

Maximizing the Middle:

Why Focusing Your Sales Talent Investment on Mid-Level Performers Will Exponentially Increase Sales Performance

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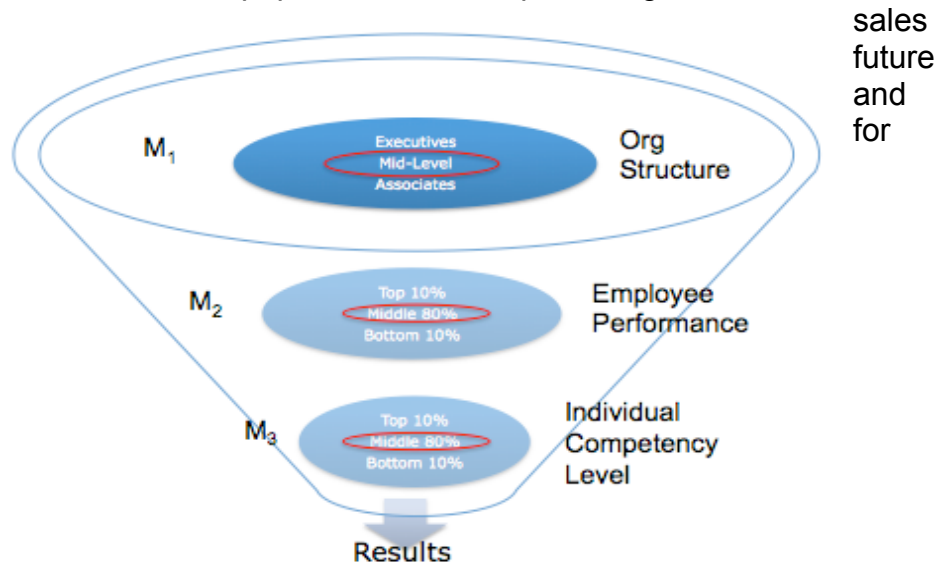
While popular business media and culture tends to focus on sales leadership, there is perhaps the greatest un-mined revenue generating opportunity lying dormant within almost every sales organization in the world: mid-level sales professionals. There's no doubt that it's more sexy and fun to be putting together programs and working with people who are already members of the presidents circle or high potentials, but at the end of the day it's your middle who are doing the bulk of the work. It is also in the "middle" where the greatest development ROI and company performance gains can be derived. A 5% increase from a company's middle performance yields 70% more revenue than a 5% performance increase of a company's top 20% (Sales Executive Council, 2003).

In this work, an overview of what defines the middle, why it is imperative that sales organizations focus on maximizing their middle, and ways to leverage the potential of this sales employee population are presented.

What is the Middle?

As defined in this document, the middle is composed of three employee segments within the sales organization: mid-level Sales Reps (M1), mid-level performers (M2), and employees with mid-level competencies (M3).

M1 – Mid-level Sales Reps, exist between senior executives and sales associates. At a broad level within the sales organization structure you have senior Sales Reps, Mid-level Sales Reps, front-line associates. Mid-level Sales Reps are an often-overlooked population that comprises a great source of untapped revenue, leaders, opportunity increased employee



engagement.

M2 - Mid-level performers; in every sales organization, there are a small percentage of top performers, a small percentage of poor performers, and a dominant percentage of mid-level performers. It is here in this mid-level where the opportunity for greater sales performance lies.

M3 - employees with mid-level competencies. Similar to the performance distribution curve of M2, there is a parallel curve of individual competency level. This curve consists of a small percentage of individuals who are experts and highly skilled (the go-to people), a small percentage of people with lower levels of competency, and a dominant percentage of people with adequate competency levels. It is here in the mid-range where increasing competency levels by even a small amount can have large impact.

Combined, the sums of these “middles” are mid-level, mid-performing Sales Reps, with mid-level competencies. Although this may not be as sexy as developing your sales executive suite or focusing on your high-potentials, it is through developing this core population of sales employees that will garner great results.

Why Focus on the Middle?

There are number of reasons to focus your resources on this middle population. From succession planning, to ensuring alignment between company strategy, and execution of that strategy, the middle is vital to company success.

1. The Link Between Sales Strategy and Execution

The middle are the ones who translate and transform the sales strategy into action and results.

2. They are the face of the company

The middle make up the majority of what your customers experience and perceive from your company. From the first contact through the sales cycle, the ability of your sales middle to connect, represent the company, communicate, and partner with the customer is a vital. The middle also functions as the eyes and ears of the company, acting as a liaison between the customer experience and various functions within the company.

