

## **Sales Performance Optimization: 2012 Sales Rep Hiring/Compensation Analysis**



**Continued Improvement or Another Downturn?**

Compliments of: **Callidus**Cloud

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## 2012 Sales Performance Optimization Study Introduction

The data used for this analysis were gathered as part of CSO Insights' 18th annual Sales Performance Optimization (SPO) study. As part of this research effort we surveyed over 1,500 companies worldwide, collecting information on over 100 sales effectiveness related metrics. A detailed breakdown of the survey participants can be found in the introduction to the 2012 Sales Performance Optimization Key Trends Analysis Topical Report.

The following graphs reflect the aggregated results from the study participants. Research clients looking for segmented responses based on factors such as industry, company size, country, complexity of sales process—virtually every metric in the study—can obtain this information by contacting their [CSO Insights](#) analyst.

### Sales Rep Hiring/Compensation Analysis Introduction

Putting the right team on the field is the first step to winning. This report addresses several elements of this essential truth, starting with your managers' ability to hire sales reps that will be successful selling for your organization. It may sound simple: look at your best reps and hire more like them. Unfortunately, like so many other things that are easier said than done, this ability has actually retreated to record lows after forward movement over the past few years.

The importance of hiring right becomes magnified as you read through this report. Two-thirds of companies are planning to grow their sales forces in addition to the 25% average turnover these firms experience. Add the natural attrition and one-third or more of the sales force could be new each year.

Compounding the recruitment challenge is longer than ever sales rep ramp-up times. Only slightly more than one third of reps are up to speed in less than six months—the rest take seven months to over a year. This means that the reps you hire now likely won't contribute much before Q3. Relying on your current performers is more important than ever. While our opening statement is true, a more accurate statement is, putting and *keeping* the right team on the field is key to winning. Hopefully, you're among the minority of firms (42%) that have a formal retention strategy designed into their compensation plans.

After 2009, companies turned the quota dial down for 2010. Last year 92% of firms raised quotas, and 94% reported doing so this year. Compensation was dialed down as well but has not been turned back up at the same rate that quotas have. The result is that reps will have to work harder to be as successful, and our prediction is that if Q1 continues its steady, slow economic recovery, look for a big jump in voluntary turnover this spring.

New college grads, already the smallest segment of the hiring pool, will continue to be the last place most companies will look to recruit. First place? Sales reps with experience in your industry, which means already susceptible reps (see above) will also be courted by your competition and/or their recruiters.

Not everything is as bleak as it may sound. Sales managers' pay is increasing and, in our view, catching up with the responsibilities they carry and the pivotal role they play in keeping and growing sales reps' competencies. This is an area you should give extra attention as many other key performance measures hinge on managers really managing—not administering. Coaching, sharing best practices, creating a positive sales culture, using (and, by example, demonstrating the value of using) your CRM system, reviewing pipeline analytics, and more are examples of the key management activities that inspire the best in reps.

Unfortunately, you'll see that most of these are rarely measured and even more rarely compensated. The focus of manager pay is unquestionably team quota attainment. Sure, all that other stuff is good and important, but if managers are doing all of that it'll be reflected in the team's performance, right? Yes, but...

When sole focus is given to revenue attainment, managers default to two primary approaches: 1) overreliance on top producers; 2) becoming super sales jocks themselves (to help close deals). Growing all members of the team becomes an afterthought for which there never seems to be enough time. This leads to lower performance by non-rainmakers, frustration on both sides, and higher voluntary and involuntary turnover. And should a rainmaker stumble, the wheels come off in a hurry!

Even when the top producers perform, the wheels will get wobbly. The reason? The numbers are going up too fast to stay with this approach. While delivering the current year's revenue is rewarded, both of these default approaches have the same shortcoming—they don't scale.

An alternative and the key to attracting, growing, and retaining top sales talent is coaching and developing that talent. It turns out that the best reps want to go where they're coached, developed, and resourced (i.e., systems, leads, etc.) to give them the best chance to succeed. The following table is from our [2011 Sales Compensation & Performance Management](#) study.

<b>Style of Coaching and Basis for Coaching</b>	<b>% Reps Meeting Quota</b>	<b>Total Rep Turnover</b>
Informal-Insight and Observations	57%	22%
Formal-Insight and Observations	64%	21%
Informal-Dashboards	55%	22%
Formal-Dashboards	63%	22%
Informal-Automated Systems	57%	19%
Formal-Automated Systems	61%	14%

One thing is clear—rigorous coaching does not drive away top performers. In fact, the data support that top reps stay where they receive coaching, a direct analog to the field of elite athletes who often relocate to be nearer to/work with a coach they respect.

With this as background, we invite you to peruse the metrics presented. This looks to be a challenging year full of threats *and* opportunities. Getting, keeping, and growing the right team on the field is a sure route to avoiding the former while cashing in on the latter.

