

Survey First Look: New Sales Roles: What's the Story? Hiring and New Roles

A WorldatWork & SalesGlobe
Partnership

August 23, 2022

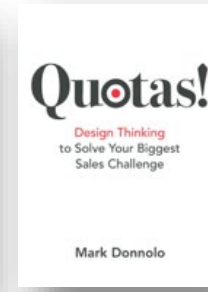
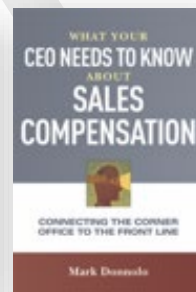


Our Story: Data-Driven Problem-Solving for Sales

rethink

We are rethinking sales.

SalesGlobe is a data-driven, problem-solving firm for sales. We work with you to design and implement solutions that give you the results and ROI you need.



About the Survey

- Approximately 56% of companies involved in M&A activity
- Major industries represented below:



Technology
12%



Manufacturing
11%



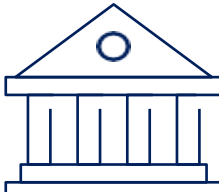
Healthcare
10%



Consulting/Prof Services
10%

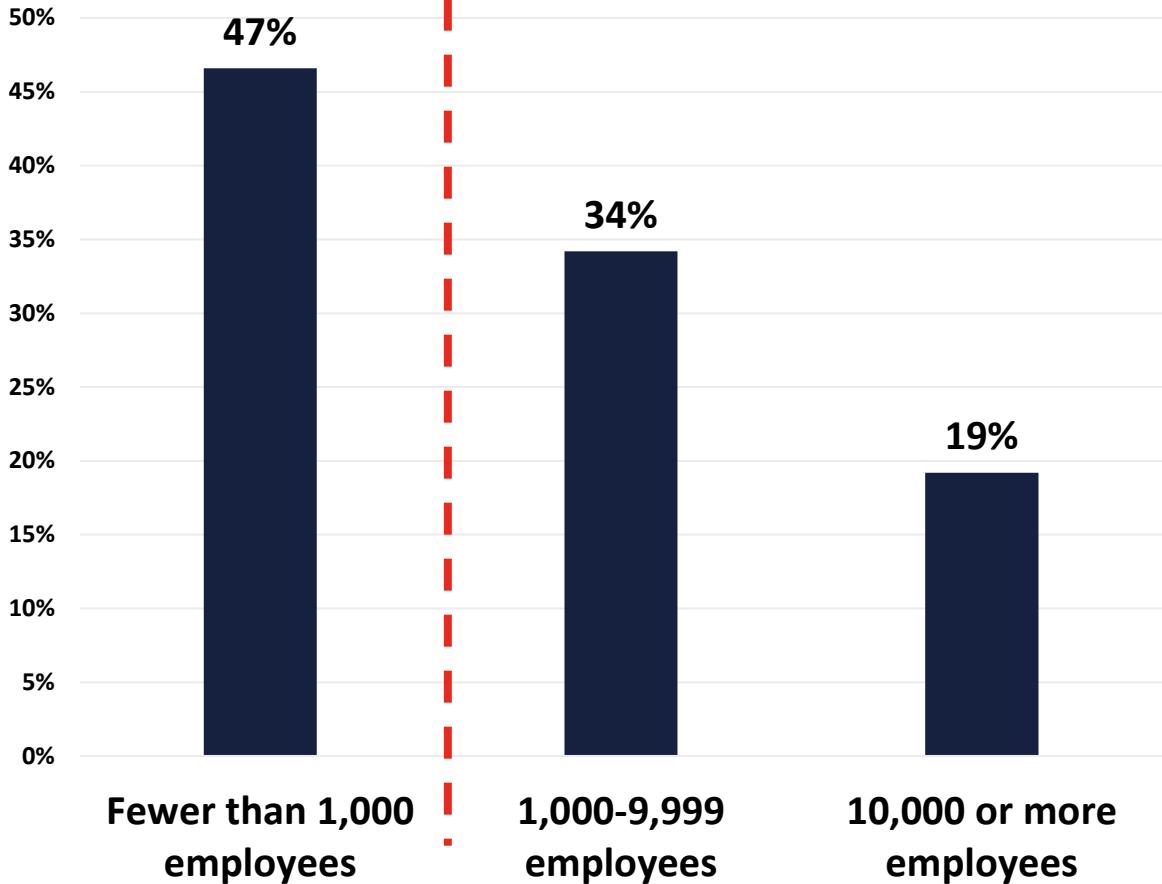


Retail
9%

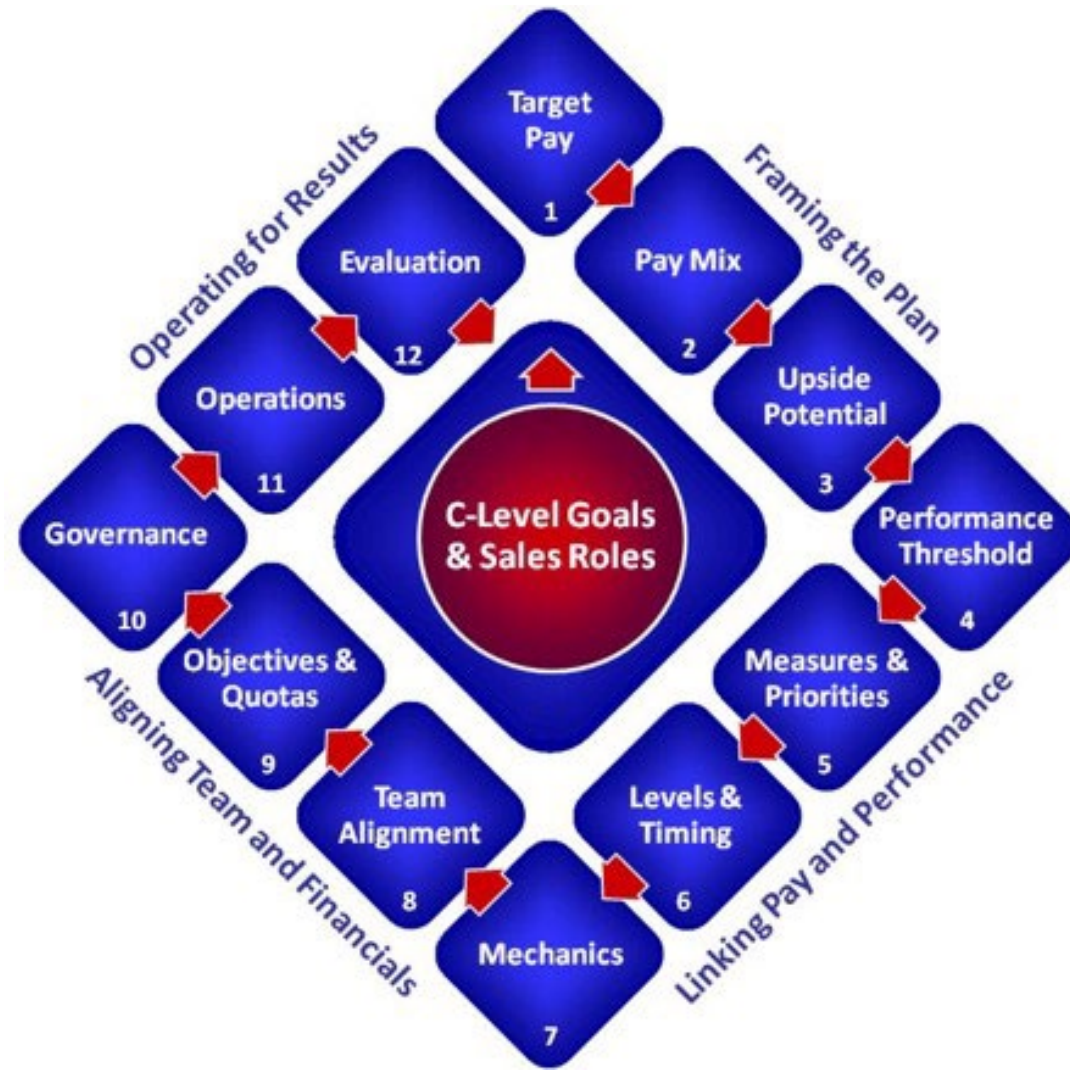


Financial Services
7%

Survey Participant Company Size (n=693)



Context



SALES ROLES... WHAT'S THE STORY?