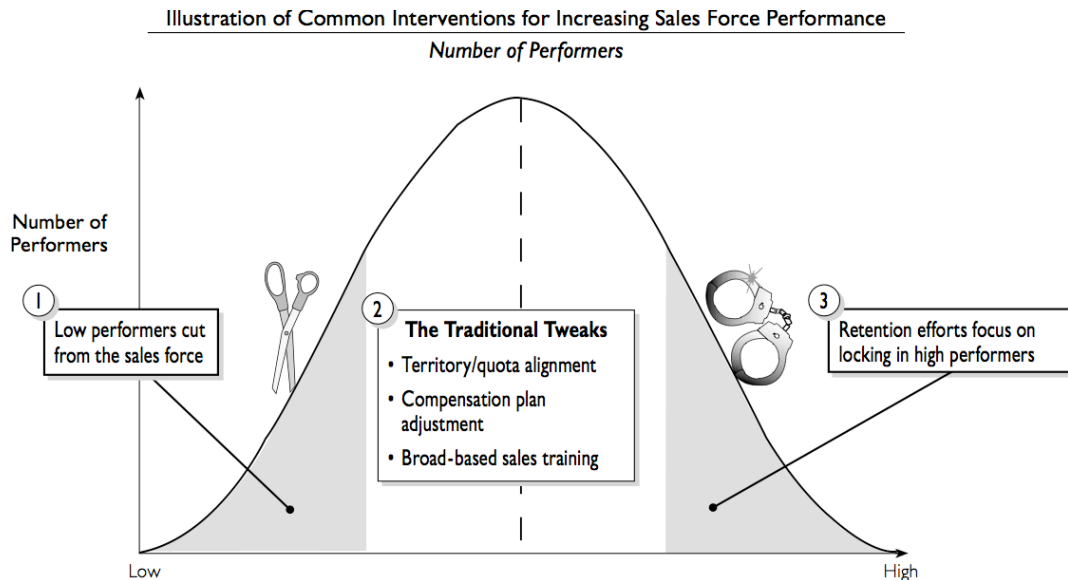
3. Compromise Bulk of Leadership Potential

An additional reason why companies should be focusing on this population is that they make up the bulk of the current and future sales leadership potential. This group, although outside the annual top 10% of top performers, is where a large portion your talent resides.

5. The Key to Increasing Revenue and Performance

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Traditional Approaches to Performance Management, Retention, and Their Shortcomings



Source: www.bea.doc.gov/bea/dn1.htm; *The Cincinnati Post* (20 July 2000); *The Globe and Mail* (16 January 1999); *Greensboro News & Record* (2 June 2001); Associated Press Newswires (30 May 2001); www.bls.gov/schedule/archives/lombsit_nr.htm; Sales Executive Council research.

Some of the more traditional approaches to performance management and retention are well articulated in this particular graph: “Illustration of Common Interventions for Increasing Sales Force Performance.” The graph illustrates the common company performance management “sandwich.” On the left side is the bottom 10% that is normally actively managed up or managed out via performance improvement plans. On the far right side is the top 10% with the enhanced incentive plans to lock them in. In the middle is, well, the middle with the usual question of what to do. A little more training? Perhaps a cost-of-living increase?

Sticking With the Status Quo

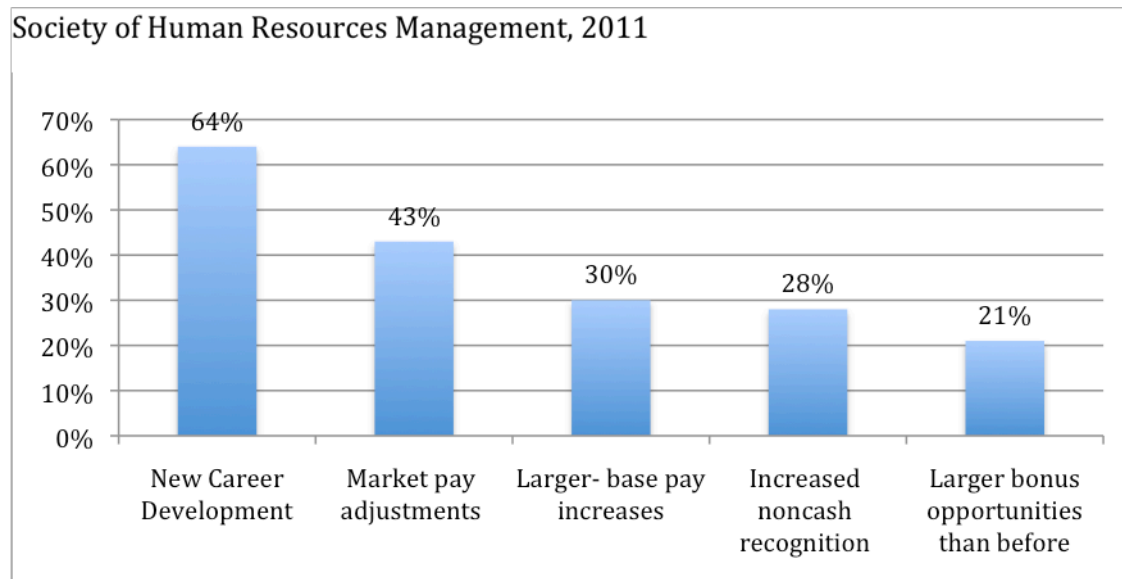
According to a 2011 Society of Human Resources Management study, when organizations were polled about their top talent development plans for 2012:

