



## Reduce The Average Elapsed Time From Hire Date To Date Of First Deal By 56%

### THE BUSINESS CHALLENGE

In many B2B sales environments characterised by long lead times, complex deal structures and multiple influencers and decision makers, it is not uncommon for a new sales executive to take 9-12 months to close their first sale and as long as 2 years to become a profitable member of the team. When you take in to account the cost of base salary, guaranteed incentive, benefits, training, management time etc. as well as the missed sales opportunities along the way, this can represent a significant opportunity cost to any sales organisation.

Whilst most sales leaders would intuitively recognise and accept that a well structured sales executive induction program, designed around those critical elements that have the greatest impact on 'time to first order' and time to profitability' could have a significant effect on reducing this time-line and cost, many sales organisations have not optimised their sales on-boarding and induction program to the extent that they might.

One of our clients in B2B financial services was experiencing an attrition rate within their sales team of 22%. Whilst not an excessively high rate, across a sales team of 45 sales executives, this meant that at any time they had 10 individuals who were in induction and working towards their first deal. Over the prior 18 months, they discovered that the average "time to first order" had been 333 days or 10 months.

### THE APPROACH

A 'world best practice' sales executive induction program cannot be designed from a purely theoretical perspective or on the basis of 'gut-feel'. The most effective approach is to critically measure, analyse and assess the actual impact of five different categories of factor and then design the program around those factors that have the greatest impact in your sales environment:

As a result we work with members of the sales team to identify all possible factors that could have a material impact on the 'time to first deal' and then validate which of these have a significant enough impact to warrant specific focus in the induction program.

The five categories of factor that are typically measured, analysed and assessed are:

1. Specific Company and industry knowledge, for example, industry specific needs, challenges and trends, key competitors, typical buying process and stakeholders.
2. Specific product knowledge, for example, features and benefits, unique value propositions, competitive positioning options, product bundling, cross selling etc..
3. Functional specific knowledge, for example, how to qualify a prospect, what are the critical triggers that create a need for your products or services? What does a good deal look like?
4. Specific sales skills, sales behaviours and sales competences, for example, what skills, behaviours or competences are most effective at each stage of the sales pipeline in order to move the deal forward?
5. Time management practices, for example, which activities it is most important to spend time on and in what proportions.

It is only when you have measured, analysed and validated which of these factors have a significant impact on 'time to first order' that a truly effective, best practice sales induction program can be designed.

#### Before

- Basic two week sales induction program with limited formal structure
- Average "time to first order" = 333 days

#### After

- Formal, structured sales induction program that starts before day 1 and extends beyond three months
- Content customised to reflect the sales and industry experience of the new starter
- Average "time to first order" = 147 days

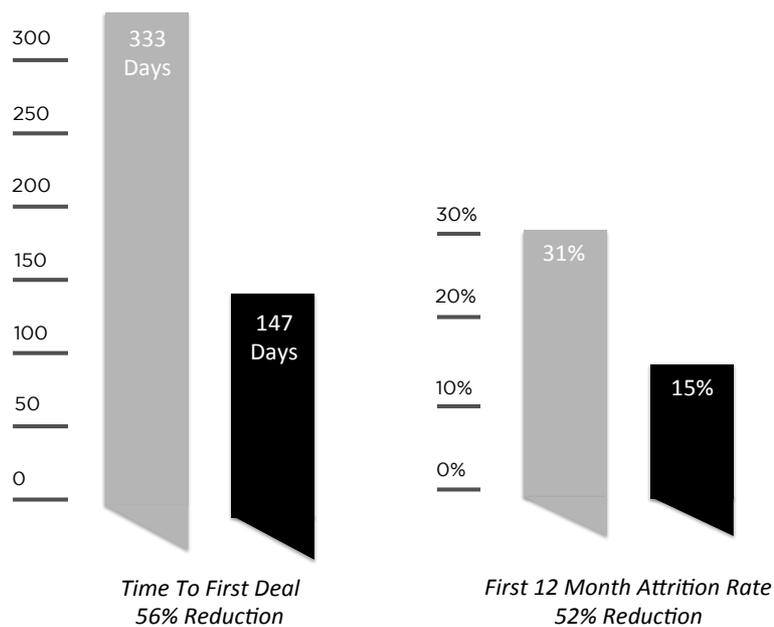
#### Impact

- 56% reduction in "time to first order"
- 46% increase in new sales executive satisfaction with their induction program

## THE FINDINGS

In the absence of a best practice, sales induction program, new sales executives have no alternative than to use a process of trial and error to determine what works and what does not work in their new sales environment. This means that even if they have sold similar products and services in the same industry before, there will be significant gaps in their knowledge and awareness that will mean their 'time to first deal' will be 2-3 times longer than it needs to be.

In many sales teams, turnover rates are significantly higher within the first 12 months of joining the sales team, when they discover that the new business is not providing them with the support, training and orientation that they need to make a successful transition and be effectively assimilated in to the new culture.



## THE BUSINESS IMPACT

In one commercial finance client selling B2B financing products, we found that over the previous three years, the average 'time to first order' had been 11 months (333 elapsed days). Over the same period, they had experienced a 31% attrition rate in the first 12 months within these new hires.

As a result of the focused redesign of their sales induction process and program they were able to reduce this average "time to first deal" by 56% down to 4.8 months (147 elapsed days). They were also able to report a 52% reduction in the attrition rate in the first 12 months.

In a team where they regularly recruited 14-15 new sales executives each year, the combined effect of lower attrition rates and faster time to first deal meant that the business impact of this initiative was an uplift in productivity of 18% at no additional cost.