

**allego** 

## **The Ultimate Guide to Assessing Sales Rep Competency**





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**Does this story sound familiar?** You're the head of sales and it's the end of quarter. You find yourself relying on a few "rock stars" to hit the numbers. The rock stars, along with a few lackluster sales reps, somehow pull out the biggest deals on the last day of the quarter.

And so, you hold on to mediocre reps and hope that the rock stars will carry the team. The result: massive uncertainty as every quarter winds down with a few deals resting on a handful of sales reps who will make or break the number. In other words—uncertainty.

**We set out to find out how to pave a better path and find the recipe to reduce the uncertainty in the sales process.** Proactive leaders want to know which reps need help before it impacts the business's revenue. They strive to reduce the risk of missing quota and create highly competent sales teams. In this study, we go beyond the lagging indicator of quota achievement to **uncover the metrics that sales leaders should use to assess sales competency and create highly functioning, winning teams.** These results show the practical yet achievable best practices that speed on-boarding, encourage frequent coaching and provide sales reps with the individual attention they need to succeed.

**It's time to ensure you are on the path to moving your "B" and "C" players to "A" players. Here's how:**

It's the ONE FACTOR that's both a leading indicator AND under your control.

## Sales Competency: the One Factor That Is Both a Leading Indicator and under Your Control

Let's start by asking why this topic matters. Sales leaders are busy. Why bother with something as geeky-sounding as assessing sales competency?

Simple. It's the ONE FACTOR that's both a leading indicator AND under your control.

Your job as a sales leader is to hit the number, consistently, quarter after quarter. Given how critical the number is, sales leaders like you care a great deal about whether or not your teams are on target. So you invest enormous effort into forecasting. You measure the amount of sales activity, dive deep into the pipeline and use your sixth sense to uncover if trouble is brewing.

But what can you really do when your pipeline indicators look light? By the time trouble shows up, it's too late to do much about it. You don't control your customers' buying cycles. At most, you can try to accelerate buying cycles unnaturally, usually by dropping the price.

There is another "leading indicator". It's measurable. It's your team's proven ability to execute on the disciplines of sales competency. **Competency is the one leading indicator that predicts your team's future ability to hit the number**, well in advance of the current quarter. And, it's fully under your control. That's why it's worth assessing the competency of your team.

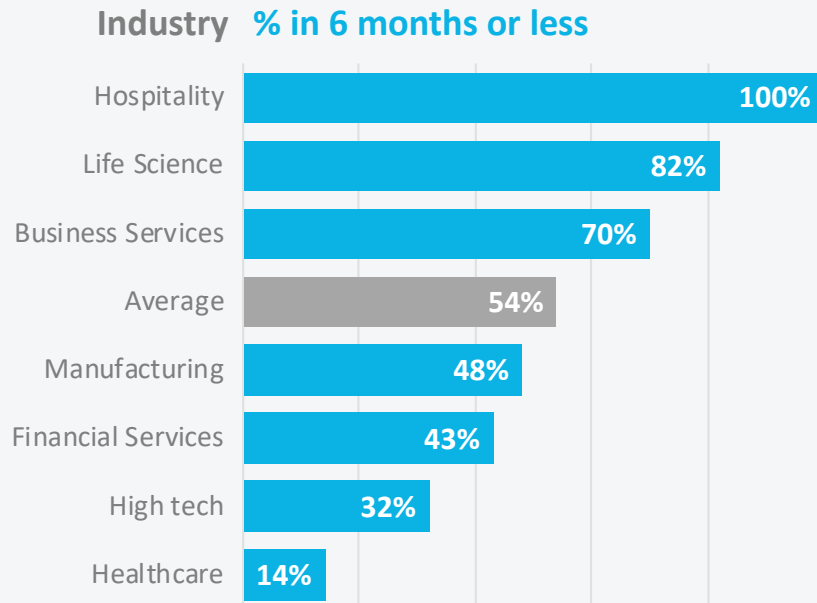


# The State of Sales Competency



## Ramp Times by Industry

We asked respondents to define how fast they ramp a new hire to a full quota-bearing rep. Overall, 54% fully ramp their new sales reps in less than 6 months. But this varies by industry: Hospitality ramps the fastest with 100% of their reps ramping in less than 6 months. Life Sciences sales teams ramp 82% in 6 months. Only 32% of High Tech companies ramp their sales reps in less than 6 months.