- 64% said they were going to invest in new career development opportunities;
- 43% said they were going to do market pay adjustments to ensure that the top 10% knows they’re valued;

- 30% said they were going to do base pay increases and to make sure that employees feel good at whatever salary rate they're in and make sure that they're at the top of that range;
- 28% said they were going to increase non-cash recognition, which may include training and other incentives; and
- 21% identified that they would provide larger bonus opportunities than before.

What we see here of the five is that three are money-based as a way to get people to stay, one is about career development, and the other one is about non-cash recognition. The issue with this strategy is twofold. First, the majority strategy as identified above with top talent is to throw more money at them. What is missing, and what we know from Maslow's hierarchy of needs, is that once you hit a certain threshold with respect to having your basic needs met it's about professional development and self-actualization. At a certain point, more money fails to drive performance. Second, focusing big resources on the small segment of your top 10% will not maximize your employee retention and development ROI.

Current Retention Strategies for Top Talent



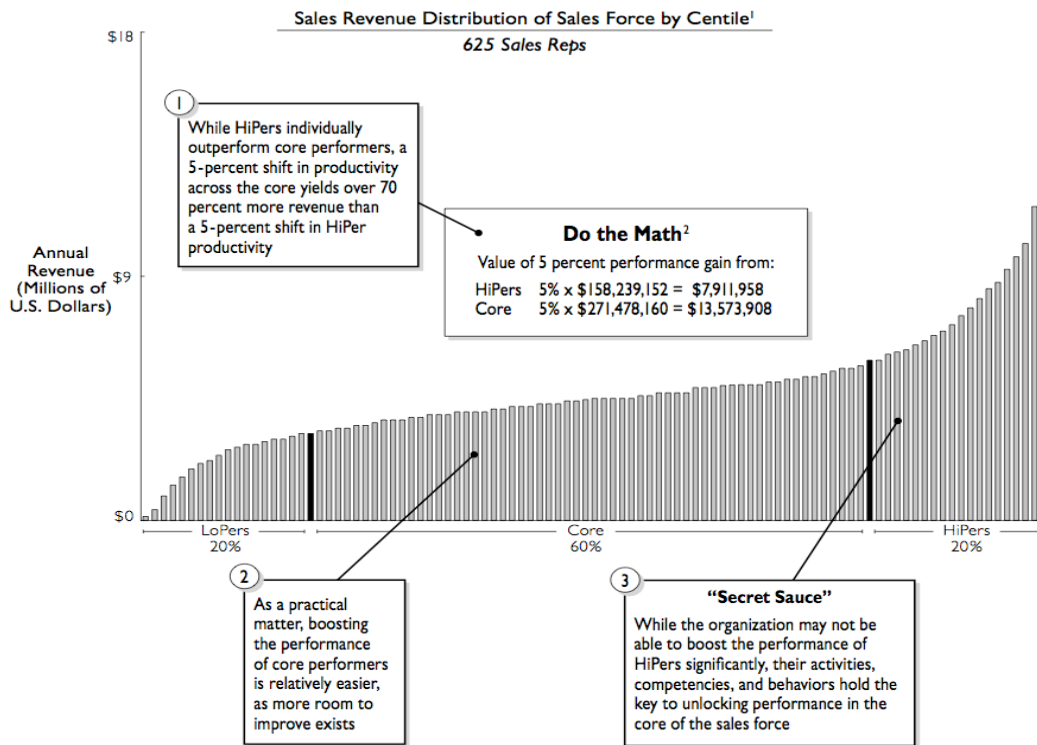
Creating a High-Performance Sales Talent Pipeline