THE FUTURE
OF SALES
IS HYBRID

1 DURING THE PANDEMIC, **60%** OF PEOPLE WORKED REMOTELY... AND FOUND WAYS TO WORK WITH CUSTOMERS VIRTUALLY

2 HYBRID SALES ROLES ARE THE FASTEST GROWING ROLE

61%
OF COMPANIES ARE INCREASING HYBRID SALES HEADCOUNT
PRE-PANDEMIC INSIDE SALES LED THE WAY



4 BRICK-AND-MORTAR IS MAKING A COMEBACK AS CONSUMERS ADAPT TO AN OMNI CHANNEL WORLD

52%
OF COMPANIES ARE INCREASING RETAIL SALES HEADCOUNT ACROSS ALL ROLES



3 INSIDE SALES ROLES ARE NOT GOING AWAY. THE CENTER OF EXCELLENCE REMAINS IN FLUX!

43%
OF COMPANIES ARE INCREASING INSIDE SALES HEADCOUNT



5 ORGANIZATIONS' HIRING IS NOT KEEPING PACE WITH PLANNED HEADCOUNT INCREASES

THE WAR FOR TALENT REMAINS ALIVE AND WELL DESPITE CHANGING MARKET CONDITIONS



6 SO THEY ARE TAKING MULTIPLE ACTIONS TO REDUCE TURNOVER AND ACQUIRE NEW TALENT PAY LEADS THE WAY!

51% OF ORGANIZATIONS ARE INCREASING BASE PAY
41% OF ORGANIZATIONS ARE INCREASING INCENTIVE



7 THE CUSTOMER COVERAGE MODEL CONTINUES TO EVOLVE, REQUIRING NEW SALES SKILLS WITH A COMPELLING COMPENSATION PACKAGE SUPPORTED BY A STRONG EVP

IS YOUR ORGANIZATION PREPARED FOR WHAT'S COMING?



The Future of Sales Roles...

- **Hybrid sales roles lead the way**