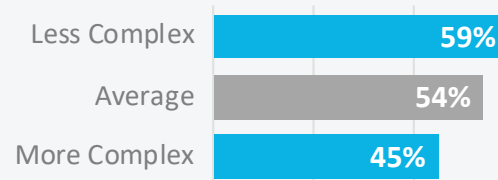


## Ramp Times by Product Complexity

We also broke this out by complexity. Not surprisingly, reps selling more complex products take longer to ramp. But even for complex products, 45% of the teams were able to ramp their sales reps in less than 6 months.

One difference we noticed amongst the high performing firms with complex products: [Those that hire reps with industry knowledge claim a 20% faster ramp time.](#)

### Complexity % in 6 months or less



Companies with complex product decrease ramp time by **20%** by hiring reps with previous industry knowledge.

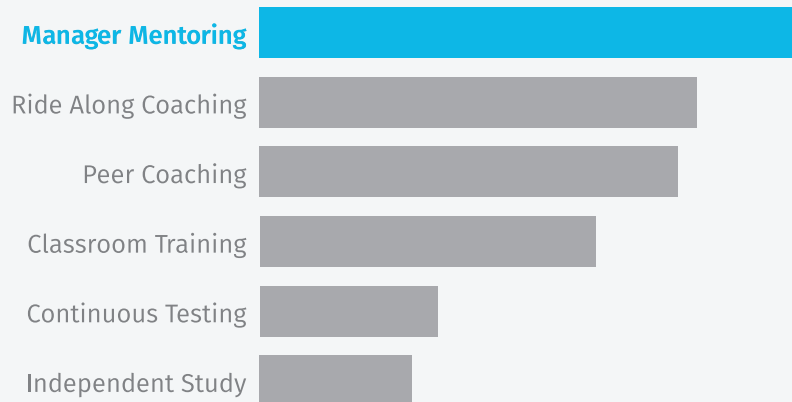
Put more emphasis on manager mentoring, with continual effort, to achieve **faster ramp time.**

## Most Effective Way To Ramp Sales

When it comes to the best approaches to ramping new salespeople, in-person, [one-on-one mentoring](#) from the sales person's direct manager and coaching on sales calls works best according to our panel.

Sales leaders that achieve the fastest ramp time put 12% more emphasis on manager mentoring as the primary way to train and ramp new sales teams. They also commented that [mentoring wasn't a once and done proposition](#); mentoring should be done continuously.

On a 1-5 scale, rank the effectiveness of the following mechanisms used to ramp salespeople.



## Sales Training Approaches Commonly Used

When we asked sales leaders which approaches they use for sales training, [sales leader coaching](#) came out as the most popular.

Most focus on sales leader coaching. The least used mechanism is just-in-time training.

The percent using each of these tactics broke out this way:

- Sales leader coaching **50%**
- Yearly sales meeting ("kickoff") **44%**
- Quarterly sales meeting **38%**
- Peer training **36%**
- Sales playbooks **35%**
- Mentor program **34%**
- Sales bootcamp **27%**
- Just-In-Time training **16%**

The high performance teams in our survey [invested more in peer and mentoring programs](#) and less on traditional sales bootcamps.

High performers put at least 10% less emphasis on boot camps, dropping it to less than 17% of the focus and they put more emphasis on peer and mentoring adding 15% more to their focus on peer and 20% more to their focus on mentoring.

Which approaches do you use to deliver sales training to reps?







More companies should consider using just-in-time micro learning training to support their reps knowledge.

## Consider New Approaches to Training

While only 16% of respondents have adopted the newer approach of “Just-In-Time” training, the latest trends in training show that it is one of the more effective approaches to adult learning.

“Just-In-Time Training” is an alternative to the traditional approach of “just-in-case” training, in which reps try to learn everything they might need to know, including edge scenarios most won’t face, “just in case” they do. Instead, formal classroom training focuses on the 20% reps will use continuously and provides the other 80% as “micro-learning” assets, like 3-minute videos, for reps to access and learn only if and when they actually need it.

