

Hiring Talented Sales Professionals

How to Outsource, Insource and Transform Your Sales Team



The Sales Coaching Institute
PRODUCTIVITY TRAINING FOR SALES AND SALES MANAGEMENT

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There are many elements that are essential to not only having a good sales team but to developing and sustaining a top sales team. A strategic approach and knowing where and why specific sales positions and management opportunities should be insourced or outsourced is all part of the equation.

The reality is that many companies use standard hiring practices for all of their sales positions and sales management jobs. According to the United States Department of Labor, Bureau of Labor Statistics, the demand for sales professionals will grow at about 5% between 2014 and 2024, adding an additional 778,000 sales jobs.

Along with this increase is the increasing competition for available jobs. A survey by Glassdoor for Employers reported that today any one posting for a corporate type of position will receive 250 resumes. Of these 250 resumes, the average number of applicants called in for an interview is 4 to 6, which means that the hiring professionals have to be able to accurately assess the candidates and make choices based on very limited information.

However, just because recruiters and hiring managers have a wealth of possible candidates to choose from, hiring to create an effective sales team is not as simple as just choosing the top applicants. It requires a careful evaluation of not just potential new hires, but also to maximize the potential with the organization to create a highly effective, motivated and informed sales team.

For this reason, many companies are now turning to outsourcing for inside sales. This is the process of bringing in an established sales team through an outsourcing service. Different companies offering outsourced sales teams will offer very specific models which will complement your current sales model or even allow you to change quickly to an alternative sales model.

In a recent article by NuGrowth Solutions, it was found that inside sales have an impressive growth rate over field sales, increasing over 300% compared to the traditional field sales model. At the same time, the conversion from field to inside sales helped to cut the cost of each sale by 40 to 90% and also sped up the processing of the sale. This has impacted the way that many Business 2 Business (B2B) companies are focusing on sales, with 20% of B2B companies moving exclusively to "virtual" inside sales by the year 2018.

The development of a sales team that is effective, motivated and collaborative in meeting goals and objectives is both an art and a science. Hiring managers can utilize people from outside the agency as well as those from within to develop a team that functions together to create a synergy not possible when sales professionals are not working towards a common goal.

Outsourcing and insourcing to build a sales team are both options that any effective hiring manager or Human Resource department will use. Both have advantages and potential challenges, and understanding when to turn to either option is an essential part of getting the right people in place.

When To Consider Outsourcing

Outsourcing is a way to bring in new blood, new ideas, new energy and even new possibilities to any company sales team. However, it is not always the right option for every company and business, and it needs to be carefully considered as it can be cost ineffective for some companies.



Making the decision to outsource sales staffing is not a simple task. There may be multiple options that make it difficult to insource these jobs, and it may be very challenging to vet potential candidates and get them in place, through the onboarding process and ready to start selling in the necessary window of time.

In general outsourcing of sales teams makes good business sense when:

- **Time is of the essence** – for startups and new businesses, or established businesses changing their business model or going through new product launches, outsourcing provides a very quick transition to a fully trained, experienced and cohesive sales team.
- **Lack of qualified candidates** – sometimes, despite those 250 resumes per job opening, you are unable to find the correct candidates for the job. When you have multiple positions to fill or are adding a sales team or restructuring a sales department this lack of qualified candidates can create significant challenges that may have a very large financial impact on the company.
- **Loss of qualified talent** – in a survey by Glassdoor for Employers it was found that 46% of those defined as Millennials left their job because of a perceived lack of opportunity for career growth. To add to this 65% of this same group were highly skeptical of the promises made by employers, and were more likely to change jobs for an opportunity for advancement, even if a lower base salary was offered. When companies are constantly losing qualified talent, it is very challenging to develop an effective inside sales team. With an outsourced sales team, this is a non-issue as the sales staff has their own internal progression or advancement model. These

professionals are also not as susceptible to heavy recruitment from the competition, creating a more stable sales workforce for short or long-term deployment with the company.

- **Failing to meet goals** – this is a complicated process that can include poor performance on the part of the sales team as well as incorrect metrics developed or the inside sales team. In a report by memoryBlue, many companies over or underestimate the metrics they use as they related to industry averages. This can include the number of calls made per sales rep, the amount of sales or other factors. With an outsourced sales team, the sales model will already include these metrics, providing more accurate information and a clear picture of performance.
- **Management support** – with the services offering outsourced inside sales teams it is also possible to bring in management with the team. This can be a terrific option for a smaller company or a startup, allowing the in-house management team to train and develop until they are ready to assume the leadership roles. When transforming a sales team changing management strategy and skill set may also be an important consideration and this option allows for that time, training and experience working with a proven professional.