 - Sales to be conducted with a balance between face-to-face and remote/virtual interaction
 - Omnichannel and new ways of interacting with customers are here to stay
- **Inside sales is alive and well**
 - The hybrid sales role does NOT replace inside sales.
 - Roles and responsibilities do not overlap.
 - Teaming models are still in play between field/hybrid and inside sales.
- **Retail sales headcount growth is surging across all roles**
 - Over half of companies increased retail sales headcount while continuing to support and evolve their omni channel sales strategy.

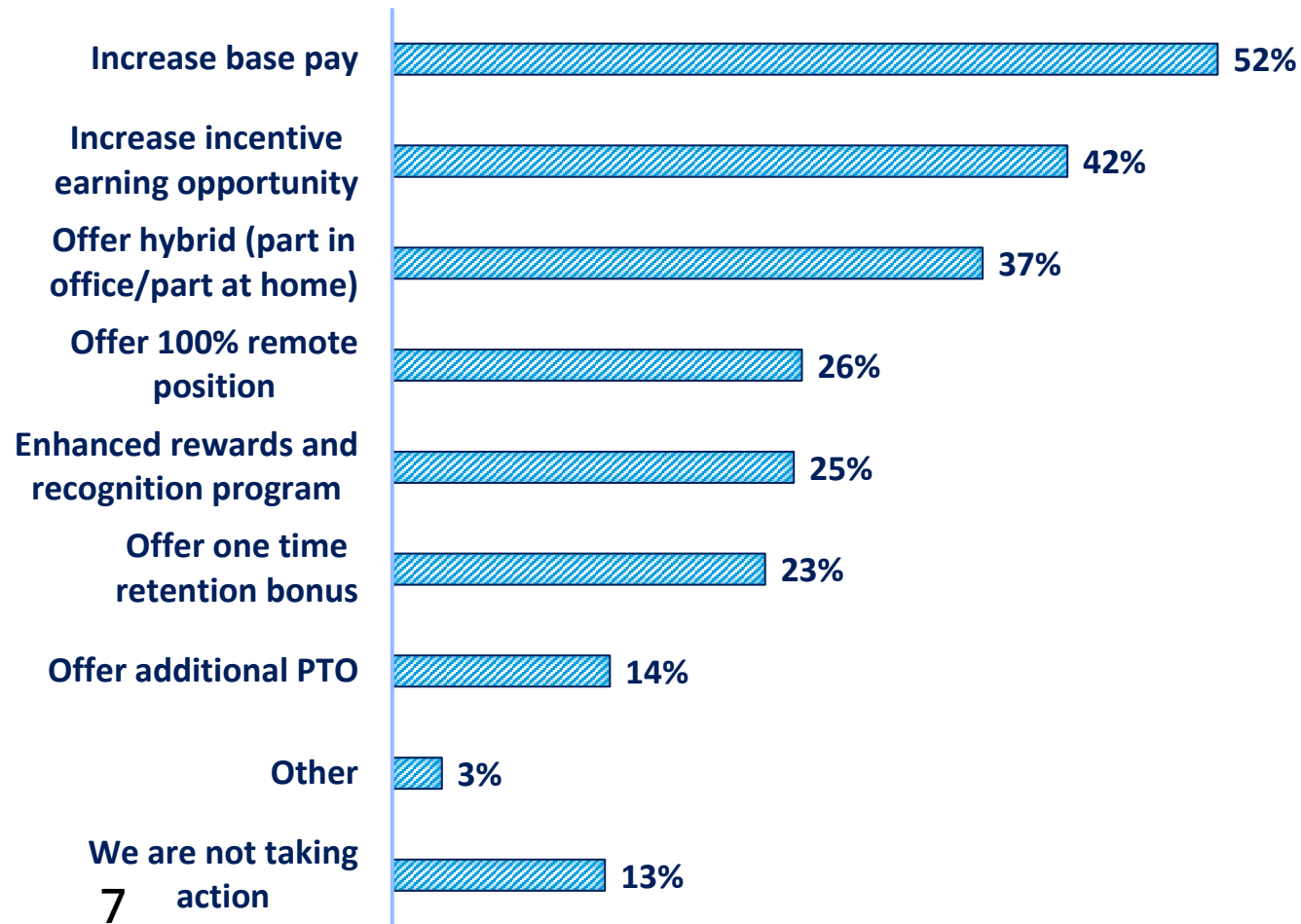
Sales Roles		Decreased	Increased	
BUSINESS TO BUSINESS				
FIELD	Field New Account Seller	17%	42%	
	Field Current Customer Seller	16%	34%	
	Field Blended New Account and Current Customer Seller	22%	32%	
INSIDE	Inside Sales Inbound	17%	39%	
	Inside Sales Outbound	16%	46%	
	Inside Sales Inbound and Outbound	19%	42%	
HYBRID	Field Channel Seller	11%	34%	
	Hybrid New Account Seller	5%	61%	
	Hybrid Current Customer Seller	5%	56%	
RETAIL	Hybrid Blended New Account and Current Customer Seller	12%	46%	
	BUSINESS TO CONSUMER			
	Retail Direct Sales	17%	52%	
	Retail First Line Sales Manager	17%	46%	



