we have found that many do not clearly define the requirements for each selling role. The individual skills, traits, attitude, and personal preferences for someone in a Hunter role is different than those of a Farmer. Frequently companies blame poor performance as the result of a bad salesperson, when in fact, the salesperson is simply in the wrong role. Furthermore, we have also found that many companies have salespeople who are simply in the wrong profession. Many of these sellers were hired since 2010. As we know, the financial crisis of 2007-2008 left many college graduates at that time without employment opportunities. In addition, between 2007 and 2020, the number of college graduates with bachelor's degrees

has jumped 30%, from 1,510,000 per year to almost 2,000,000. The majority of these graduates have liberal arts degrees with no specific market of opportunity, and thousands were 'forced' to get into sales. However, many in this group lack two required elements for sales success - drive and resiliency - and also don't have the desire or aptitude to improve. We believe that this bottom twenty-five percent of sellers today is one of the main contributing factors to the drop in overall sales performance.

### What's Next?

Companies are struggling with how to address the problem of lagging sales performance indicators and obsolete sellers within their organization. Although there is no quick fix, by implementing the following three actions, you can realize a significant improvement in the number of sellers achieving quota within several months.

- More disciplined hiring. There is absolutely no reason why any company should hire an unqualified salesperson. In our extensive work with clients, in every single instance, when they hired what turned out to be a submarginal performer, all of the warning signs were there before they made the offer. However, they ignored those warning signs because of pressure to meet an internal hiring deadline. In the end, those internal deadlines cost the company 18 months of pain, because that is the average tenure of the wrong salesperson. You should never hire an unqualified salesperson just because you have an opening, immediate need, or out of necessity. You are better off waiting.
- Are your selling roles well defined? Most companies have very generic candidate descriptors for their sales positions. "Professional, disciplined self-starter with strong communication skills" is not going to cut it. Different selling roles within a company have their unique skills and behavioral traits. The salesperson needed to sell an intangible service with a long, complex sales cycle, is much different than a tangible product with a transactional buying process. Very few companies have taken the time to put serious effort into defining the exact requirements needed for their ideal salesperson. An excellent place to start is with your current A-Players. Have them take independent, validated behavioral assessments to use as a benchmark. Track how they spend their time during a typical week and compare that to the candidates you are considering.
- Evaluate your sales managers and salespeople. Most companies wait until the end of the year to make a thorough assessment of their current sales talent. The most critical role in your sales organization is your first-line managers. They need to be excellent coaches and mentors to drive improvement and performance from their team members. Look for any sales managers who are spending more time selling and saving deals for their reps. If they

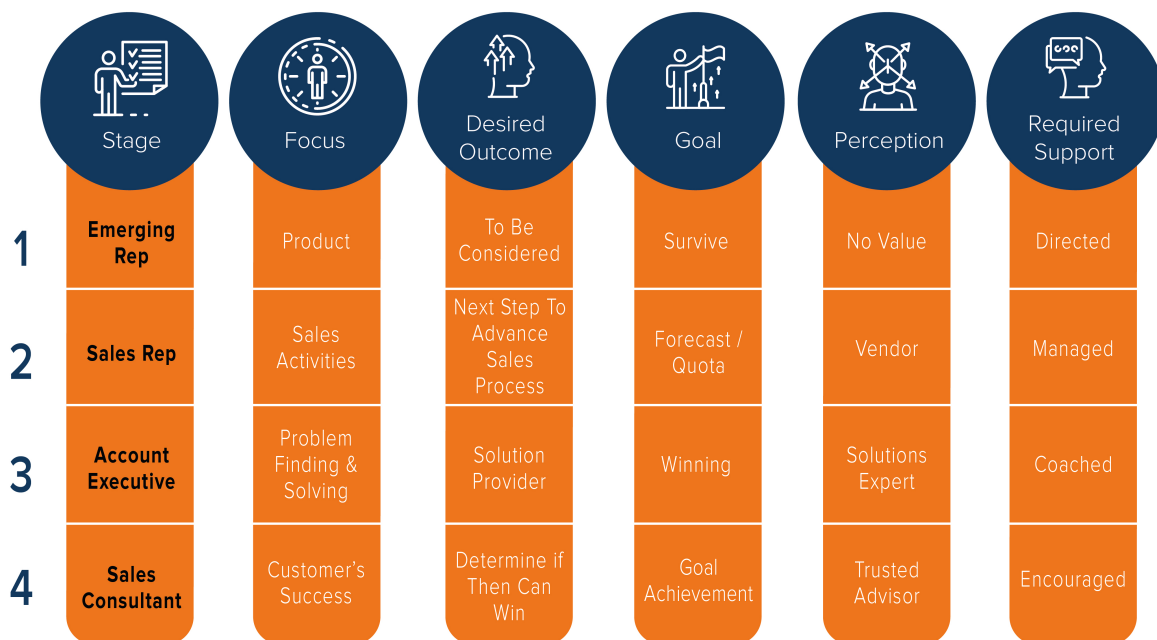
# Are Salespeople Becoming Obsolete?

can't be developed to be better coaches, then they are a weak link and may need to be replaced. If you have salespeople who aren't close to their assigned quota and show no hope for improvement - then cut them loose. You are not doing them or yourself any favors by keeping them for several more months until you can find a replacement. All salespeople go through a natural evolution of development based on four levels of criteria. Below is a model we developed at the Collier Group that you can use to evaluate your salespeople. If you have any Level 1's and 2's - cut them loose. Trying to develop them into 3's and 4's will be a drain on your sales managers that will likely turn into a waste of time.

## Conclusion

For most companies, the hiring process to find salespeople has been unchanged for the past twenty-five years. The total financial impact of sales turnover due to inadequate hiring practices is enormous. Salespeople are not becoming obsolete, but the majority of salespeople looking for jobs are. There is a shortage of great salespeople, but with a disciplined sales talent management program, you can find them.

## Salesperson's Evolution Model™





## About The Collier Group

The Collier Group is a niche consulting, advisory, and managed services firm that works with B2B companies who have outside sales teams of 25-300 salespeople.

We help our clients restructure the makeup of their sales force, without additional headcount, to increase the number of top performers by 75% and grow net new revenue by an average of 28% over 3-years.

As a client-focused firm, we structure our fees to work within our client's current budget during the initial phase of the engagement, so there are no additional unplanned costs. We then work on a success fee basis, where we only get paid when our clients achieve their program goals. We do not have billable hours, nor do we allow for 'project creep' that increases expenses for our clients.