

The

# 8 Biggest Hiring Mistakes

Sales Managers Make

*And How to Avoid Them!*



**Brian Jeffrey**

There are two types of sales managers in this world — those who *have* hired a dud and those who *are going to* hire a dud. This ebook exposes the 8 biggest hiring landmines that sales managers step on over and over again and clearly spells out the steps you need to take to avoid them.

Enjoy the read.

A handwritten signature in black ink that reads "Brian J". The signature is stylized with a large, sweeping initial "B" and a trailing "J".

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# The 8 Biggest Hiring Mistakes Sales Managers Make

## And How to Avoid Them!

*By Brian Jeffrey*

Early in my 30-year career as a sales trainer and sales management consultant, I realized that many of the people I was expected to train as salespeople were not likely to succeed in sales. I called it trying to train pigs to fly. This usually resulted in annoying the pigs and frustrating the trainer.

It's not that they were bad people. They were just a bad choice of person for the job they were expected to do. Some of them had a bad attitude, some had traits that cause grief in sales, some were being asked to sell the wrong things, and some simply shouldn't have been in sales at all. The one common element was that they were all hired by someone to sell. That someone was often the sales manager.

### Avoiding the Hiring Landmines

No one starts out to make hiring mistakes but, in my experience, there are two types of sales managers in this world — those who *have* hired a dud and those who *are going to* hire a dud.

The purpose of this ebook is to give you some of the information you need if you are to, if not avoid, then minimize the chances of making a bad hire. If you avoid these hiring landmines, you'll improve your odds of finding and hiring a winner.

One of the most critical functions you perform as a sales manager is putting together the sales team. The right people, working together, can make business life a pleasure. On the other hand, hire the wrong people and your life can become hell to say nothing about what it can do to your company's bottom line.

**There are two types of sales managers in this world — those who have hired a dud and those who are going to hire a dud.**

Most sales managers figure they're an excellent judge of character and can spot sales talent from a distance of 500 feet, if not farther.

I used to think that too. That's why a lot of my earlier hires were done after a 15- to 30-minute interview and a brief assessment of what my stomach was telling me about the candidate. Unless I had recently eaten at a fast-food restaurant, I figured my stomach was right on the mark. I simply didn't have the time for lengthy interviews or testing procedures.

Here are some startling statistics for you that emphasize why we should take the time to find the right person. In their book *How to Hire and Develop Your Next Top Performer* (McGraw-Hill), Greenberg/Weinstein/Sweeney point out that their studies show the following:

- 55 percent of those people earning their living in sales should be *doing* something else,
- 20 to 25 percent should be *selling* something else, and
- the remaining 20 percent account for about 80 percent of everything that's sold.

I hope that by making you aware of the most prevalent hiring mistakes sales managers are prone to make, I will help you improve the odds of finding salespeople who fall into that desirable 20 percent category.

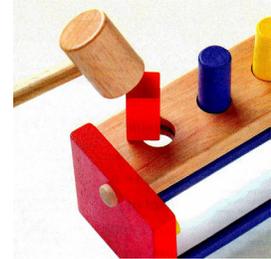
### The Cost of a Bad Hire

We've all heard of the customer from hell, but some of us end up hiring a salesperson from the same place. Of course, none of us sets out to hire the wrong person, but occasionally it happens that we end up with the salesperson from hell. This is the person who looks good and sounds good during the brief hiring process but ends up either not performing or wreaking havoc within the organization.

This can happen when you don't take the time to hire smart and you try to plug a round peg into a square hole. When this type of mismatch occurs, grief follows and takes the form of:

**Don't try to plug a round peg into a square hole.**

- lost and missed opportunities
- unhappy or lost clients
- wasted time
- demoralized staff
- lawsuits
- lost money
- ...and more



As you probably know, it can take a new salesperson, even a seasoned one, several months to a year to become productive. You can usually tell if you have a winner pretty quickly, but it could take upwards to a year before you decide you have a dud. That gets us to the first of the 8 biggest hiring mistakes.

