Management Article: Why You Should Always Be Hiring Salespeople-and How to Hire Them For Free

A client from my consulting business asked me a question recently that surprised me. It was a question that revealed a deeper problem. Their business had experienced a drop in monthly sales from \$180,000 to \$137,000.

That kind of drop affected his ability to buy inventory and keep momentum. His sales dropped because he lost a talented salesperson. Losing a talented salesperson doesn't always have to be a disaster, but to minimize the downside, he should have had redundancy and/or people trained before his salesperson left and should have been considering changes that he could make to increase sales in the short run.

I always believed that when a salesperson left a four or five person sales force, SURELY we could just take up the slack. But the departure almost always caused the sales numbers to fall, UNTIL we brought someone else on.

Here is the question that he asked me: "What's the best way to start looking for sales help, and turn around existing sales?" That's not a question that a proactive business owner should ever ask.

You should *never stop* looking for great salespeople. You should be proactively recruiting to fill sales positions you don't even have, and you should be doing it 52 weeks a year. Every day my business is open, I'm hiring—if the right sales person applies. There's always room for a strong addition to the sales team if the person is productive enough. You never know when a top person will want to leave a competitor, or move to town.

When things are slow, it's easy for a sales team to chalk it up to a tough economy. But a new person who rises to the top of the sales board dissolves that excuse. A new hire's success can motivate co-workers and energize the group with new sales techniques. If you wait until you lose a top performer to start looking, your sales will almost certainly drop. But you say, "Ron, I can't afford an extra salesperson." How can you NOT afford to have adequate sales staff? When I was growing my business, we trolled all the time, and occasionally caught a humdinger. Every time we added a top sales producer, we either let our weakest one go, or our sales grew and worked even harder. (Doesn't everyone have a "weakest" one?)

Adding a salesperson never cost me a penny. Our people worked on straight commission. They ate what they killed. They didn't cost me if they didn't sell. Of course, I made sure we didn't starve folks by having too many, but we almost always had some redundancy in the sales force so that we could weather the loss of one. My folks made more than the industry average and stayed with me, because I took care of them, bought good inventory, and marketed effectively.

My good friend Dixon Thayer from Ford Mtr Co taught me two valuable lessons. Sales staff is the LAST place to cut, and you NEVER do anything that can hurt sales. (There are exceptions of course). Will a new refund policy affect sales adversely? If so, don't implement it, unless it makes sense for the bottom line.

Here's what I do to hire a sales superstar before I need one:

* **Run ads and collect resumes every week**. Saving the cost of an ad (Craig's List-\$25, renewed weekly, so \$100 per month) isn't worth missing the chance to add a closer to your team. Have someone else scan the resumes or e-mails for potential candidates. You will interview very few, and only AFTER someone else has done a first interview to make certain those you talk to are top candidates. Most owners hate the beating of hiring, but it doesn't have to be painful. You've got someone who can size up candidates. After candidates have survived a few preliminary interviews and tests, you need only a little time to consider hiring the best of the best.

* Be active in local industry groups to learn about opportunities to hire.

* **Take stock of your own employees** and look for candidates who could excel on the sales team and help them develop the right skills.

* **Pay attention to the sales people who serve you at the businesses you visit**. Any of them could be your next sales star. A sales manager I know hired an assistant manager from Chuck E Cheese because he saw the spark of ambition. Two years later, that person more money than the Area President of the Fortune 50 firm that he worked for.

If you're always hiring top sales talent, you'll keep your business growing.

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A business owner since age 17, Ron sold his chain of salvage yards to Ford Motor Company in 1999, and his innovations in database-driven direct marketing have been profiled in <u>Inc. Magazine</u>. After the repurchase of Greenleaf Auto Recyclers from Ford, he and a pair of partners executed a turnaround and sold it to Schnitzer Industries.

As a <u>consultant</u> and <u>peer benchmarking</u> leader, Ron shares his expertise in strategic planning, capitalization, compensation, growing market share, and more in his signature plain-spoken style, providing field-proven, high-profit best practices well ahead of the business news curve.

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