Increasing pay is the top action to attract and retain talent

Sales role headcount continues to increase in 2022, but did not meet projected hiring levels

Actions to Reduce Voluntary Turnover



Actions to Acquire New Sales Talent



INCENTIVE COMPENSATION MEASURES: WHAT'S THE STORY?



1 PLANS ARE SPECIFIC AND FOCUSED, USING PRIMARILY ONLY TWO TO THREE MEASURES



71% USE 2-3 MEASURES IN THEIR PLANS
THIS HAS INCREASED FROM 2020, WHEN **56%** OF COMPANIES USED 2-3 MEASURES

2 FOR ALL SALES ROLES, **REVENUE** IS THE MOST USED PERFORMANCE MEASURE, FOLLOWED BY **BOOKINGS** AND **GROSS PROFIT**

REVENUE IS ALSO THE MOST HEAVILY WEIGHTED PERFORMANCE MEASURE ACROSS ALL ROLES

3 **TOTAL CONTRACT VALUE** AND **ANNUAL CONTRACT VALUE** ARE BOTH USED FOR BOOKINGS CREDITING



35% OF COMPANIES USE TOTAL CONTRACT VALUE ACROSS ALL ROLES, WHILE ANNUAL CONTRACT VALUE IS USED BY **31%**

4 COMPANIES ARE SHIFTING BACK TO **INDIVIDUAL MEASURES**, GIVING REPS GREATER CONTROL



QUOTA UNCERTAINTY LED TO TEAM/REGION MEASURES DURING THE PANDEMIC

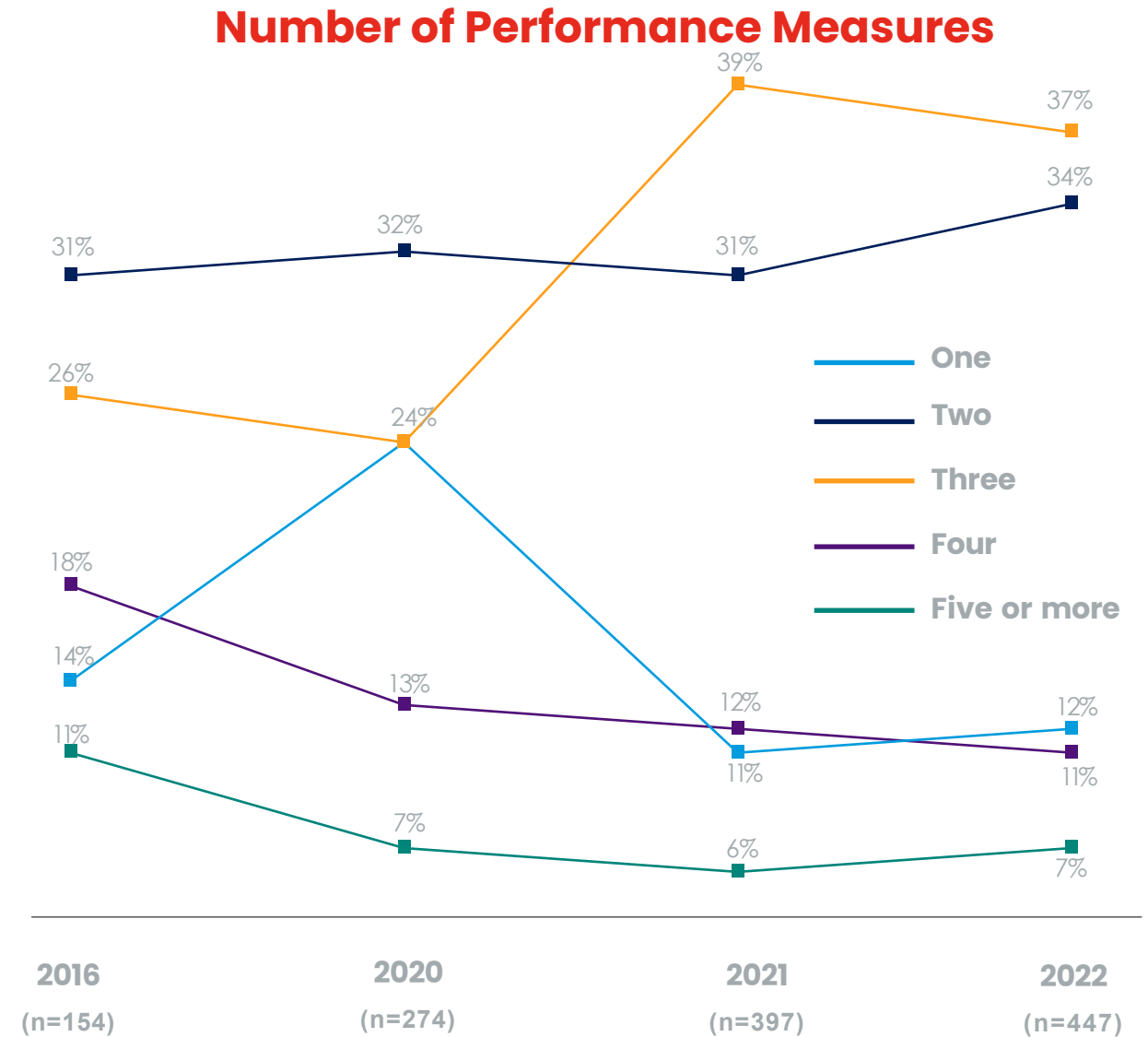
THE CONTINUED UNCERTAINTY WITH SETTING QUOTAS NEEDS TO BE CONSIDERED AS A KEY FACTOR WHEN DESIGNING YOUR PLANS