## **HIRING MISTAKE #1 NOT HIRING A SALESPERSON**

Don't hire a square peg to fill a round hole. Some people look good and sound good during the hiring interview but when push comes to shove, the only thing they can sell is themselves.

Unless the candidate has a Certified Sales Professional (CSP) designation from the Canadian Professional Sales Association (CPSA), a Certified Registered Sales Professional (CRSP) designation from the United Professional Sales Association (UPSA), or certification by some other recognized sales association, you have no real way to determine if the candidate really knows how to sell.

While certification is helpful, it is only an indication of the person's knowledge, not his or her ability to actually do the job (skill). To determine skill level, we usually rely on what the person tells us or on his past track record and, of course, we know that people always tell the truth. This is where having the candidate do an "audition" is helpful (more about that later).

As a sales manager, one of your responsibilities is to hire people who will get the job done properly. However, finding competent salespeople is easier said than done.

While there is no single secret to finding competent salespeople, here is an idea that will help you separate the wheat from the chaff during the hiring process and come up with potential winners.

If you were hiring an auto mechanic, you'd want to be sure that the person knew what the timing chain was for, the firing order of the engine, how to adjust the brakes, etc. In other words, you'd want to know the extent to which the auto mechanic understands the basics of his trade. The same applies when hiring a salesperson. You want to be sure that he or she knows the basics of selling.

Listed below are 10 questions you can ask to determine if you have someone who knows something about selling. Some salespeople will claim to know the answers to these questions, but when push comes to shove, they don't.

The questions are listed in order of difficulty. If you don't get reasonable answers to the first four easy questions, I wouldn't bother to ask the rest.

### **Mini Competency Test for Prospective Salespeople**

1. How would you define the sales process?
2. What is the fastest way to get a prospect's favourable attention?
3. What are the three things do you need to know to properly qualify a prospect?
4. When describing what your selling, what does the prospect want to hear?
5. What is a "Unique Selling Proposition" or "elevator pitch" and why is it important?
6. What is the main reason for the price objection?
7. What is the first thing you should do when you get an objection?
8. What is the best way to handle or deal with an objection?
9. Define a trial close.
10. Give an example of two closing techniques.

If a sales candidate can't answer at least half of these questions to your satisfaction, beware. You may be hiring a problem, not a solution.

If these questions don't suit your particular situation, consider making up your own mini competency test for your type of selling.

## HIRING MISTAKE #2 NOT CONDUCTING A THOROUGH FIRST INTERVIEW

This is not the interview where you sell the company to the applicant. The first interview is your second pass at eliminating candidates for the job (the résumé review is the first pass). Use this interview to disqualify candidates as much as to qualify them.

It's important to have a series of standard questions for use at the interview. I got so discouraged at watching managers mishandle the interview process that I developed a sales interview questionnaire to help them stay on track. The form has 17 must-ask questions to be used at the first interview and an additional seven for the second interview, if you get that far. In addition to helping the interviewer stay in control, the form instills a degree of consistency to the process. We make the *Sales Interview Questionnaire* available to our clients as a service of Salesforce Assessments Ltd.

The idea of the questionnaire is to not only know what questions to ask but to have some idea as to what you are looking for in the response as well as provide a consistency to the interview process.

Here are just a few of the questions. The reasons for asking the questions are in italics.

What types of things have you sold in the past?

- *Any similarity to our product/service?*
- *What product knowledge training is necessary?*

What sales training have you taken?

- *If none, how serious is he or she about a sales career?*
- *If yes, was it company-sponsored or did the applicant pay for it?*
- *Was it just product knowledge training or 'how-to-sell' training?*

What do you feel would be good methods of finding prospects for our type of product/service?

- *Does the applicant know our market?*
- *Does he or she exhibit some creativity?*
- *Does the applicant already have some prospects?*

What's the worst day you've ever had in your selling career? How did you deal with it?