Think about YouTube, for which a common use is learning how to do something quickly, or as a reminder of intricate details that may be needed only rarely. **This concept of just-in-time micro learning is a powerful approach that more organizations would benefit from adopting.**

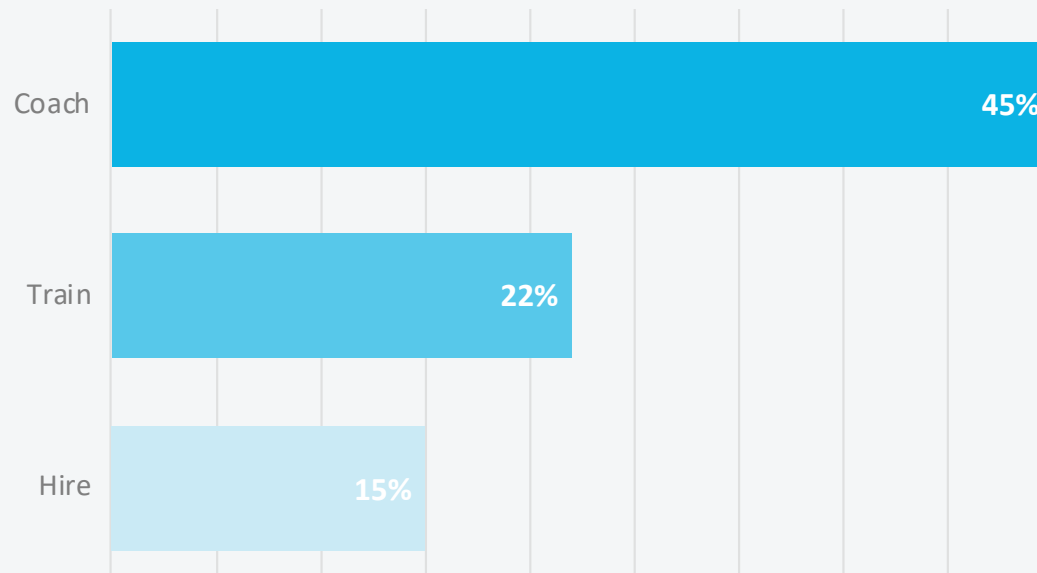
## Sales Training Approaches Commonly Used

We asked sales leaders how they created “A” players with an open-ended question. Their replies mostly fell into three buckets.

First, make sure you have top-notch coaching including consistent and constant feedback to the sales rep, clear goals, and proactive and constant mentoring.

Second, focus on training so that you your reps know the product inside out. As one respondent mentioned, make sure they know the product cold.

And third, focus on hiring. Some believe you can’t hire “A” players because “good sales people aren’t made; they are born.”



### 1 Coach

- “constant feedback”
- “invest your time”
- “set goals, explain them, live them”
- “constant one-on-one feedback”
- “mentor: day in, day out”
- “be proactive”
- “effective, focused, consistent practice”

### 2 Train

- “weekly meetings focus on product training”
- “training, training, more training”
- “train them to work on and solve customer needs”
- “know the product cold”
- “train until confident; confidence yields competency”

### 3 Hire

- “hire “A” players to start”
- “hire from industry”
- “hire good people and minimize disruptions”
- “most sales people aren’t made; they are born”

## Which Skills Define Sales Competency?

Now to the heart of the matter: We asked respondents to rate which skills are most important for defining sales competency. We used a scale of 1-5, 5 being most important.

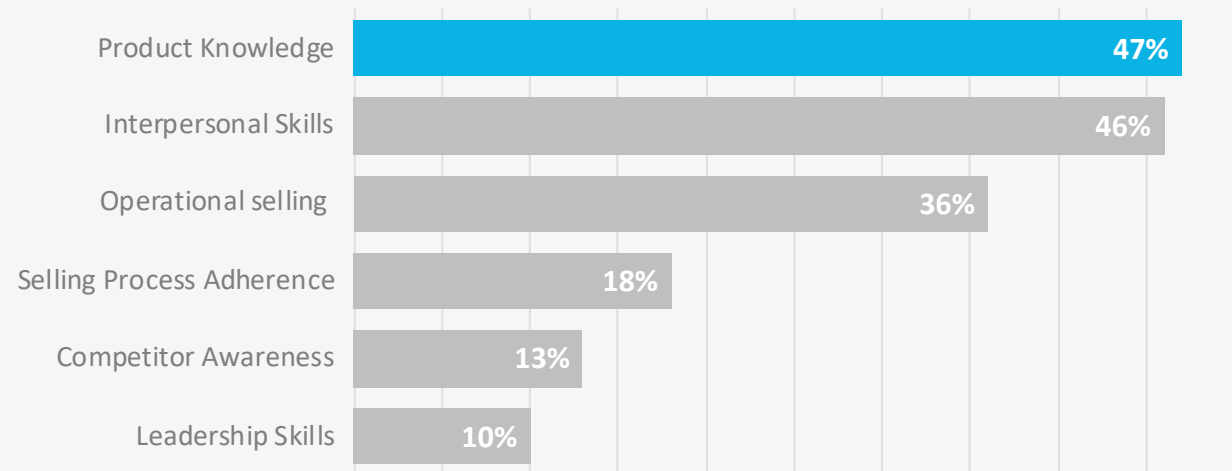
47% indicated product knowledge was the most important feature and ranked it a 5. Sales leaders rated interpersonal and operational selling skills as the second most important (just behind product knowledge).