RECESSION, INFLATION, PANDEMIC, AND OTHER MACROECONOMIC CONDITIONS CONTINUE TO PUT PRESSURE ON QUOTA SETTING

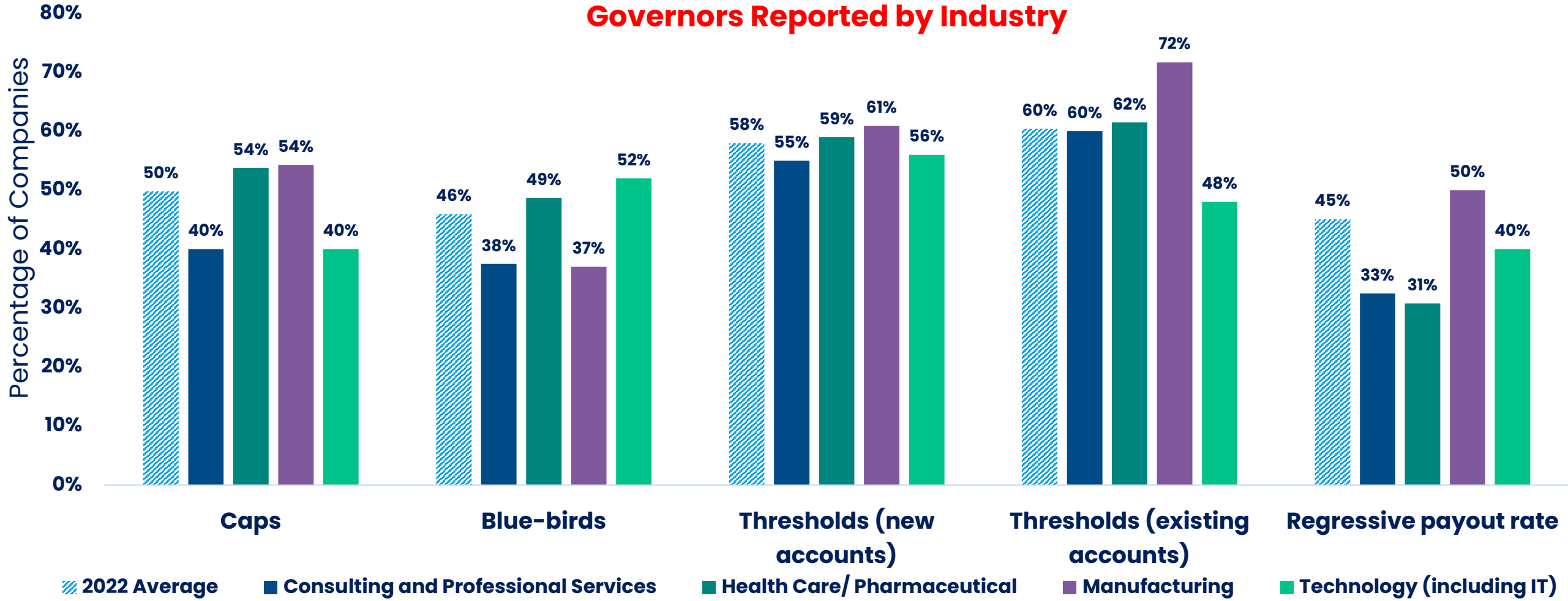
Plan measures are focused on financial results measured at the individual level

- **Two to three performance measures** dominate all sales role plans.
- **Top measures** in plans across all roles:
 - Revenue – 55% of organizations utilize
 - Bookings – 37%
 - Gross Profit – 34%
- **Individual level performance** is favored over team, region or the company.
 - 76% of organizations measure on an individual level
 - Team level – 43%
 - Regional level – 21%
 - Company level – 25%