- *How quickly does the applicant think under pressure?*
- *Was the situation handled in a reasonable manner?*
- *Did he or she salvage a bad situation or make it worse?*

Be particularly aware of your first impression of the candidate. If the individual makes a good first impression on you, the chances are that he or she will do the same with your prospects.

**Be aware of the "halo" effect when interviewing.**

Also be aware of the dreaded "halo effect" where you take an instant liking to someone, usually because he or she reminds you of someone you like, and no matter what the person says, you're blinded by the halo and may ignore potential problem areas. You want to be as objective as possible and a list of standardized questions is a definite help.

Another advantage of having a set of questions to ask is that you become familiar with what types of answers to expect.

### **HIRING MISTAKE #3 NOT KNOWING WHAT YOU WANT A SALESPERSON TO DO**

Define the job. If you don't really know what you want a salesperson to do (other than sell!), then it's difficult to find someone to do it.

Having a good and thorough job description is one of the major keys to making sure you hire the right person. If you don't know what you want someone to do, then anyone can do it! A good job description is not only a primary hiring tool but it can become the performance standard by which your salespeople are evaluated.

Unfortunately, most companies don't have a formal, written job description and those that do have one that looks more like a shopping list than a position description.

One of the reasons companies don't have good job descriptions is that they're not sure what should be included or how to go about making a good one. I'm about to solve your problem. Here's a simple format that works.

At a minimum, a written job description should include the following:

- Job title
- Immediate supervisor/manager
- Primary job duties/responsibilities
- Secondary job duties/responsibilities
- Performance target and expectations
- Territory/account responsibilities

Example:

### **Job Description - Sales Position**

**Position Title:** Account Representative

**Reporting To:** Sales Manager

**Primary Goal:** To continue to sell the company's services into existing accounts and to develop a new base of clients.

**Secondary Goal:** Develop, build, and maintain ongoing relationships with major accounts and key decision makers.

**Performance Target 1 – Sales Objectives**

This performance target will have been satisfactorily met when you have:

1. Made total sales of \$2,400,000 by December 30, 2007.
2. Minimum monthly sales to *existing* accounts of \$150,000 between January 1, 2007 and December 30, 2007.
3. Minimum monthly sales to *new* accounts of \$50,000 between January 1, 2007 and December 30, 2007.

**Performance Target 2 – Account Development**

This performance target will have been satisfactorily met when you have:

1. Contacted at least 15 *existing* accounts each month.
2. Contacted a minimum of 5 *new* accounts each month.
3. Found at least 3 *new* sales opportunities each month.
4. Maintained detailed account records.

**Performance Target 3 – Sales Activity**

This performance target will have been satisfactorily met when you have:

1. Completed a minimum of 12 cold calls a week.
2. Prepared customer presentations, estimates, and quotations within 24 hours of a client visit or request.
3. Assisted in the development of sales and marketing plans.

**Performance Target 4 – Sales Administration**

This performance target will have been satisfactorily met when you have:

1. Prepared monthly, quarterly and annual sales forecasts.
2. Attended weekly sales meeting.
3. Maintained an updated Sales Opportunity Report (SOR).
4. Submitted your monthly SOR within two days of month end.
5. Completed call reports on a daily basis.
6. Submitted monthly expenses within ten days of month end.

**Performance Target 5 – Sales Tools/Promotion**

This performance target will have been satisfactorily met when you have:

1. Maintained a professional sales binder.
2. Maintained information on direct competitors, their services, and pricing.

### Performance Target 6 – Self-Development

This performance target will have been satisfactorily met when you have:

1. Successfully completed the company sales training program.
2. Read one sales and/or motivational book each quarter.
3. Attended sales, product/services information and other training sessions as required.