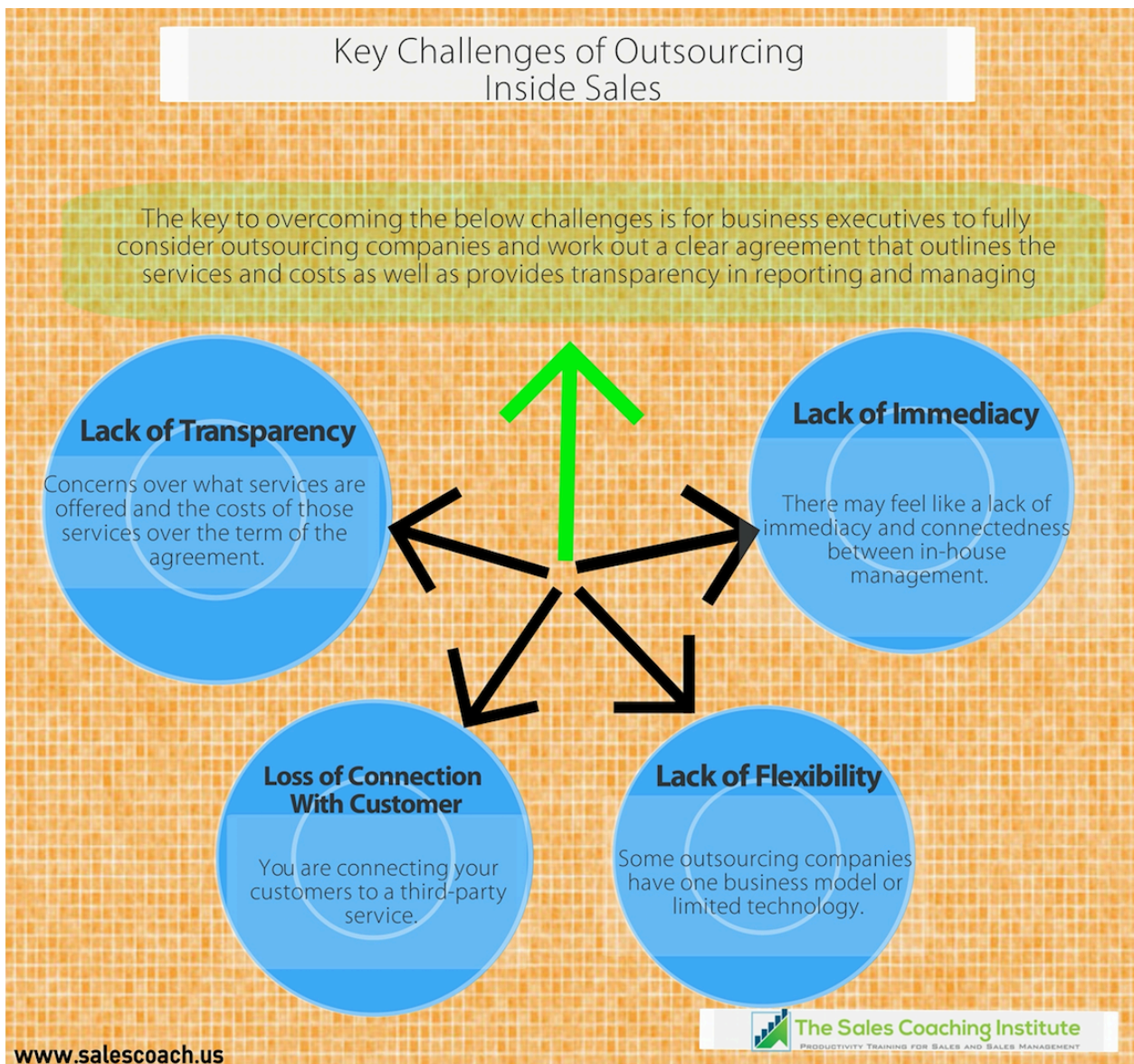
Additionally, some of the top outsourcing companies will provide support to the in-house management team to work with B2B sales companies to hire, onboard and develop protocols for creating the insourced sales and management team that will eventually take over. This places the outsourcing company in the role of both a consultant as well as a mentor, literally training and developing the replacement in-house team in the same effective model they are using. Metrics and analysis methods in tracking team effectiveness and success can be further refined to accurately reflect the needs of the company.

Outsourcing sales is typically considered a temporary option for most companies, but the duration of the service can be months to years. While it is difficult to find specific statistics on outsourcing inside sales, in the United States alone in 2013 Source Line Computer Economics reports that 2.6 million jobs were outsourced, with about 20% of companies reporting that the outsourcing was done to transform and/or reorganize internally. In addition, about 9% of companies in the same survey reported the outsourcing was done to speed up the time to enter the market. While this survey was completed on outsourcing to different countries, many of these jobs were in sales and customer service.