We hope you find this report to be a useful guide toward meeting your 2012 goals. We welcome your feedback. If you have any questions or comments, please contact:

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## 2012 Sales Performance Optimization Study Analyses

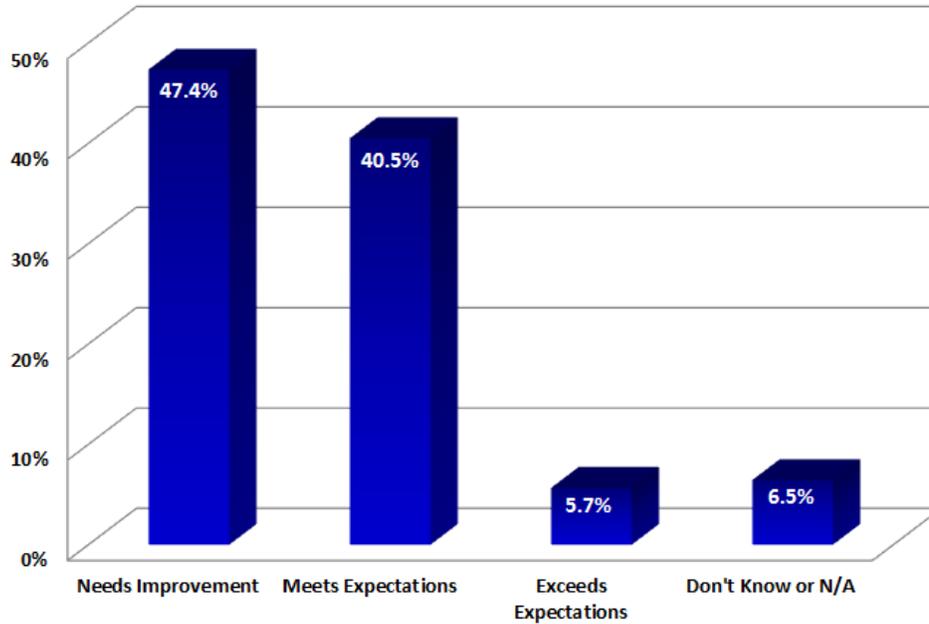
- ❖ **Key Trends Analysis:** Major declines in the world of sales performance over the past year, what contributed to the drop in effectiveness, and insights regarding how and why some firms are outselling their peers through investments made in supporting sales teams, increasing process adoption, and enhancing the relationship vendors have with their customers.
- ❖ **Sales Rep Hiring/Compensation Analysis:** Ability to hire successful reps, planned changes in the size of sales forces for 2012, voluntary and involuntary sales rep turnover, experience profiles of new hires, utilization of competency testing in hiring, average rep ramp-up time, average sales rep and sales manager compensation targets, and the ability to implement compensation programs to drive selling behavior.
- ❖ **Sell Cycle Review Analysis:** Average sell cycle length, number of calls required to close a deal, pipeline conversion rates (number of leads resulting in a discussion, discussions resulting in a presentation, presentations resulting in a proposal, and proposals resulting in a sale), average win/loss/no decision rates, and the percentage of deals that close as forecast.
- ❖ **Sales Strategy Analysis:** Ability to target the right accounts to pursue, develop strategic account plans for key accounts, thoroughly research accounts prior to contacting them, generate enough leads, and properly qualify prospects and incubate leads that have interest but currently no time.
- ❖ **Sales Execution Analysis:** Ability to understand the customer's buy cycle, effectively present features and benefits, differentiate from the competition, align solution to customer's needs, generate a proposal/bid/configuration, cross-sell/up-sell, sell value/avoid discounting, close business, and the key reasons companies win and lose deals.
- ❖ **Account Management Analysis:** Ability to introduce new products, farm additional business from existing customers, effectively communicate with customers, renew business, create customer loyalty, and generate/maintain case studies and references.
- ❖ **Sales Management Analysis:** Ability to hire reps who will succeed, provide managers with timely and accurate sales metrics, accurately forecast business, calculate commissions, conduct win/loss reviews, adapt the sales process to changes in the marketplace, proactively identify reps who need additional coaching/mentoring, share best practices across the sales force, and manage the rate of change impacting sales reps.
- ❖ **Sales Process Analysis:** Percentage of firms using a formal sales process, their adherence to that process, analysis of sales organizations that develop their own versus licensing a commercially available methodology to support the process, analysis of the commercial offerings they use, and the overall impact sales process is having on their sales performance.

- ❖ **Core Customer Relationship Management (CRM) Analysis:** Percentage of organizations that have evaluated/implemented a CRM system, comparison of licensing a commercially available system versus building the application in-house, analysis of the impact CRM is having on a sales force's ability to sell, and usage of outside resources to implement CRM systems.
- ❖ **CRM 2.0 Usage Analysis:** Percentage of organizations that have gone beyond implementing a core CRM application by adding capabilities related to sales collaboration, lead management, sales management analytics, sales knowledge management, CRM and sales process integration, incentive management, and how sales teams are leveraging the Internet and their access to sales knowledge to support their selling efforts.
- ❖ **Sales and Marketing Alignment Analysis:** How sales rates the level of support they receive from marketing in terms of the impact of the company's website, availability of sales tools/collateral, assessment of the quality and quantity of leads generated by marketing, and the amount of time it takes for lead generation programs to generate sales.
- ❖ **2012 Going Forward:** Summation of lessons learned from this year's data, roadmap outlining where and how to look for improvements in the coming year, and what to do if the world's economic state does not improve.

# 2012 Sales Performance Optimization – Sales Rep Hiring/Compensation

Rate your ability to consistently hire sales reps who succeed at selling.

Consistently Hire Reps Who Succeed at Selling



## Key Findings

- ❖ Backsliding in this metric gives up prior year's gains.
- ❖ Meets Expectations is at its lowest level in four years.
- ❖ Don't Know is at its highest level during this same period.

## Observations

The Needs Improvement column jumped up nearly five full points this year and hit the highest figure since we've been tracking this metric. Meets Expectations is at a four-year low and Don't Know is at a four-year high. What's happening?!

One possibility is that there was a rush to promote new managers that did not have the experience to make successful hires. This may be the case in specific companies, although this was not indicated as an overall condition in our [2011 Sales Management Optimization](#) survey in the Spring of 2011 (see graphic below).