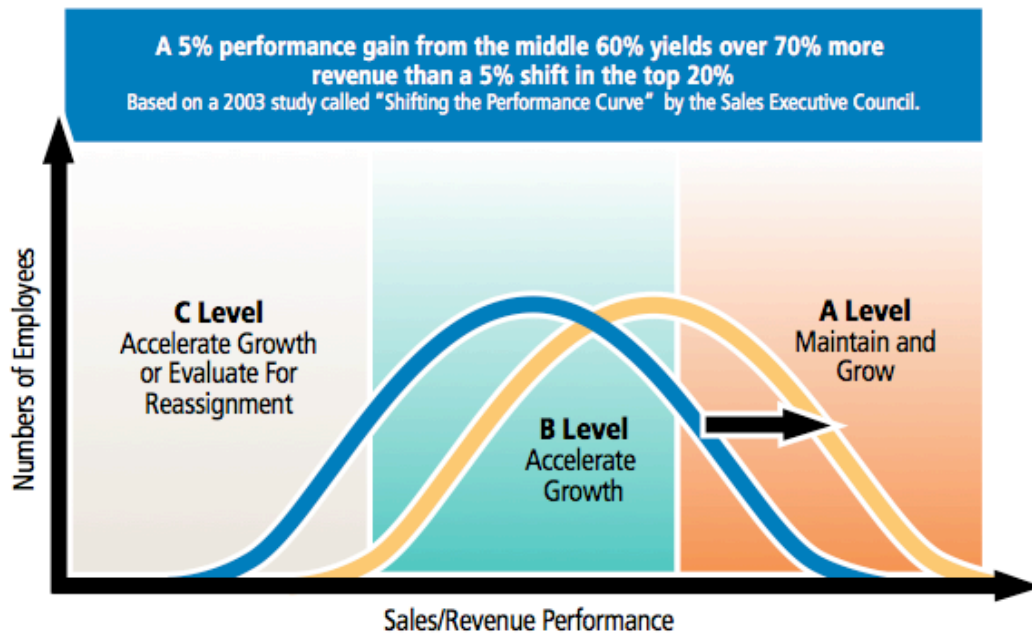
Research from the Sales Executive Council in their 2003 study looked at 625 sales reps and examined the traits and behaviors of the top 20%. It then examined the “B” or middle level and identified if a company was able to accelerate their growth if the company could move them into the top 10%. Another way to think about this is that you're investing in your top 10%, which is

fantastic, but what happens when they move on, are grabbed by another company, or get promoted? Who's after them from a talent pipeline perspective? Investing in your middle 80% ensures you a pipeline of top performers, as well as a performance gain.

When we look more closely, what the Sales Executive Council is saying is that if your top 20% were able to increase their sales by 5%, you're looking at a \$7.9 million increase. If you took your core 60% (which is, by the way, three times more people) and you got them to increase their sales by 5%, you'd see a \$13 million difference. So just by sheer volume alone, when your middle 60% are actually able to produce more, you see a 70% difference. Normally, companies look to the top performers and ask them to produce more, instead of looking at the middle and driving them to do more. See the chart below for more details:

ROI – Details...





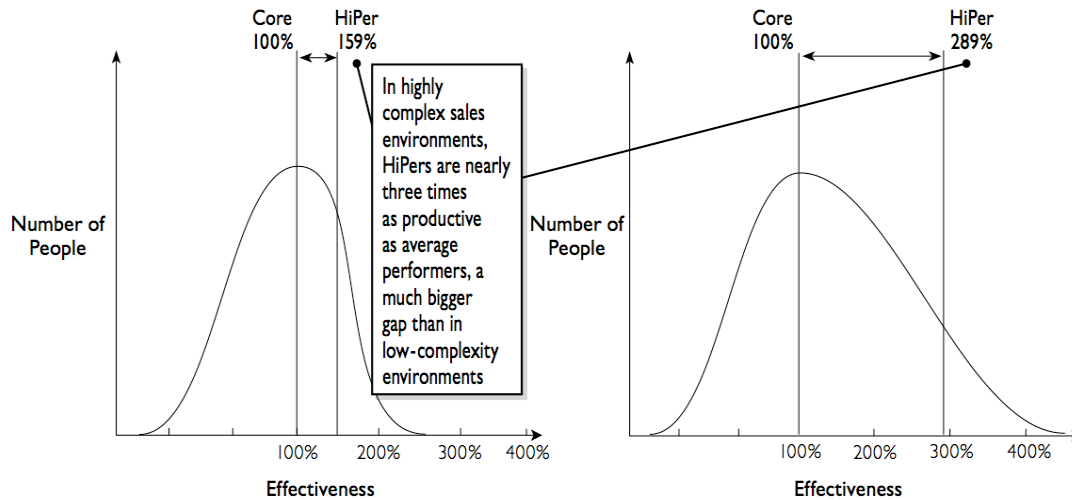
Maximizing the Middle through Individual Skill Development

When we go back to the Sales Executive Council study, one of the things we notice is that as the level of the complexity of the job increases, you start to see larger differences between top sales performers and your middle performers. This variance is the result of differing skill competencies.