Challenges of Outsourcing Inside Sales

While outsourcing may be a very good option for many companies, and with the sales staff already fully trained sales professional utilizing a proven sales model with built in metrics, it is not always the perfect fit for all companies.

There are some inherent challenges to bringing a new sales team on board, and company culture and overall business model of the organization have to be carefully considered. For most hiring managers and executive leaders, carefully weighing the use of outsourcing inside sales as part of a sales team transformation is a critical factor.



The possible challenges or difficulties with outsourcing inside sales typically focus on:

- **Cost** – generally businesses will find that per hour and per employee outsourced sales staff will be paid a higher base rate and commissions and bonuses are also typically higher. This will be offset to some degree by the minimal additional costs since the business will not have to pay for insurance, vacation days, sick days or even to have the physical space and hardware needed for the sales staff to do their job.
- **Lack of immediacy** – with the outsourced sales force located in their own facility, there can appear to be a lack of immediacy and connectedness between in the in-house management and executives and the actual sales team. The reality is that with well-structured agreements and the use of regular meetings and real-time reporting and analysis, these issues can be largely overcome. This is one area where working with an outsourcing company that is willing to address these issues and develop a comprehensive communication plan will be a very big asset.
- **Loss of connection to the customer** - when outsourcing inside sales you are connecting your customers to a third-party service. This is why it is so critical to get to know as much as possible about the company, how they choose their employees, and how much control you will have over how they interact with your customers. Most of the top outsourcing companies will work with your CRM (Customer Relationship Management) software or service to provide real-time information on how the outsourcing team is providing customer service based on your policies and preferences. With the use of a top CRM system, you will also avoid any concerns with the lack of control over the customer base, which is a related challenge for many companies.
- **Lack of transparency** – according to authors Welborn and Kasten in their book, "Get It Done! A Blueprint for Business Execution" one of the biggest concerns of businesses hiring outsourcing sales teams is the lack of transparency about what services are offered and what the costs of those services will be over the terms of the working agreement. However, by carefully reviewing contracts and working with a company offering transparency, it is possible to find the right match.
- **Lack of flexibility** – some of the outsourcing companies have one business model and one option in services provided. They expect the business to

conform to their model, rather than working with the business on their current model. This can make transitioning from the outsourced to the insourced team a real challenge, and can also result in the in-house team using more advanced technology and processes compared to those used by the outsourced sales team.

The key to overcoming these challenges and transforming a sales team through full or part-time use of an outsourced sales force is for the business executives to fully consider outsourcing companies. Working out a clear and specific agreement that outlines the services and costs as well as provides for the transparency in reporting and managing the customer base are always critical factors to consider.

Finally, if you are planning on transitioning to an in-house sales team, ensuring that the transfer of the sales responsibilities from the outsourced to the insourced team will be efficient, efficient and without any glitches in customer service, lead generation and profit is also an essential component to discuss and plan well in advance.

The Benefits of Insourcing

Insourcing, or hiring from within the organization or through your own hiring team for new recruits and candidates, offers the company the greatest in possible control over the entire process.

A report from the Whitehouse from January 2012 titled "Investing in America: Building an Economy That Lasts", takes a big picture and very detailed look at the increased hiring in the private sector, resulting the addition of 2 million jobs across the country in 2011 with the trend predicted to continue.

This trend has continued, with the Bureau of Labor Statistics reporting that 2.45 million jobs were added in the United States in 2015. However, this really hasn't created a dent in the talent available with many qualified, experienced and highly effective sales professional out of work or underemployed.

When sales positions are posted and a company receives applications from talented and qualified candidates, insourcing makes good business sense. Through this process employees already fully trained in the business model and with solid product knowledge and experience can move into sales positions and also be maintained, trained and evaluated for potential moves up the corporate ladder.

This is one of the most critical factors to consider. When a business has a pool or stockpile of current sales professionals able to move into more advanced positions in team management, to take on lead in-house sales roles and to develop a solid network of qualified leads, the business and the employee both win.

The employee on the sales team sees and understands the potential for advancement which motivates them to continue with their professional development and leadership skill development. The company, in turn, has a long period of time to evaluate all employee skill levels, leadership potential and ability to work within the business model and achieve the individual and team goals.

In other words, with insourcing, there is a very low risk in promoting people up through the ranks of the sales team and even into management positions. The company also has full control over the training of the individuals, which can include cross-training for different positions within the sales team to provide a team that can function even through unforeseen issues should a critical team position be left vacant.