**Sales Territory:** Southwestern Ontario and other accounts as assigned by the company (Appendix A).

## HIRING MISTAKE #4 NOT KNOWING WHAT YOU ARE LOOKING FOR IN A CANDIDATE

This mistake is a close cousin to mistake #3, not knowing what you want the person to do.

**Take the time to build your list of mandatory and desirable criteria.**

To eliminate obvious misfits from the pile of responses you hope to get from your recruiting efforts, you need to have a filter through which you will pass the résumés and applications. You do this by developing a set of mandatory and desirable criteria. Some general categories of criteria are:

- Education
- Past applicable work experience
- Previous training (non-sales)
- Special skills
- Hobbies or interests
- Socio-economic level
- Personality traits
- Stability
- Sales training
- Organizational skills

Take the time to build a filter for a sales position in your company. Look at the categories above and decide which factors are “must-have” (mandatory) and which are “nice-to-have” (desirable) and build your list.

Rank your “desirables” as to what is most desirable, next most desirable, etc. This will help you select between candidates who may have many of the required criteria for the position (Figure 1).

Figure 1. Example of a typical filter that might be used by a company looking for a salesperson to sell high-end (expensive) accounting software.

Factors	Mandatory	Desirable	Desirable Ranking
<b>Education</b>			
Community college	•		
Undergrad degree		•	13
<b>Applicable Industry-Related Experience</b>			
Minimum two years’ experience	•		1
Five years’ experience		•	12
Worked for a competitor		•	
<b>Previous Training (non-sales)</b>			
Self-taught bookkeeping/accounting skills	•		
Has formal training in accounting		•	11
<b>Computer Skills</b>			
Uses a computer	•		
Uses Microsoft Office		•	3
Familiar with accounting software		•	2
Has used sales automation software		•	4
<b>Hobbies or Interests</b>			
Computers		•	5
Team sports		•	10
<b>Socio-Economic Level</b>			
Currently earning >\$50,000/yr		•	17
<b>Personality Traits</b>			
Outgoing personality	•		
Team player	•		
High drive level	•		
Operates independently		•	15
Decisive		•	14
<b>Stability</b>			
Married		•	8
Owens home		•	9
<b>Sales Experience/Training</b>			
Minimum two years’ sales experience	•		
Some formal training	•		
Formal training within last five years		•	6
Time management training		•	7
<b>Organizational Skills</b>			
Has successfully managed a sales territory	•		
Uses a time management tool (DayTimer, etc.)	•		
Uses a computer-based time management tool		•	16

## HIRING MISTAKE #5 ONLY CONDUCTING ONE INTERVIEW

Hiring someone after just one interview usually happens because of the halo effect where the candidate can appear to do no wrong and looks too good to be true. In my experience, if someone looks too good to be true, trust me, it's not true.

The purpose of the first interview is to see if you want to give the person a second interview.

This is when you go more in-depth with the candidate. Once again, use a set of standard questions to get started, but explore other areas of interest as well. You want to explore past performance in similar positions. Look for patterns of success. Encourage the candidate to sell himself to you. If he can't sell himself, he'll have problems selling your product/service.

Some typical second interview questions are:

- How do you rank yourself in comparison to the other salespeople in your current (or previous) company?
- What makes a good salesperson?
- How do you go about organizing a typical sales day?
- Do you call on all your customers with the same frequency? Explain.
- What type of records do you keep on people you see regularly?
- Do you plan how long each call should take? How accurate are your estimates?
- Do you prefer selling tangibles or intangibles? Why?
- What factors do you consider most important to successful selling? Why?
- How do you respond to a prospect's concern about your price?

**Try a little role-playing or hold an audition to see how the candidate manages.**

This interview is also a good time to try a little role-playing or hold an audition to see how the candidate manages.

I'm not a big fan of asking the candidate to "sell" me something like a pen, glass or whatever. Most salespeople don't like role-playing at the best of times and a job interview is certainly not the best of times.