Given this focus on product knowledge, you should ask yourself: [Do you certify your reps on their product knowledge?](#) Are you keeping them up to date on product changes? Can they easily call out your product differentiation?

[High-performing companies focus even more on product knowledge](#)—saying that it was the number one way at 65% of their focus.

65% of high performing companies rated product knowledge as the most important skill to measure sales competency.

### Which skills are most important to define a sales persons competency?



# Which Sales Skills Do Managers Assess?

Next, we drilled into selling skills more granularly. We looked at the 8 key aspects of sales competency including sales planning, prospecting, qualifying pipeline, pitching to prospects, negotiating contracts, closing deals, managing customers, and retaining customers.

Across all respondents, closing (70%) and prospecting (69%) were the most important

areas of sales competency to measure. Only 53% of respondents indicated that ability to pitch the solution was an important competency to measure.

Of course, building pipeline and closing deals are important aspects of the sales role. But the story changes when you evaluate high-performing companies.

## For which of the following skills do you assess your reps?



## Top Performers Focus on Sales Messaging

High-performing companies had a dramatically different view on how to assess sales competency. They believe a sales rep's sales messaging – the ability to pitch the solution – is the most important sales competency to measure. 80% of high-performing companies assess their reps on pitching versus only 53% of the general population. High-performing companies indicate that [pitching](#)

the product, with a [focus on the product aspects that deliver on the buyers needs](#), and the [sales person's ability to quickly discern what is important to the buyer](#), create a winning combination and drive high quota achievement. These organizations also put more emphasis on prospecting new opportunities than the general population of respondents.

### For which of the following skills do you assess your reps?



## What: High Performers Assess Additional Competencies

High-performing companies added that, in addition to the competencies we asked about, they focus on other areas as well:



### Communication skills

These companies indicated that they are looking for people that “communicate clearly and articulately”.



### Customer feedback

High performers ask customers about their sales person’s ability to sell, pitch and maintain healthy relationships.



### Problem solving

The ability to solve, or lead others to solve, complications that arise during and after the sales process.

## Determine Sales Competency

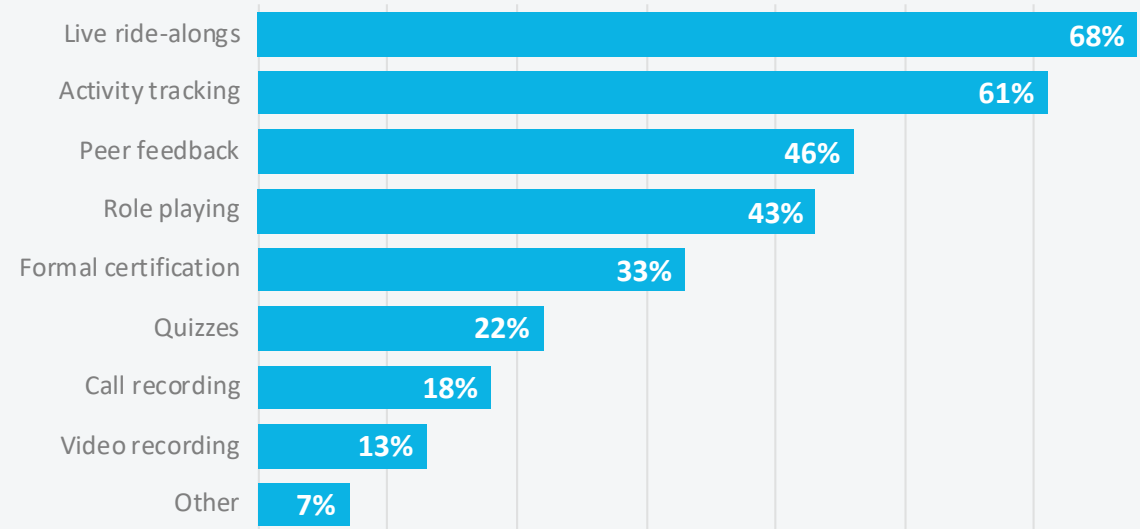
You know the saying, “you have to see it to believe it”. It rings true for sales leaders as well. [The most popular mechanism used to assess a sales person’s competency is “live ride-alongs”](#). Our sales leaders indicated that seeing the sales person in action is the best way to determine their overall competency. This also aligns with the high rating given to the importance of interpersonal skills and selling skills in measuring sales competency.