It may even be easier to think of the benefits of insourcing as having a farm team. Talent can be mentored, trained and evaluated across real-world experienced and situations before a promotion or a move is offered.

Team Building Long Term

Every company has a culture or practice that makes them unique. With some types of in-house sales, it may be in the company's best interest to limit the information shared with outside agencies about the company products and business model.

This is certainly an opportunity to use insourcing to fill vacancies and to build effective sales teams. Managers have months or years to not only get a feel for each individual sales employee, but to also look at developing effective teams and team managers to maximize the effectiveness and profitability of the sales group.

This also ties into the corporate culture and the benefit of working to create a culture where everyone feels valued, appreciated and see opportunities for advancement. When this is in place and has been developed and demonstrated by the company through their actions, top sales professionals are less likely to be hired away by recruiters and tend to stay with the company for the long term.

Every business is striving to increase in size. With long term team building new teams and managers can easily be recruited in-house and put together with the knowledge, skills and chemistry needed to immediately begin to generate qualified leads and bring in sales. Expansion of the company is much easier, and there is less time and money spent in onboarding new staff or in training of outsourcing services.

Additional Benefits

There are other benefits to consider with insourcing of in-house sales positions. These include:

- **Direct supervision and support** – when the sales team is present and under your management, there is immediate feedback available, support when atypical issues arise, and full supervision of the team by a manager from the company.
- **Collaboration potential** – problem solving and innovative ideas are more easily generated with the use of in-house teams. The ability to identify challenges or potential issues and develop workarounds that conform to the company policies or that are used to create new policies gives you full control over how these situations are addressed. Since management can be easily brought into the discussion, sales staff are more likely to understand they have a voice at the table and a vested interest in working to resolve the issue.
- **Specializations** – often outsourcing companies have the same challenges as any business in finding highly specialized types of sales employees and managers. When a company has these specialized positions, hiring from within may actually be faster than trying to find an outsourcing company offering those specific skill sets in a cost-effective way.

The argument for insourcing is solid, and it is one that is used across all departments in a company, not just in sales. Developing top company trained and experienced staff for sales or sales management and leadership positions is the ideal scenario, but it is not without its challenges as well.

Challenges to Insourcing

Pulling from your existing, trained staff or hiring new talent and then going through the onboarding process is a very good opportunity to transform your sales culture and add the missing elements.

As with outsourcing, there are issues that can occur that make it more difficult than expected. To understand how insourcing can become problematic, consider the following common issues:

- **Limited staff size** – with smaller companies and startup businesses, there may simply not be the staffing ability to stockpile or employ talented employees and provide that training time and evaluation time. With limited staffing numbers, insourcing from within a company can be very restricted, and hiring from outside can be a lengthy process.
- **Limited training budgets** – with insourcing the company will be the provider of both onboarding as well as later in-house training. For any size of company this additional strain on a budget can result in either limited hiring or limited training, both which are counterproductive to the insourcing program.
- **Onboarding costs** – according to a report prepared by Sales Benchmark Index, the ramp up to full sales productivity or the time from hire to achieving goals through training and onboarding, is about 3 to 6 months for approximately 50.7% of new hires. An additional 23.2% of new sales employees will need twelve plus months to reach full sales productivity, which means limited profits from sales for the company during that ramping up phase.
- **Poor training and onboarding** – training and onboarding programs need to be carefully structured, monitored and evaluated. Often this is not seen as a priority, and this can create significant problems in both productivity of the sales staff as well as in job satisfaction.

Additionally, many companies struggle with how to effectively evaluate employees for sales and management positions, particularly when moving from a non-sales to an in-house sales position. Specific training on how to close, how to network and even how to bring in qualified leads may all be overlooked by the company, leaving their in-house hires with limited resources to get the job done.

Making the Choice

Outsourcing, insourcing, or hybrid types of models using both in-house and outsourced sales can be used to create dynamic changes in the performance of a sales team.

As a management group, making an informed choice and clearly understanding the purpose, benefits and challenges of each option is a starting point for transformation. Working with outsourcing sales services with experience, expertise

and flexibility in providing full or part-time sales support will be essential. These services can be very positive and motivating for your staff, providing your management team with the time to complete training and ensure that the in-house sales team is knowledgeable and trained in the business and sales model in use.

In-house hiring systems should also be developed within a company that allows for the evaluation and tracking of those employees that show potential and motivation to move into sales or to move up through the ranks from sales to sales management. This process, when coupled outsourced sales, can provide a good long-term source of top quality sales people, truly developing a sale's departments full potential.