Companies are Continuing with Caution

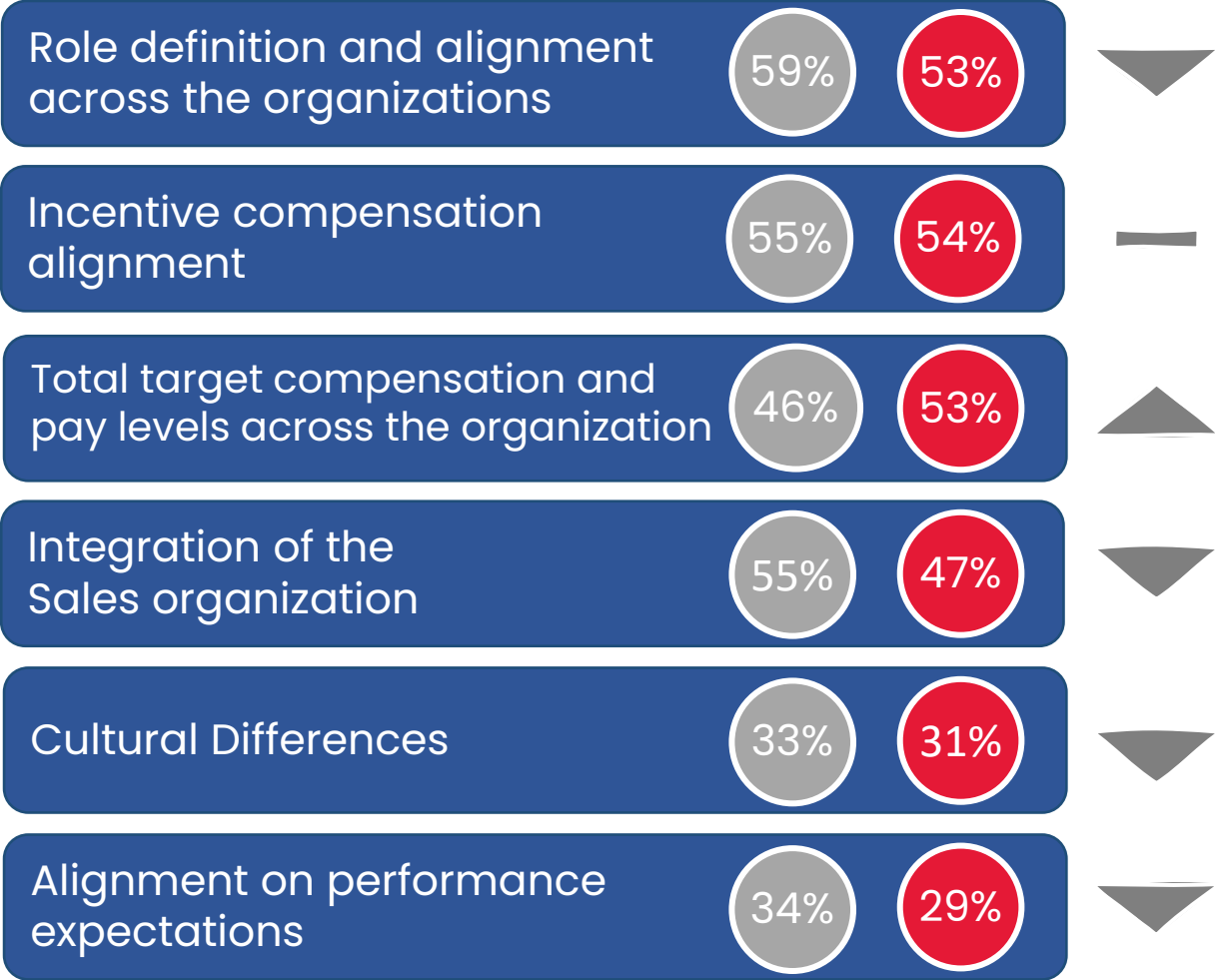
Companies are decreasing pay caps (50% from 56%) but are increasing regressive payouts (45% from 36%) and mega-deal policies (46% from 41%).



Compensation, role alignment and sales team integration are the big pain points for M&A

- **2021 was a top year for M&A activity, with 2022 remaining strong.**
 - More than \$5T in volume (2021).
- **The sales strategy must adapt to include M&A outcomes.**
 - The challenges that sales is faced with must be addressed in order to realize the outcomes.
 - The outcomes are not related to the challenges. Outcomes typically include synergies, cross sell, and revenue growth.
 - The acquiring organization must focus on retaining the revenue of the acquired company as a top priority!
- **There is a key role for sales operations to help leadership achieve the expected outcomes.**
 - Role definition and alignment.
 - Pay calibration as a partnership with HR.
 - Incentive compensation harmonization- timing is everything.

Biggest Challenges for M&A 2021 2022



3 Types of Synergistic Expectations

Cost Synergies

Reducing overall cost by combining the companies.

Revenue Synergies

Selling more products and services as a merged organization.

Capital Synergies

Reducing the cost of capital for the company.

Many Outcomes Depend on Sales

Revenue Synergies

Selling more products and services as a merged organization.

- **Cross-Selling**
- **New Product Solutions, Bundles**
- **Geographic Expansion**
- **Segment and Sector Expansion**

Cost Synergies

Reducing overall cost by combining the companies.

- **Sales Capacity Improvement**
- **Headcount Reduction**
- **Streamlined Processes**