[Activity tracking](#), like measuring the number of interactions with clients, number of meetings, and other industry-specific activities, is the second most common way to assess competency. Today’s customer relationship management tools, like Salesforce, make measuring these metrics easy.

Our survey found [significant differences across industries](#) in the means used to assess sales competency.

- **100% of Life Sciences sales leaders** use ride-alongs, compared to just 68% of the general population. This stems, at least in part, from the regulation and compliance risks faced by Life Sciences sales teams.
- **80% of High Tech sales teams** use activity tracking to measure competency compared to 61% of the general population. This is likely due to High Tech companies’ adoption of technologies that make it easy to monitor sales activities.
- **60% of Healthcare services organizations** use this call recording to assess competency whereas only 18% of the full panel of respondents reported using call recordings.

### Which tools do you use to assess sales competency?



### Industry Differences in Sales Competency Assessment

**100%**  
Ride-Along  
in Life Sciences

**80%**  
Activity Tracking  
in High Tech

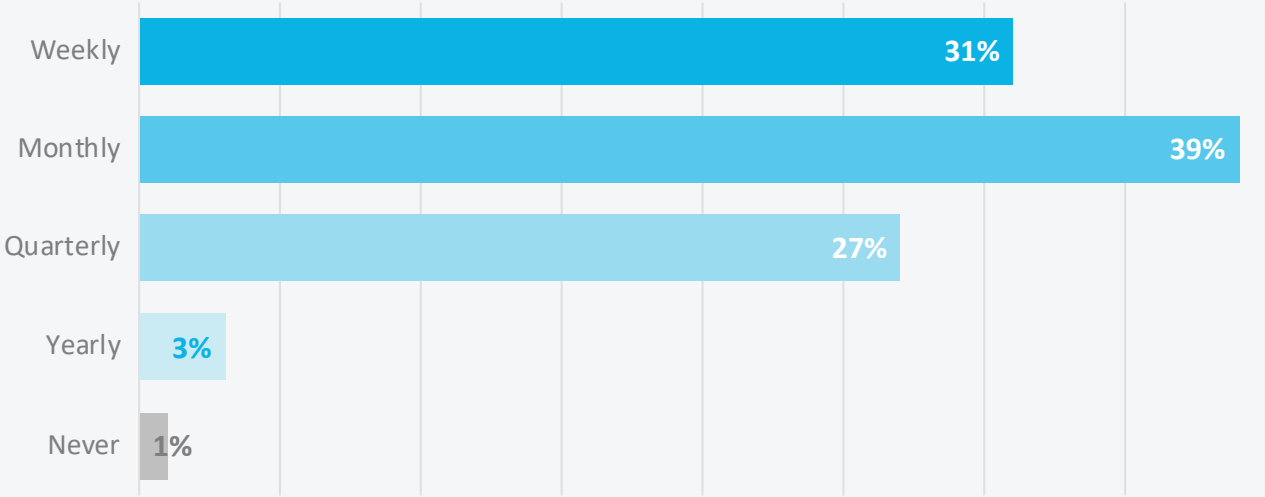
**60%**  
Call Recording  
in Healthcare

# When Do Managers Assess Their Teams?

We asked how often sales leaders are measuring their sales reps' performance. 70% of respondents say they measure it regularly, in an ongoing fashion, with the balance (30%) only measuring quarterly or less. [High performers assess sales team competency more frequently](#): 85% focus on continuously measuring sales.

**85%** of high performers measures sales team performance weekly or monthly.

How often do you measure sales teams' performance?