Another possibility is that the bar has been raised significantly defining what is needed to be a successful rep. This seems to be increasingly the case as buyers continue to expect/demand more industry-specific knowledge of individuals who call on them. In addition, companies continue to expand into new areas (both geographically and markets), offer more complex products/services, and face increasing competitive activity. Each of these chips away at what previously defined sales rep success.

Still, the payoff for getting this right is substantial as seen in the table below.

<b>Company's Sales Performance</b>	<b>Needs Improvement</b>	<b>Meets Expectations</b>	<b>Exceeds Expectations</b>
Overall Plan Attainment	85%	90%	94%
Reps Achieving Quota	55%	67%	76%
Voluntary Turnover	14%	11%	6%
Involuntary Turnover	16%	9%	9%

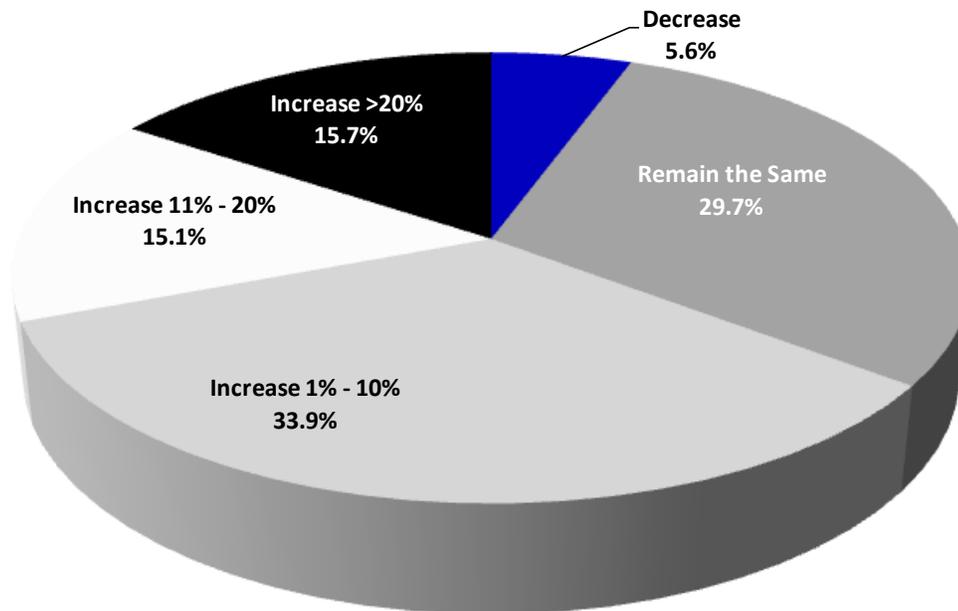
Remember the old business axiom: *You hire your problems*. This is especially true in sales and makes investing attention and resources and elevating your managers' capability in this critical task a priority. This is one of those important but non-urgent items that will pay long-term dividends for getting it right or plague your team's performance for getting it wrong.

**Notes:**

## 2012 Sales Performance Optimization – Sales Rep Hiring/Compensation

### How will the size of your sales force change over the next 12 months?

#### Planned Sales Force Size Change Over Next 12 Months



#### Key Findings

- ❖ Hiring plans have not changed much from 2011.
- ❖ Planned growth exceeds pre-recession levels.
- ❖ Contrarian move seen with jump in firms planning to shrink their sales forces this year.

#### Observations

A record high of 94% of survey respondents indicate they are raising their revenue target above last year. The question always is, "How will you deliver this target?" One approach is to put more "feet on the street," although this expression is losing traction as inside sales growth continues to outpace field sales.

Regardless of whether you're looking at inside reps, field-based, or a combination of these, the key lies in increasing productivity not headcount. This may be especially true this year where we're seeing a unique divide between firms increasing and those reducing the planned size of their sales teams. Each of the "increasing" segments above gave up at least a point from last year's levels, and each of these was added to the decreasing segment.

Although the stable (grey) segment mirrors conditions we reported in 2007, that year firms planning to reduce the size of their teams was small (2.3%). The decrease (blue) segment is second only to 2009 when 6.7% of responding firms planned to shrink the size of their teams.

It appears we have two schools of thought entering 2012. While post-recession hiring is clearly in the cards for two-thirds of companies, a sizable percentage have not finished trimming down. Those that seemed somewhat immune from recessionary forces (e.g., Financial Services, Medical/Healthcare, and Telco) are better represented in the decreasing categories. Construction/Engineering, already hard hit, do not appear poised to turn around this year.

Manufacturing, Professional Services, and Travel seem to have finished their cutting and are now looking to grow. Two groups largely unaffected earlier and planning to grow more are Energy and Software.

Whichever side of this divide you are on, getting the most from each of your sales reps is essential. Benchmarking your sales team's effectiveness, assessing the highest leverage initiatives (more on this in the Going Forward Analysis Topical Report), and effectively managing to ensure consistently high execution should be prerequisites to or, at least, co-requisites with growing the size of your sales team.

