Improving Sales Manager Selection for a secure payment provider

Analysing and understanding the critical success criteria of sales managers to pinpoint sales potential and generate five times more profit from sales revenue.

This case study outlines how a global secure payment provider faced the challenge of needing to predict those sales managers who are likely to lead high performing sales teams.

Results show that, on average, high performing managers will have sales teams that generate five times more profit from sales revenue than low performers.

Creating a ‘match score’ generated by the results from an online assessment of personality and motivation, sales manager applicants can now be categorized based on their sales managerial potential.

With even a slight improvement in managerial performance, the impact on the business is significant. In addition to this direct financial impact the company is also able to save money and time through the more efficient recruitment process, as well as generating a more positive candidate experience with a shorter assessment time.

The challenge: managing the sales people of the future

One of the leading global independent providers of secure payment services sought to deliver a new sales strategy by hiring and training salespeople who, until now, had no sales experience. This presented a significant challenge to those people managing these inexperienced sales people as they needed greater support and development in the initial stages of their sales career – and quite a departure from the skills needed to manage experienced sale professionals.
The solution: identifying and selecting what really makes a difference as a sales manager

This new role of coach was seen as a significant departure from the previous model where sales managers’ main focus was to keep very experienced salespeople on track to achieve sales targets. In this new sales manager role, they need the capabilities to teach, coach and manage inexperienced salespeople who nonetheless had been identified as having sales potential. As such, these new sales managers needed to enjoy taking the lead, be results oriented and ambitious, have good persuasive and communications skills, be pragmatic and financially driven, be comfortable with a fast rate of change in the work environment and willing to take calculated risks.

Capturing sales manager competence in a match score

The company worked with cut-e to tailor an online assessment and to customise a competency-based interview process that would measure the sales manager’s competencies and risk factors during later stages of the employee selection process. A job analysis identified the critical competencies, behaviours, personality characteristics, and motivational drivers seen as necessary for success as a sales manager. A business outcome validation study was conducted which identified that the cut-e questionnaires shapes and views would effectively and efficiently predict key metrics on which decisions could be made. A custom-built personality profile was created using a mathematical model and this resulted in the creation of an Overall Candidate Match Score where a score of 1 indicates lower performance and a score of 9, higher performance.

The outcome: metrics, metrics and more metrics

As part of the business outcome study, test results and metrics from 20 existing sales manager were examined. Once the profile and Overall Candidate Match Score were finalized, cut-e separated and categorized the managers into three groups based on their Match Score to demonstrate the difference in average performance for each group. The results of this exercise generated highly valuable information for this organisation.

Achieving profit for the business

Which manager’s sales team earned the most profit for the company?

(Adjusted Gross Margin averaged over 5 months)

- High match score candidates had 5 times more profit than low match score candidates
- Moderate match score candidates had 2 times more profit than low match score candidates
Closing new account sales

Which manager’s sales team closed the most new account sales?

High match score manager’s sales teams closed 50% of all the new account sales
Moderate match score manager’s sales teams closed 32% of all the new account sales
Low match score manager’s sales teams only closed 18% of all the new account sales

Predicting sales manager tenure

Which sales managers had the longest average tenure?

High match score candidates had an average tenure of 37 months
Moderate match score candidates had an average tenure of 18 months
Low match score candidates only had an average tenure of 9 months
Effective coaching on sales processes

Which managers are most effective at coaching team members on sales processes?

(Percantage of sales team members exceeding expectations on sales support system utilization)

- High match score candidates exceeded expectations by 55%
- Moderate match score candidates exceeded expectations by 36%
- Low match score candidates only exceeded expectations by 9%

Ratings of sales managers’ performance by his / her vice president

- The higher the sales manager’s match score the higher his/her average rating was on Success Orientation, Reliability, Total Expected Revenue, Likelihood of Long Tenure (Low Flight Risk) and Timely Discussions with His/Her VP (Not Avoidant)
- Additionally, High Match Score managers on average were rated higher than others on Results and Goal Orientation, Effective Communication and Organizational Commitment

Impact on the business

In summary, by ensuring that those sales manager applicants with moderate or high match scores are hired and those with low match scores are not, will deliver the organisation’s new sales strategy. These people will lead teams that greatly impact the sales profitability, and the number of new accounts sold. These sales managers impact positively the sales behaviours of their team.

For any further information please don’t hesitate to contact us!
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