



EXECUTIVE BRIEFING

PROFILES INTERNATIONAL

Improving Your Sales Force— Can You Beat the “80/20 Rule”?

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Most everyone has heard of, or experienced the 80/20 rule—80% of the sales come from 20% of the salespeople. For businesses with 5 or more salespeople, it is very common to discover that the top producer generates 3 or 4 times the production of the bottom producer, and it's pretty obvious that it would be desirable to have more top producers! For businesses with only 1 or 2 salespeople, it's even more critical that these positions be filled with top producers.

While few experienced sales managers doubt the “rule”, equally few know what causes it, or how to fix it. A study begun in 1997 and finished in 1999, then re-validated in 2000 and 2001, attempted to explain this phenomenon, and came to some interesting conclusions. The study's sample included over 25,000 working salespeople in 160 industries, making it one of the most comprehensive ever attempted in this field.

Conclusion 1: 55% of all working salespeople are not well-suited for sales at all.

The process by which most working salespeople end up in those positions is rarely one of choice, seldom includes very much training, and often cannot be explained in any rational fashion, even by the salesperson involved! Our educational system has no well-established path for helping a young person identify sales as a desired career, choosing education to insure success, and graduating into a career in the field. While we can agree that sales is critical to any business success, and recognize that successful salespeople are among the economy's best compensated and most flexible, we sort of assume that success in sales “just happens.”

Conclusion 2: Of the remaining 45%, over half are selling the wrong thing in the wrong place for them.

...which leaves the 20% or so that produce 80% of the sales. A salesperson who enjoys great success selling cars at a dealership in Boston will not necessarily find the same success selling boats in Houston, or furniture in Tucumcari. Actually, he or she may not find the same success selling the same brand of car at a different dealership in Boston! Sales success is highly dependent on conditions that vary with product, structure, management, peer group, customer demographics, and other variables we just do not have a good way to measure.

How, then, does a business owner or sales manager attempt to insure that salespeople are going to be top producers in their business? As unscientific as it sounds, *by attempting to find people who are very much like the people who are succeeding* in sales in their business! The challenge of deciding similarity between two individuals, and the even greater challenge of deciding which characteristics are important and which are not, is where scientifically designed assessments can help. There are over 3500 publishers of employment-related tests and assessments, and over one-third of them publish something purported to help

select salespeople! (This is a mute testimony to the importance of the topic, if not to our successful resolution of the problem.)

Based on the Department of Labor guidelines for assessments, my own experiences in the application of assessments to real-life business challenges, and the research from the study mentioned above, the following criteria should help with a search for useful measures:

- It should have published validity and reliability studies, with results at least as good as those promoted by D.O.L.
- It should be easy to administer and score.
- Results should be available quickly.
- It must be cost-effective in broad use.
- It should include a measure of distortion, or “faking good.”
- It should provide a “benchmarking” system to allow customization for *your business* and its unique characteristics.
- It should predict the specific sales-related behaviors that are important in your business (i.e., prospecting, relationship-building, closing).

The search for a useful tool to help you select salespeople who will be “top performers” in your business will not be simple, and it may not be easy—but imagine what your business would be like if each of your salespeople were performing as well as your current top performer!