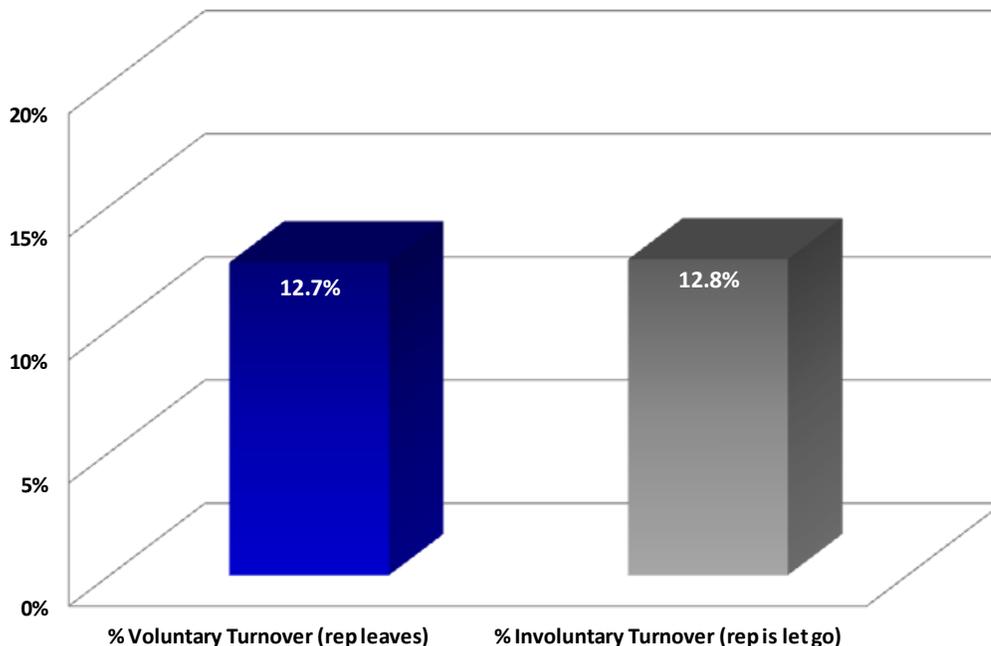
If you have questions regarding benchmarking and/or assessing sales initiative effectiveness, contact [CSO Insights](#) to learn more about the tools we offer to assist you.

**Notes:**

## 2012 Sales Performance Optimization – Sales Rep Hiring/Compensation

### What are your current annual sales rep turnover rates?

Annual Sales Rep Turnover Rates



#### Key Findings

- ❖ Voluntary turnover rates are unchanged from 2011.
- ❖ Involuntary turnover is down from the past four years.
- ❖ Still, one-quarter of the sales force is turning over every year.

#### Observations

Just as hiring plans have changed very little from the past year, reps deciding the grass is greener elsewhere continue to hold steady at the same level. In fact, reps voluntarily moving on have settled in at just under 13% ever since times got tough (late 2008). Late in 2007, voluntary turnover was at 16%.

Involuntary turnover remained fairly constant at 13% since it peaked at 14.6% in 2009. Remember, these are averages, so some companies and industries reported higher rates than these. Still, total turnover in good and bad times runs between 25%-30%, which means the equivalent of the entire sales force is replaced every four years or less. Certainly, some of this is due to attrition with reps retiring, but many firms are looking for *that cycle* to peak in the next few years as baby boomers cycle out of the active work force.

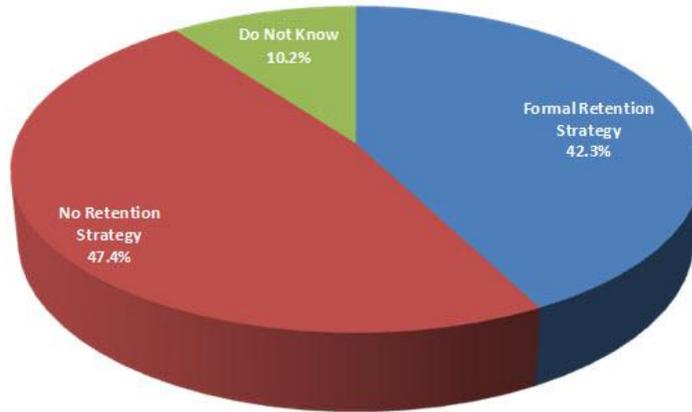
One large chemical distribution company reported significant turnover in their sales force, but management was not particularly concerned since their reps were on 100% commission (they were paid a percentage of gross margins on sales). However, this proved to be false economy when their revenues remained flat in a market growing 5% per year.

The company had been steadily losing market share which would prove to be more costly to make up than training and retaining (i.e., investing in) productive reps.

We have been talking to research clients about the idea of parallel career paths for sales reps: while one path follows the traditional route into sales management and up the corporate structure, the alternate path is to remain in sales with increasing responsibility, authority to commit company resources, and compensation potential.

In our [2011 Sales Compensation & Performance Management](#) study, only 42% of companies report any type of formal retention strategy as a component of their comp plan (see below).

**Compensation Plan Design Includes Retention Strategy**



Does having such a strategy payoff? The table below may help you answer this question.

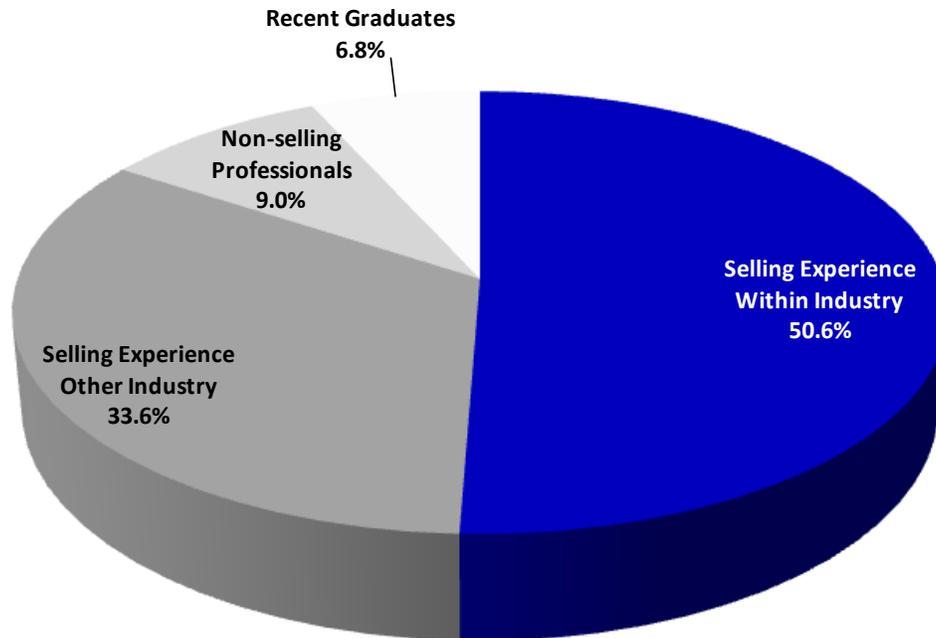
Formal Rep Retention Strategy	Voluntary Turnover	Involuntary Turnover	Total Turnover
Yes	10.0%	11.4%	21.4%
No	14.4%	14.4%	28.8%