When the job gets more complex or demands are increased, sales employees are not able to keep up. For middle performers whose skills and perspectives are perhaps not as developed, there becomes a growing performance gap. See the chart below for more details:

Comparison of Core and HiPer Productivity in Low-Complexity, Transactional-Selling Environments

Comparison of Core and HiPer Productivity in High-Complexity, Solution-Selling Environments



n = 76.

Source: Sales Executive Council Member poll 2003; Sales Executive Council research.

Sales Reps need the skills to quickly be perceived as credible and a match for the executives to whom they are selling. An effective sales person needs to be able to guide their client through the process of exploring, educating, solving the problem, and closing the sale. The skills underlying the ability to navigate complexity transcend traditional selling skills. Top sales performers have high levels of communication, strategic thinking, emotional awareness, resilience, and other skills traditionally identified as leadership skills.

Strategies for Helping the Middle

Sales training tends to focus development on two ends of the spectrum: fix what is wrong with a person (remedial models), or maximize and leverage what is working well (strength-based models). Remedial models aren't the best paths because they focus on negative traits and tend to instill or reinforce a sense of fear for one's job or self-doubt. Strength-based models stroke the ego but fail to stretch a person to grow and expand their capabilities.

To maximize your middle, you need to do something different.

Key Opportunities for Middle Skill Development

Maximizing your middle requires that you understand the skills that are most relevant to leveraging your middle. These "middle" skills are those that are neither the strongest nor the weakest. Centering on the 1-3 mid-range skill sets, you will provide the greatest return in terms of individual sales performance and results. The rationale is that investing time and dollars into the bottom of one's skill repertoire will only gain slight improvement in those skills. Investing the

same dollars and time in your strongest skills will also garner marginal improvement. Investing in your middle employees garners the greatest potential performance ROI.

The typical middle skills that we've encountered among hundreds of individuals can be organized into four categories:

1. **Managing Self** – The skill category of managing self centers on an individual's emotional intelligence, including his or her level and ability for self-reflection, ability to understand how his or her actions or behaviors or external emotions affect the people around them, and his or her ability to learn and grow emotionally. When individuals are self-aware, they read customers more effectively, adapt faster, build stronger credibility, and exhibit emotional control. Managing self is critical to building trust and credibility with a client.
2. **Managing Others** - The skill category of managing others centers on the ability to effectively provide and receive feedback, resulting in clear two-way communication and alignment with objectives with customers and with coworkers. Effective delegation; ensures alignment of resources and the ability to get work done, maximize resources, and align efforts to the right priorities. Coaching skills; enable effective working relationships with coworkers and customers, ability to ask the right questions, understand challenges, issues and objectives, explore a range of solutions, and be seen as a partner in the sales process, and build trust.
3. **Leading The Sales Process** - Sales people sometimes struggle with leading the sales process and allow the customer to lead - that can result in elongated sales processes or lost deals. The skill category of leading, centers on the ability to think strategically about the issues facing the customer. This category also includes innovation in order to creatively solve problems, bring new ideas to customers, and break away from old ways of thinking. In addition, this category includes the ability to effectively communicate and inspire.
4. **Execution** - The skill of execution centers on the ability to effectively plan, organize, and implement. The ability to effectively execute is imperative to ensuring sales success, driving greater productivity, and results.

Developing the skills of your middle can range from specific technical training, to career mentoring, to leadership coaching.

Taking Action

Below are the steps that will help you begin the process of maximizing your middle:

1. **Identify** your middle and the percentage of these employees in your company. This will give you a clear picture of the scope of the opportunity.

2. Prioritize job families within your sales population. Some roles and functions are more important than others at different times. Understanding what your development priorities are will help ensure you are maximizing your budget.

3. Review and confirm current performance programs that you have in place. Identify if or how these program can be aligned to driving middle performance. Identify what new programs will need to be deployed, the budget required, and the timing.

4. Identify how success will be measured at a programmatic, cohort, and individual level. If you are implementing large-scale coaching programs, ensure that the programs can measure behavior improvement as well as broader ROI.

Conclusion

Only 30% of 150 companies surveyed are taking the appropriate steps to maximize their middle 80% of employees. Of these same companies, only 33% are taking action to maximize their middle (as defined in this document). For any sales organization looking for a way to drive sales productivity, improve business results, and increase their competitive position, maximizing the middle should become a priority.