

Hire High Performing Sales Teams Using Statistical Interviewing Techniques

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"Men occasionally stumble across the truth, but most of them pick themselves up and hurry off as if nothing had happened." -- Winston Churchill

Sales hiring is one of the most important tasks an organization undertakes. In many organizations it is the role hired more often than any other-- usually in field locations far from any hiring process oversight. Because of this hiring frequency and process decentralization, it is easy to become complacent and stray from any organizational hiring process discipline. Your sales team is the face-to-face embodiment of your brand and may be your one and only chance to convey your organization's capabilities to potential buyers. An inappropriate sales hire, who misrepresents your company image, can cause significant damage to your business.

ONLY FIFTY-FOUR PERCENT OF CSOs ARE SATISFIED WITH NEW SALES HIRES

According to a recent [CSO Insights survey](#) of approximately 2000 Chief Sales Officers, only 54 percent reported satisfaction with their new sales hires. I'll define satisfaction here as the new sales team members *met or exceeded* organizational expectations. In spite of this satisfaction rate, 68 percent of executives surveyed planned on adding sales personnel and 93 percent of the executives planned on raising individual quotas for 2012. All this being asked of sales forces operating in an economy that has shown a 5 percent decrease in win-rates over the last 5 years.

INCREASED SALES ROLE SOPHISTICATION MAKES HIRING MORE COMPLEX

In most firms today, sales people are expected to know and utilize a variety of new tools and possess competencies to produce more with less. Organizations have shrunk their sales support personnel budgets and have invested in systems and software to help with the selling process-- from territory planning through post sale testimonials. Contemporary salespeople must possess more advanced skills and knowledge to be successful.

TRADITIONAL SALES SKILLS AND KNOWLEDGE REQUIRED

- Industry knowledge
- Network of potential buyer contacts
- Typical business issues and causes
- Product knowledge - Value Proposition / ROI vs. Competition
- Research, prospecting and appointment-setting skills
- Sales process execution - including support resources
- Selling skills (listening, questioning, suggesting, presenting, proposing, negotiating, etc)

ADDITIONAL SALES SKILLS AND KNOWLEDGE REQUIRED

- *Co-diagnosing business issues and co-conceptualizing future state*
- *Sales strategy development - buyer and seller process alignment*
- *Pre and post-sales virtual collaboration tools*
- *Lead generation/"trigger" awareness*
- *Social networking for business tools like LinkedIn, Twitter and Facebook*
- *Sales Intelligence systems and enhanced research capabilities on industry, accounts, prospective buyers and competition*

The ultimate goal is to hire a person who has the ability to build a "trusted advisor" relationship with the client thereby gaining *advance access* or preferred status. We want to be the one helping prospects to more thoroughly understand their specific business issues. To achieve this, organizations need to use every technique available to select and hire new sales resources.

STATISTICAL INTERVIEWING TECHNIQUES CAN MAKE HIRING SUCCESS MORE PREDICTABLE

One method that has shown to increase hiring success rates is statistical interviewing methods. Statistical interviewing methods attempts to minimize interviewer subjectivity and bias. The benefits of this method were first introduced by psychologist [Paul E. Meehl](#) in his 1954 book [Clinical vs. Statistical Prediction: A Theoretical Analysis and a Review of the Evidence](#). Meehl's research, as well as the subsequent research of others, clearly shows that personnel performance predictions based on simple statistical scoring were generally more accurate than predictions based on perceived expert judgment. Daniel Kahneman of Princeton University has furthered Meehl's

research in his recent book [Thinking, Fast and Slow](#). In his book, Kahneman relates his personal story of selecting Israeli Defense Forces in 1955. As a young lieutenant, he was given the job of setting-up a new interview system to fill roles within all branches of the Israeli Army. The interviewers were supposed to predict who would do well within the various military roles. The interview system was informal and included a 15-minute interviewer “chat” with the recruits. A job recommendation was then made based on the brief conversation. Several months later when the actual job performance was compared to predicted performance, **the correlation was zero.**

Having read the Meehl book, Kahneman knew how to improve the interviewing system. He didn’t allow the interviewers to engage in free-ranging conversations with the recruits. Instead, they were **required to ask a standard list of factual questions about the prior life and work of each recruit.** The answers were converted to numerical scores and entered into formulas measuring the recruit’s aptitude for the various military roles. When the predictions from the new system were compared to the actual performance several months later, the results showed that the new system was much better at predicting results. The failure of the old interview system was a general phenomenon Kahneman called the **illusion of validity.** In this case, the illusion of validity was the interviewer’s false belief in the reliability of their own judgment: believing they could predict the performance of recruits after only a brief, 15 minute informal conversation.

We see more contemporary examples of Meehl’s findings in Michael Lewis’ book *Moneyball*, which documents the statistical player selection work of the Oakland Athletics General Manager Billy Beane. More recently, we see examples of attempts to minimize subjectivity in the “blind” audition process for the latest talent search shows.