If you are part of the 31% of firms planning to grow their sales teams by more than 10% this year, remember that figure is net—meaning in the best case above hiring 31.4% of your sales force or, in the worst case, 38.8%. Determining how to retain top sales talent while continuing to challenge, reward, and grow these individuals takes time, but it's more rewarding and a better use of your time than hiring and training their replacements.

**Notes:**

## What experience levels are you are looking for in new sales rep hires?

### Experience Level of Majority of New Hires



#### Key Findings

- ❖ Recent grads remain last place finishers in the sales job race.
- ❖ Biggest increase is reps with industry experience.
- ❖ Slight drop in segment of reps with other industry experience.

#### Observations

As seen in an earlier metric, nearly two-thirds (65%) of responding firms plan to grow their sales organizations this year. The chart above shows where your competitors plan to go shopping first—at *your company!* Reps selling within your industry jumped up two full points over last year.

That is, if the top choice in reps is those within your industry that are not already working for your competition, they must be working for you. And you can rest assured they are not interested in your bottom dwellers. This is another reason to have a retention strategy built into your comp plan (see prior metric).

The number one reason reps leave their current employer is their relationship with their immediate manager. An interesting finding in our [2011 Sales Compensation & Performance Management report](#) was that as the experience level of reps went up, the amount of coaching they received went down. Ask yourself this question: Do your sales managers primarily coach underperformers and/or less seasoned reps?

Why would this be? The most immediate answer may be that new reps or those in need of remedial assistance need more coaching. Many managers say of their successful veterans, “I get them what they need when they need, but, otherwise, I stay out of their way.” Sound familiar? To successful sales reps it may even sound attractive. However, the data do not bear this out. In fact, rep turnover is lower in companies that have a rigorous coaching philosophy regardless of experience. Coaching proves to be one way to retain the best performers.

As seen above, companies are five times more likely to hire experienced reps than recent college grads. This is the age old conundrum: you can't get a job without experience, and you can't get experience without a job. One approach to breaking this cycle is taking place at the 50+ colleges and universities that offer certificates or degrees in Sales.

These schools provide formal sales training but typically also build into their curricula at least one semester of students having to call on someone (in real life) to sell something (actual product or service). Granted, this is not equivalent to ten years' sales experience in your industry, but it's a start. While these bright, newly minted grads won't have many war stories or customer use cases to leverage on their calls, they also won't have many of the bad habits and accepted conventional wisdom ("that account never buys anything") that comes with having been around for awhile.

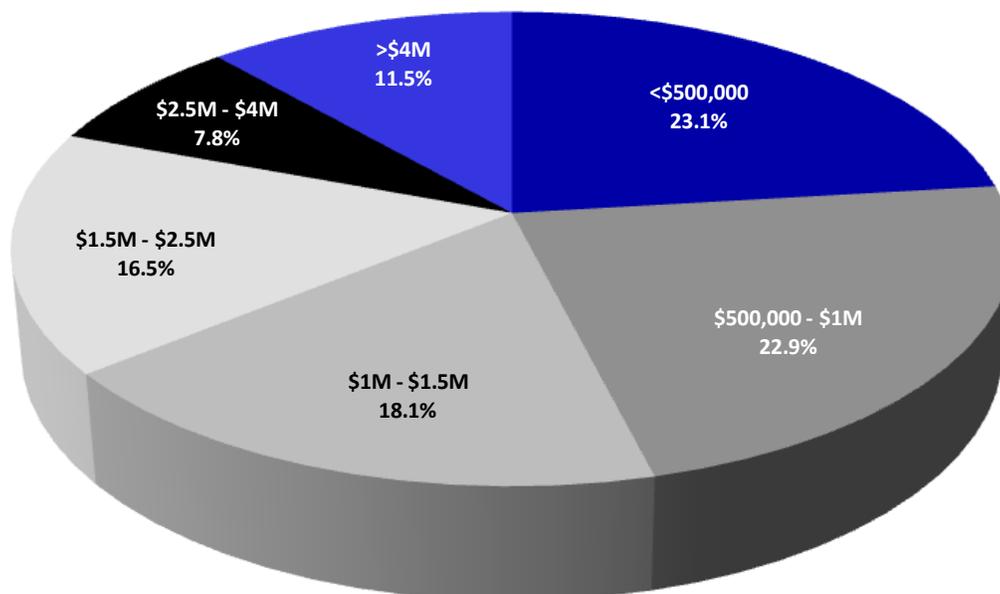
If you want more information on schools with Sales programs, visit the [University Sales Education Foundation](#).