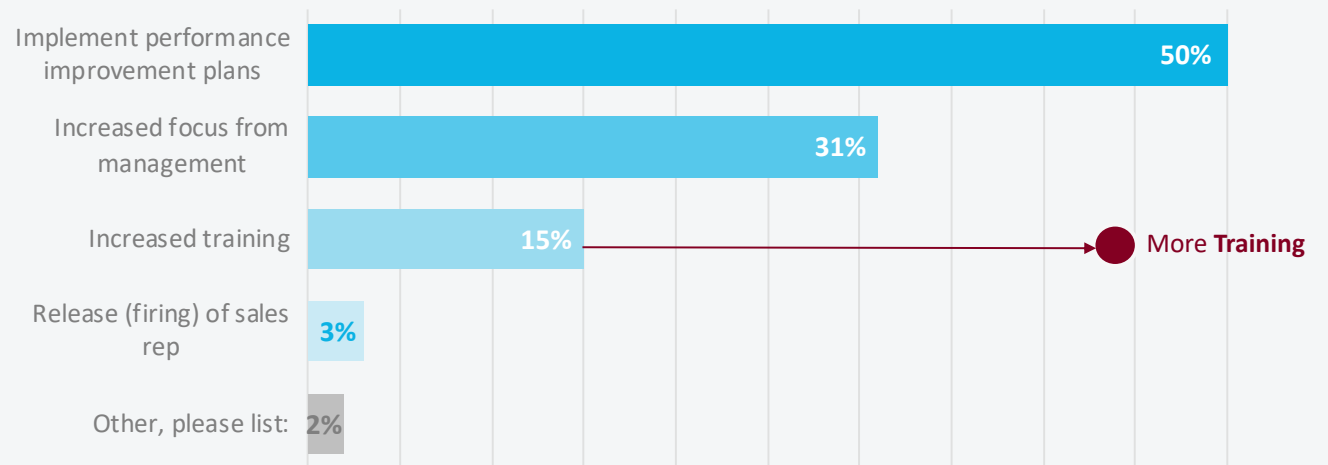
## Handling Competency Gaps

Finally, let's look at how sales leaders handle gaps in salesperson competency. The good old "PIP", Performance Improvement Plans, is the by far the most popular way to deal with sales rep competency gaps. But what does a PIP really accomplish other than spurring the rep to revamp their resume?

In contrast, [high performers reduce their focus on performance improvement plans and lean into training reps who have competency gaps](#). They respond with training 3 times more frequently.

High performers  
address competency  
gaps with training  
**3x more.**

### What action do you take when assessment indicates competency gaps?





## Key Takeaways From High Performance Teams

We found five important takeaways from this data.

- 1 Companies that use manager coaching to train sales reps also ramp the sales reps to full quota-bearing faster.
- 2 High performance teams put less training effort into boot camps and more into peer and manager coaching.
- 3 When it comes to the specific skills they ensure reps possess, top performers focus on sales messaging—the ability to pitch the solution, with an emphasis on knowing the product and how it delivers value.
- 4 High performance teams measure performance and assess competency more frequently and continuously.
- 5 When they find competency gaps, the best sales teams respond not just with a PIP, but with training that addresses those gaps.