The advantage of this approach is that it gives you an opportunity to see how fast the person can think on his feet. This puts a great deal of pressure on the other person and if he survives the ordeal, he probably deserves the job.

The disadvantage of this approach is that too often the interviewer doesn't really know what to watch for and, if the candidate doesn't "sell" the way the interviewer "sells," the candidate fails the test.

Nevertheless, the "sell me" exercise can often give you interesting insights into how sharp a person is. I know of one situation where the salesperson was asked to "sell" the interviewer an ashtray. He began to extol the many benefits of the ashtray, one benefit being that it was virtually unbreakable. At that point he demonstrated by dropping the ashtray on the floor where it shattered to a hundred pieces. The salesperson looked at the interviewer and said, "We need to tighten up on our quality control a bit." Now that's fast!

An extension of the role-play scenario is to do an audition. While not always the case, this may entail having to do a third interview in order to allow the candidate some time to prepare for the audition. Giving the candidate 10 minutes of prep time is often all it takes.

The candidate is given some product information and asked to come to the next interview prepared to "sell" the product to the interviewer.

For example, you might give the candidate a cup (somewhat expensive), a key ring (relatively inexpensive or even cheap), and a calendar (moderately priced), along with the following scenario:

"You will be making a presentation to the owner of a flower shop that wants to reward repeat customers and encourage additional business. The owner has a limited budget and hasn't used advertising specialty items before. Which of these three items would you suggest and, if suggesting more than one, in what order would you suggest them, and why."

The resulting presentation should give you some idea of how creative the person is and how well attuned he or she is to the prospect's needs. It doesn't really matter which product the person proposes as being the best one, just as long as he or she can properly justify (sell) it to the prospect (and you).

The advantages of this approach are that it gives the candidate time to properly prepare for the “sales call” and it gives the interviewer a better idea of the type of questions the salesperson uses to qualify a prospect (or to see if he qualifies at all).

The disadvantages of this approach are that you don’t get an opportunity to see how fast the candidate is on his feet and it may require an additional meeting.

## **HIRING MISTAKE #6 FAILING TO DO REFERENCE CHECKS**

You would be amazed at the number of companies that don’t bother to check references. Avoid this step at your peril.

An applicant is not going to give you the name of someone who isn’t going to give a glowing reference. It’s better to obtain the names of past supervisors and/or co-workers and ask the candidate for permission to call them.

Also, I generally discount reference letters because absolutely no one is going to attach a letter to his résumé that attests that the candidate is an idiot or is totally incapable of doing the job. The letters are always great, but are they true?

Just because someone provides you with some reference letters doesn’t mean you shouldn’t call the people to confirm that they actually wrote them. It’s too easy to get some letterhead from the company you’ve just been fired from and write yourself a wonderful reference letter. Does this happen? Who knows, but what I do know is that people have been asked to write their own reference letters for someone’s signature because the other person is just too busy to write one on their own.

So that means you need to do your reference checks over the telephone. When doing telephone reference checks, don’t just listen to what is said. Listen to how it’s said. With good performers, previous employers generally are enthusiastic and give very positive references. On the other hand, with poor performers they will usually volunteer only limited information.

In this day and age, many employers are so paranoid about giving references in case they get sued that many people won't give one at all. Consider calling references on weekends or after hours and leave a voice message explaining why you're calling. Ask them to return your call *only if they consider the applicant outstanding*. You'll learn as much from the references who *don't* call as from those who do.

While I won't call a person's current employer, I do mention to the candidate that any offer of employment would be contingent on verification of current employment. If the candidate is lying or seriously stretching the truth, he or she won't accept the terms.

## **HIRING MISTAKE #7 DELAYING THE FINAL DECISION**

Some sales managers keep waiting for the ideal candidate to appear and miss out on some potentially stellar performers. Once you find the one or two people who meet your criteria, make the decision. Now!