**Notes:**

## 2012 Sales Performance Optimization – Sales Rep Hiring/Compensation

### What is the amount of your average annual sales rep quota?

Size of Average Annual Quota



#### Key Findings

- ❖ Individual quotas are up more than \$100K year-over-year.
- ❖ Quotas at or below \$1M are at lowest level ever.
- ❖ \$1.5M-\$2.5M segment reaches its highest level ever.

#### Observations

After The Great Recession disaster in 2009, reality trumped the historically anti-gravitational forces and quotas ratcheted down \$150K— from \$1.70M-\$1.54M. Quotas return to their upward ways with a weighted average this year of \$1.65M. Rounding up, targets have returned to where they were before the bottom fell out.

This may be warranted, as economic indicators continue to improve in the U.S., albeit ever so gradually. Everyone continues to hold their breath with respect to the Euro and European banks on one hand and have fears of a real estate bubble in China on the other. But, hey, celebrate progress and as long as the sun is shining, why not cautiously try to make hay?

This seems to be the philosophy as companies apply a tenuous hand on the quota throttle, even as they continue to hold a tight grip on the purse strings. For years, the benchmark annual quota per rep and a good rule of thumb was an even one million dollars. That has faded into history as quotas routinely surpassed \$1.5M, even though they stepped back, as noted above.

But the \$1.5M-\$2.5M segment jumped more than two full points this year, and the highest segment (>\$4M) increased three full points. The two lowest ranges each gave up a point, suggesting that there is a significant upward shift this year. Although we have not quite reached it, a new benchmark threshold of \$1.75M may become the more appropriate rule of thumb to apply for the next two to three years.

If you are significantly below this, including the 23% less than \$500K/rep/year, then you'd better have an exceedingly efficient operating model and significantly lower cost of sales (as a percent of revenues) such as inside sales, eCommerce, or non-field based sales models.

Of course, size of deal has a direct correlation with size of quota as seen in the table below. You may find this helpful in bracketing your own deal and quota figures as a nominal basis of comparison.

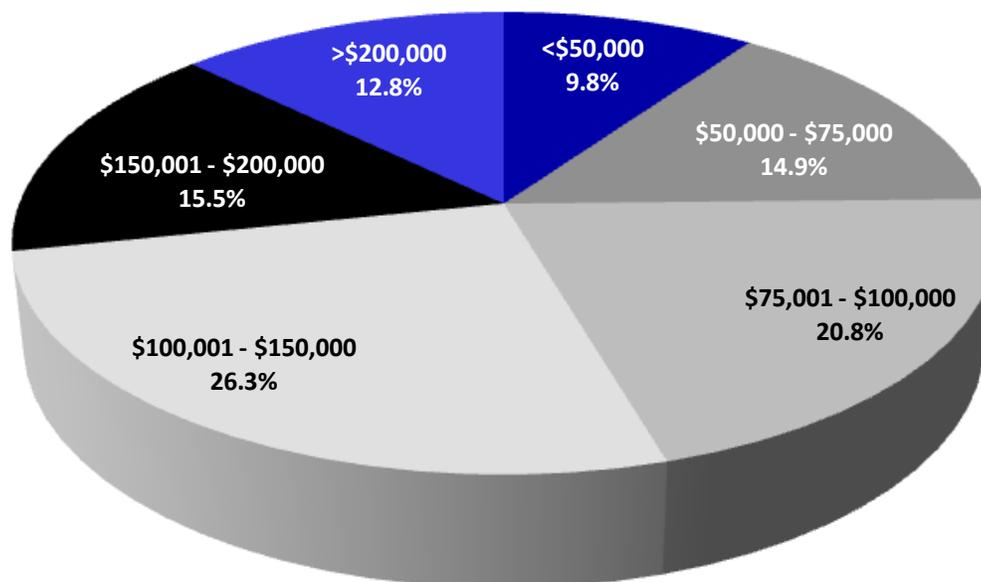
<b>Quota Size</b>  <b>Deal Size</b> 	<\$1M	\$1M-\$1.5M	\$1.5M-\$2.5M	\$2.5M-\$4M	>\$4M
	\$10K-\$50K	58%	21%	12%	5%
\$50K-\$100K	36%	24%	20%	9%	11%
\$100K-\$250K	14%	25%	31%	16%	14%
\$250K-\$500K	4%	11%	18%	22%	45%

Other variables such as industry and company size can impact quotas. For more precise benchmarking, contact [laura.andrus@csoinsights.com](mailto:laura.andrus@csoinsights.com).

**Notes:**

## What is the total targeted compensation package for a sales rep?

### Targeted Compensation for Sales Reps



#### Key Findings

- ❖ Targeted compensation at quota is up over \$4,400.
- ❖ Still, rate of quota increase is twice the compensation increase from last year.
- ❖ Biggest changes are seen in the highest and lowest segments.

#### Observations

Although the governing principle with respect to quota has always been, “What goes up must go up,” there was a one-year exception two years ago (see prior metric). As goes quota, so goes rep compensation at quota—more or less. Since that notable one year exception, quotas have been raised on average 7.1% to \$1.65M. During this same time, compensation has increased 3.8%.

Nothing says the rates of increase need to be exact, but differences help provide an insight into market conditions. You don’t have to look further back than 2011 to know that jobs are still Job #1. With unemployment persistently hovering just above 9% and dipping just below at year’s end, employers still have the upper hand in the situation. There is, however, an upper limit to the “do more with less” —or in this case, “for less”—imperative.

Companies recognize this, as the highest quota range (>\$200,000) saw the single largest change—up nearly three full points from 9.9% last year. At the same time, the very lowest segment (<\$50,000) shrunk by just over two points. All of the lowest segments gave up a share to the top two segments (\$150K+), which indicates a general upward thrust even if quotas are thrusting higher, faster.