FIVE STEPS TO BUILDING YOUR CUSTOMIZED STATISTICAL INTERVIEWING TEMPLATE

Step 1 - Decide what 4 to 6 personal traits are important for your sales team members to possess. Use a team approach for trait development to avoid building the trait profile in the image of the creator. Keep your selling process and your buyer’s buying process in mind as you determine the desired top traits.

Step 2 - Create a formula weighting each trait for its relative importance. Consider using complementary analytical tools and dashboards, like the ones offered by [Talent Analytics](#), to compare your desired traits with current top performers in the role. These tools will also help confirm the traits and assigned weights of the traits identified.

Step 3 - Create several factual work and life evidential questions (3-5 per trait) to test for and measure

interviewee responses. Stress the importance to the interviewers of adhering to the entire interview questionnaire and scoring all answers as objectively as possible. Score each response and enter it into your weighted traits formula. *For change management purposes, as Kahneman did in his Israeli Army interview process, consider adding some free-form text lines at the bottom of your traits template to allow interviewers to make “expert” observations and comments.*

Step 4 - Rank the candidates and make your employment offers. Avoid the temptation to overrule your formulaic results with any subjectivity or personal biases.

Step 5 - Revisit your hiring “formula” periodically to adapt to changing sales process, sales role requirements, market conditions, and top performer profiles.

SAMPLE TEMPLATE FOR A HYPOTHETICAL PROFESSIONAL SERVICES COMPANY

As an example, I’ve created a brief salesperson “traits” list appropriate for my hypothetical consultative, B2B, professional services company. I identified 6 desired sales traits (Kahneman calls them “dimensions”) and why I felt they were important. I then created three sample test questions per trait. Your desired traits and test questions will differ by market and culture. Although the interviewer’s scoring will also be somewhat subjective, the standardized questionnaire will be a better predictor of future success than no interview structure at all.

Trait 1: Intellectual Curiosity (25%) I need someone who will do *more than* the research required to differentiate our firm and ask the appropriate questions of a prospect. *More importantly, I want sales representatives who are very smart, listen well, have follow-up questions, and add-value in every sales discussion.* I also want a sales representative who will take the time to research things they don’t know and show evidence of being a lifelong learner. _____ (enter score)

- What are some of the challenges you see facing our industry?
- Which business book author or leader do you respect most and why?
- What did you have to learn to be proficient in your current position?

Trait 2: Tenacity (20%) It takes, on average, seven attempts to get an executive prospect to listen to your value-proposition. The average salesperson stops at four attempts. I want someone who will make the seven attempts without being annoying and tarnishing the brand. They must be equally tenacious securing internal resources helping to win deals. _____

- Have you ever rescued a lost deal?

- How long should you try to meet with a new prospect at an important target company?
- What was your biggest career setback and how did you handle it?

Trait 3: Creativity (20%) I want creative thinkers who can invent and apply new ideas and concepts in all selling environments, from prospecting through contract negotiation. What is their networking strategy-can they think of innovative ways to meet hard to reach prospects? Can they initiate contact with a prospect for the 7th time without being a pest and by adding some new information of value? What new ideas, concepts, or resources would they introduce during the buying cycle to tip the buying decision in our favor? _____

- What is the most creative tactic or unique resource you've used to meet a prospect or win a deal?
- What was your best idea in your current role for doing something in a new and different way?
- Can you suggest any new markets we might pursue and how we might go about it?

Trait 4: Financial Ambition (15%) - Ultimately, my new salesperson's life goals need to have a large financial component to keep them self-motivated. This will save a great deal of sales management time and effort. I might even assign a greater weight to this trait in a less consultative, more transactional sale. _____

- How important is potential financial reward in your career selection?
- How do you prefer to be paid (risk vs. reward preferences)?
- What activities do you pursue in your leisure time?

Trait 5: Social Nature (10%) I need personality types who enjoy being around people and can show empathy and understanding for the life and career goals of others. Successful teaming in past life, work, and in sport settings is a good indicator of future success in my sales model. _____

- What organizations or communities outside of work do you belong to?
- Do others consider you a good teammate? Why?
- How did you gain the support of others to help you reach your goals in your last position?

Trait 6: Competitive Spirit (10%) Very simply, I want bad losers who are not afraid to fail. It's essential that my sales team knows when they know when they are winning and when they are losing *and why*. They must be able to act aggressively when there is nothing to lose. They must also demonstrate that they can readily rebound from a loss and be willing to help the organization learn from it.

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- How do you compare yourself to the other salespeople in your current organization?
 - What was your most satisfying sales win and why? Your most disappointing loss?
 - How do you know if you are winning or losing in a sales situation?

CANDIDATE TOTAL: _____

Other candidate impressions and observations (*Based on Step 3 recommendation*)

SUMMARY

With sales roles becoming increasingly complex, sales organizations need to utilize proven methods to improve their sales hiring success rate. Use the five steps outlined in this article to create an objective interview template for your candidate selection process. Team performance predictors, like the CORE Performance and Ambitions analytics from Talent Analytics, can also help confirm your organizational hiring dimensions and validate your statistical scoring results.

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