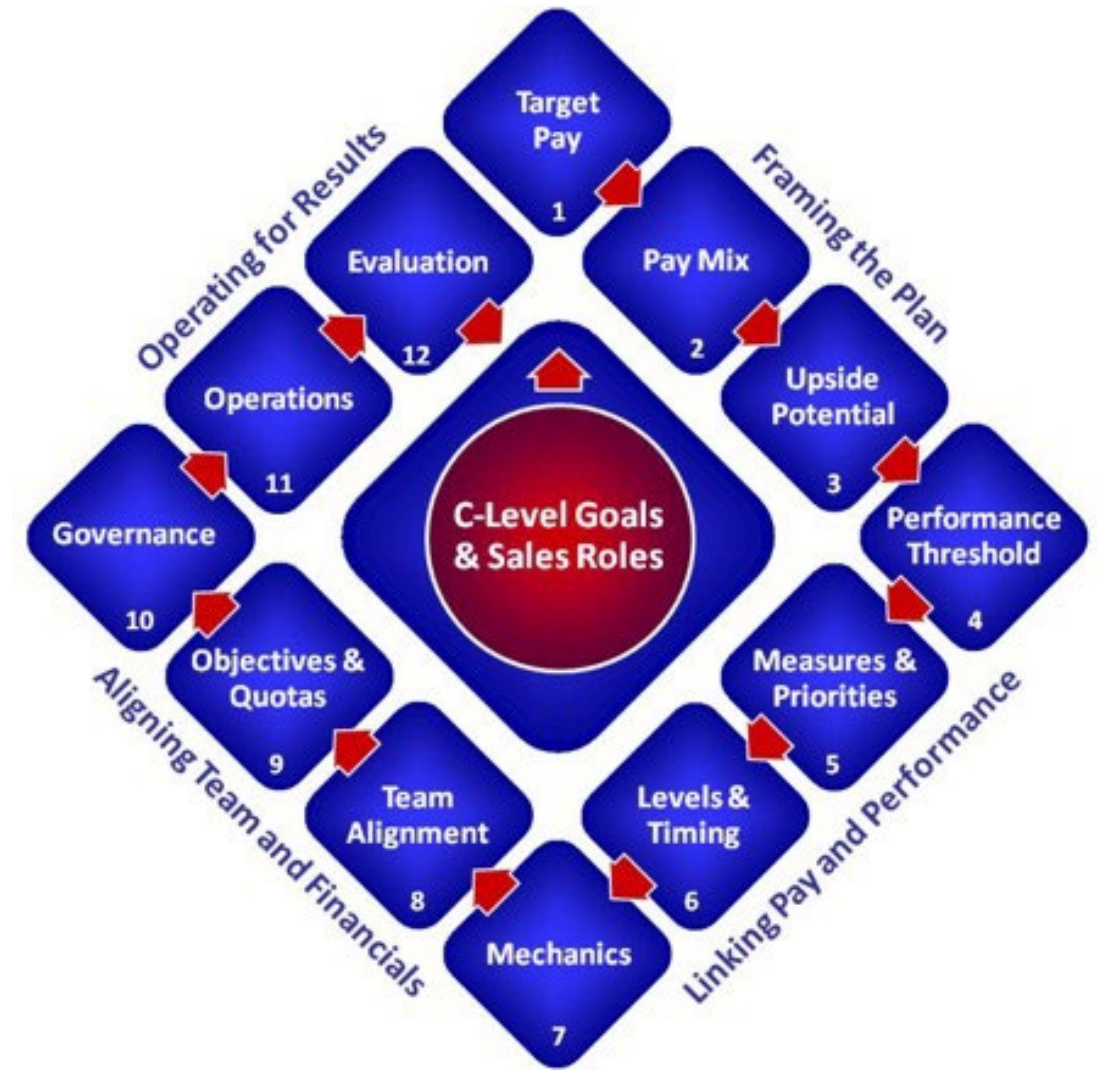
20% of revenue synergy potential comes from cross-selling

*19% of companies achieve the cross-sell goal**

**2020 study McKinsey. Capturing Cross-Selling Synergies in M&A*

Summary

- **Hybrid sales roles** are the fastest growing role in sales today.
- **Increasing pay** tops the list as a play to attract and retain top talent.
- **Financial measures rule the plan** with bookings, revenue and gross profit leading the way.
- **One to three measures** are most frequently used in sales plans.
- **The usage of caps is decreasing from 2021 levels**, and regressive rates and mega deal policies are on the rise.
- **Alignment of compensation** is a top challenge for companies engaged in m&a activity.



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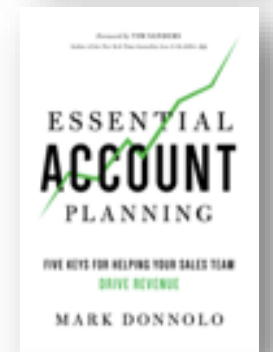
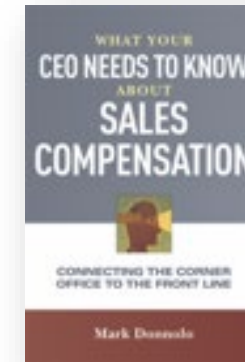


📎 **Take the Sales Comp X-Ray (at the SalesGlobe booth)**

📎 **Rethink Sales Podcast- M&A (Spotify, Apple)**

📎 **Get the books for great practices (Amazon)**

📎 **Talk with us for advice and action (SalesGlobe.com/contact-us)**



THANK YOU.

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