That’s the good news, but there is potential bad news. If you’re not paying competitively, and the business climate remains positive/stable through Q1, look for solidly performing reps to vote with their feet.

So, are top paid reps worth it? In looking at the data, higher pay is *not* translating into higher performance. As the following table shows, merely holding out a bigger carrot doesn't mean that salespeople will be able to hit their numbers.

Quota Attainment Relative to Compensation Dollars/Package for Sales Reps	Sales Rep Quota Attainment
< \$50,000	63%
\$50,000-\$75,000	62%
\$75,000-\$100,000	65%
\$100,000-\$150,000	66%
\$150,000-\$200,000	61%
> \$200,000	62%

Other factors must certainly apply, not the least of which is the highest paid reps are generally assigned the highest quotas. In at least two client companies with which we're working, top reps landed very large multi-year agreements that both they and the companies have been living off of since. As the saying goes, *No good deed goes unpunished*.

The question becomes how to equitably spread this year's higher revenue target around without overly, or overtly, penalizing a rep that brought in a major deal this year. Yes, they should see a quota increase, but it may be both unfair and unreasonable to assign a simple percentage increase to all reps.

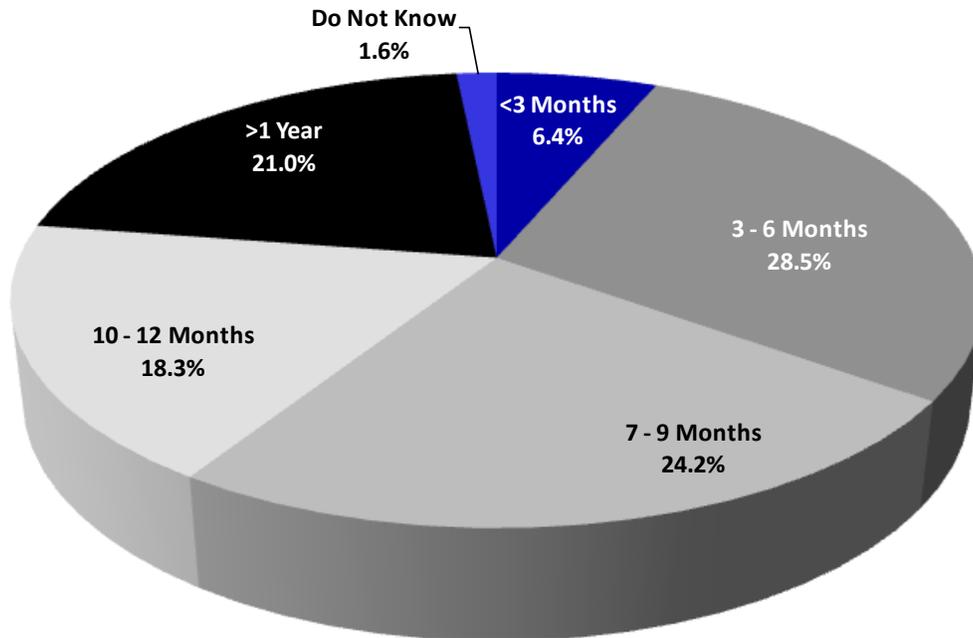
We discussed this issue at our most recent [Sales Eagle Summit](#). If you would be interested in learning more about our upcoming Summits and/or deeper conversations about this topic, please contact [kim.cameron@csoinsights.com](mailto:kim.cameron@csoinsights.com).

**Notes:**

# 2012 Sales Performance Optimization – Sales Rep Hiring/Compensation

## How long does it take to get a new sales rep fully productive?

### Average New Sales Rep Ramp-up Time



#### Key Findings

- ❖ Rep ramp-up continues its steady march toward longer times to parity.
- ❖ Bad news: area of single largest increase is ramp-up time >1 year.
- ❖ More bad news: biggest decrease is seen in 3-6 month segment.

#### Observations

A few years ago a sales consultant postulated that new reps were not as hungry or willing to work as in the days gone by, and that longer sales rep ramp-up times were the result. Many disagree, although there is no denying that ramp-up times to full parity are long and are getting longer. What gives?

As noted earlier, buyers continue to expect/demand more industry-specific knowledge of the individuals who call on them. In addition, companies continue to expand into new areas, offer more complex products/services, and face increasing competitive activity.

Along these lines, more than level of relationship, it is interesting to see ramp up times increase with increased deal size.

Ramp-up Time → Size of Deal ↓	<3 mos.	3-6 mos.	7-9 mos.	10-12 mos.	>1 yr
	<\$10K	10%	31%	24%	15%
\$10K-\$25K	6%	36%	21%	18%	17%
\$25K-\$50K	2%	28%	27%	17%	25%
\$50K-\$100K	3%	25%	27%	21%	21%
\$100K-\$250K	2%	22%	34%	21%	22%
\$250K-\$500K	2%	15%	22%	25%	34%

In addition, new field-based reps are more likely to work in isolation, connecting online with their peers and managers from their home, car, coffee shop, or hotel room. Gone are the days when reps worked out of a regional sales office with as many as 5 or 50 other sales reps.