Keep in mind that many of the candidates you've been interviewing have been on several interviews and may have a number of irons in the fire. If nothing else, they probably have their résumés floating around the job marketplace. So they're waiting to be snapped up by someone, and better that someone be you if you think you have a fit.

If you have successfully narrowed the field down to one candidate, then it's time to make an offer. If you still have two or three good candidates, offer the position to your first choice but DO NOT tell the other candidates that the job has been filled.

This is important because if your number one choice decides to decline the offer, you want to be able to make an offer to your next best candidate without making that person feel like he or she was your second choice. Your first choice may be just looking for a written job offer that he can take to his current employer in order to negotiate a raise.

**Leave a good impression with those who didn't get the position.**

If you have two equally qualified and desirable candidates, choose the one who wants the job most and/or the one who has the fewest doubts about leaving his or her current job. This reduces the risk of the candidate changing his mind before starting, or leaving soon after he starts.

After you have a signed acceptance, inform the other candidates the position has been filled. If you are filling a senior position, you may want to inform them personally. You want to leave a good impression with those who didn't get the position. Without lying, leave everyone with the feeling that they were your number two choice. Who knows, your number one choice may not work out and you want to be in a position to re-approach your runners-up.

## **HIRING MISTAKE #8 FAILING TO FIRE**

While technically not a hiring mistake, this is usually the mistake that results from making some or all of the other hiring mistakes, which is why I'm including it in the list.

You've ended up with a bunch of losers either through making your own mistakes or maybe you inherited them from the previous manager. Either way, you need to thin the pack and use your new-found hiring skills to rebuild the team.

No sales manager enjoys firing people. It's one of the hardest things we have to do, which is probably why we don't do it enough. Using smart hiring techniques and making fewer hiring mistakes will minimize the need to fire people, but every now and then the deed must be done. However, firing should be a last resort. Always attempt to salvage the situation before you replace the person.

Initial salvage attempts usually take the form of tense discussions between you and the salesperson.

Make sure that:

- (a) the person knows you are unhappy and dissatisfied with his performance,
- (b) he knows what he needs to do to improve (be specific; e.g. an eight percent increase in sales by 90 days),
- (c) your concerns and expectations are written down and,
- (d) the other person signs the document (it now becomes a written warning, the first step to termination).

If firing becomes inevitable, follow this advice:

- (a) do it on the first working day of the week, not the last,
- (b) keep it simple, explain what is happening but don't defend it,
- (c) leave the person's self-esteem intact,
- (d) be prepared with all the required termination paperwork including the last pay cheque and,
- (e) be helpful as you assist the person clean out his desk and head for the door.

Remember, if you think firing is hard on you, just imagine what the other person is going through!

### **No Easy Task**

As you can readily see, it is no easy task to find real salespeople but the timesaving alternative of hiring just any warm body is much more dangerous to your company's financial health.

There is an old saying that, in sports, "A" coaches hire "A" players and "B" coaches hire "C" players. It's the same with sales managers. "A" managers hire "A" employees and "B" managers hire "C" employees. Guess which manager will have the long-term success that matters in today's business environment.

Take the time to hire “A” players.

Remember, hiring mistakes can be very costly. Not only in lost sales, but in lost customers and lost customer goodwill – to say nothing about your lost time. Cut potential losses by hiring smart and avoid hiring duds.

And when all else fails... *Hire for attitude and train for skill.*

Good luck!



## ABOUT THE AUTHOR

**Brian Jeffrey** is a sales management consultant and former sales trainer with over 40 year's experience. He's the author of *The Sales Wizard's Secrets of Sales Management*, *The 5-Minute Sales trainer*, 18 ebooks, and over 100 articles on selling and sales management.

Brian provides sales management consulting, coaching, and mentoring to business owners and sales managers. He has had many sales successes (as well as a few spectacular failures) and has learned what works, what doesn't, and why — information he readily shares with others.

Find out how Brian helps companies maximize their sales at **[www.Quintarra.com](http://www.Quintarra.com)**.