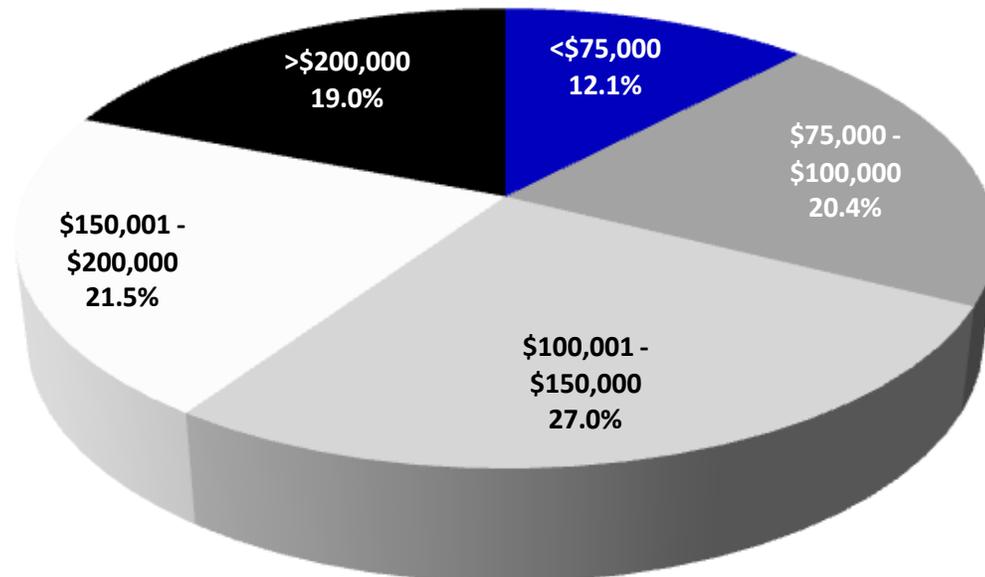
For this reason, having supporting infrastructure that provides access to what reps need, when they need it, sharing best practices, and managers who are able to proactively identify reps that need additional coaching can help reps get up to speed quickly. Each of these is addressed elsewhere in this report.

**Notes:**

## 2012 Sales Performance Optimization – Sales Rep Hiring/Compensation

What is the total targeted compensation package for a first line sales manager?

### Targeted Compensation First Line Sales Managers



#### Key Findings

- ❖ Compensation for first line sales managers is up.
- ❖ Big jumps in the highest two ranges this year.
- ❖ Targeted compensation is up \$8,500 per year on weighted average basis over two years.

#### Observations

In various webinars and discussions on increasing sales effectiveness, you'll hear reference to various "levers" management can reach for to improve performance (i.e., compensation, sales knowledge management, CRM, and others). For any lever to be effective another key component is required—a fulcrum.

This is perhaps the most famous quote on the subject:

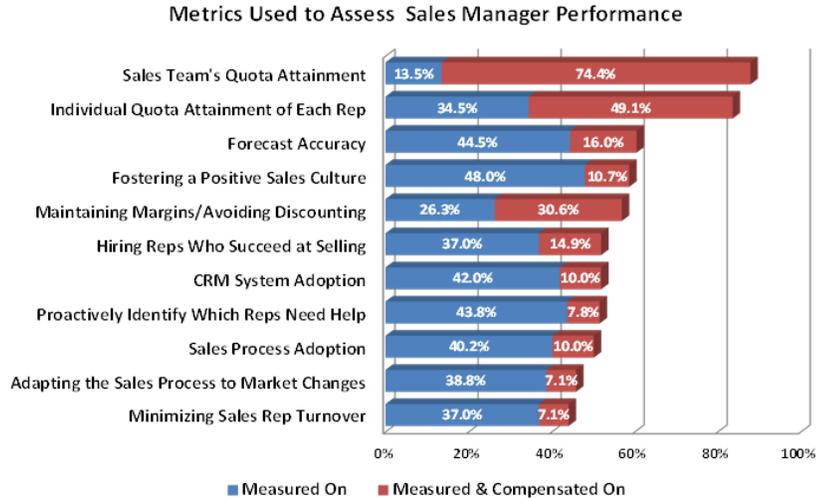
*Give me a lever long enough and a fulcrum on which to place it, and I shall move the world.*

—Archimedes

First line sales managers are the fulcrum against which each of the sales effectiveness levers is applied. If the reps' managers don't believe in (i.e., reinforce and enforce) the value of consistently using the CRM system, guess what? User adoption of CRM is going to be an ongoing challenge. The same is true for any of the levers for which senior management might reach/invest. The key is the application via first-line management.

While this may now seem obvious, it should be noted that as recently as eighteen months ago we were saying, "First line sales managers are overlooked and overwhelmed." Times have changed. Training companies, that two years ago offered little or no sales management training, are now offer coaching and managing programs.

Similarly, managers' pay is being increasingly recognized—and increased. The top two highest pay segments above (i.e., above \$150K) are up a combined six points over last year. As promising as this trend is, it continues to focus on just two areas—team target attainment and rep quota attainment (see chart below).



As we stated last year, making the number is what matters, both as a team and for the individuals on the team. Accurately forecasting business and fostering a positive sales culture tie for a distant third. Earlier we discussed the business impact/benefit of managers hiring reps who will succeed in selling at their firm.

Forecast accuracy speaks for itself in terms of business benefit, and we talk at length about sales process implementation elsewhere in this report. Let's look at one other area where a strong fulcrum performance yields a strong team performance—proactively identifying reps needing additional coaching.

Manager's Ability to Proactively Identify Reps Needing Coaching	Needs Improvement	Meets Expectations	Exceeds Expectations
Overall Plan Attainment	84%	89%	94%
Reps Achieving Quota	59%	64%	67%
Voluntary Turnover	13%	12%	10%
Involuntary Turnover	11%	13%	14%

Interesting to note is that voluntary turnover is lowest and involuntary turnover is highest for these proactive managers. They offer coaching but also appear quickest to pull the trigger when necessary; a truly effective fulcrum. And remember—a lever without a fulcrum is just a stick.

**Notes:**