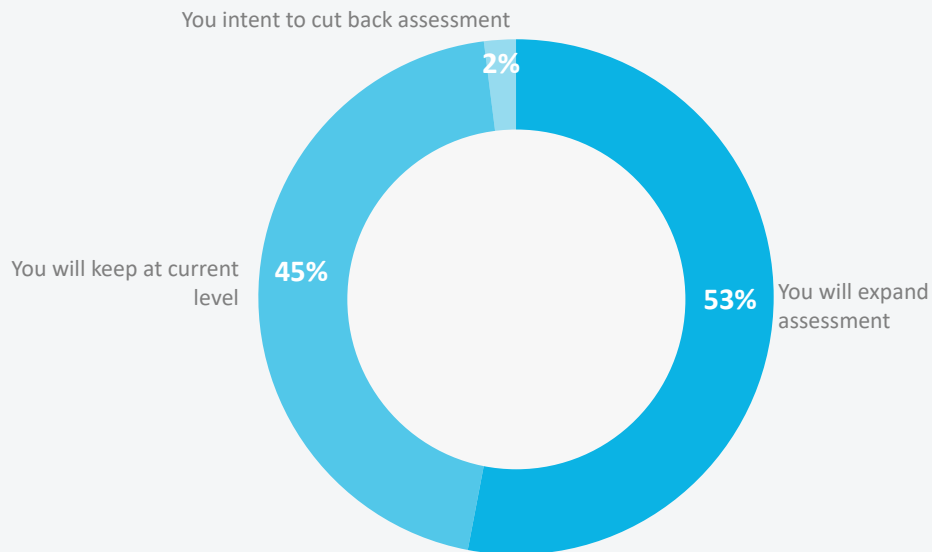


# The Future of Sales Competency Assessment

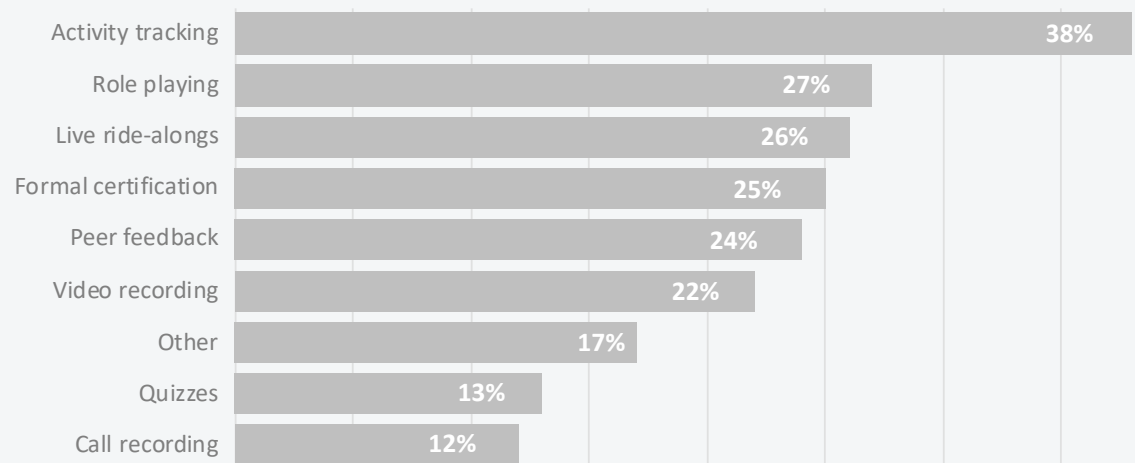
## Where Do We Go From Here?

We asked where companies will take their sales competency assessment in the future. Most organizations (fully 53% of respondents) believe they should expand their assessment of sales competency. 38% plan to add activity tracking and will focus on using the technology they have in place to get an accurate and frequent picture of their sales teams competency. 27% plan to add role-playing to their assessment of sales peoples' competencies.

### In the future, how do you see your assessment of sales competency changing?



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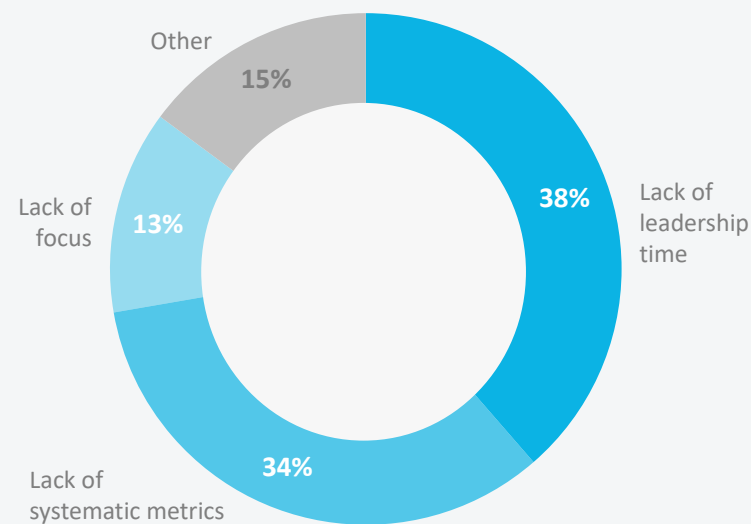
## Barriers to Assessing Sales Competency

While the majority of sales leaders plan to conduct more sales competency assessments in the future, they'll have to overcome several barriers to do so. A [lack of leadership time](#) and [lack of systematic metrics](#) are the two big ones.

This "lack of leadership time" conflicts directly with the specific training and assessment activities that distinguish high performers: mentoring new sales people, coaching reps, going on ride-alongs, etc. That's where technology can help.

34% of companies say that lack of metric-based facts also hinder their ability to assess sales peoples' competency. We see that critical training and assessment activities are handled in-person today using less quantifiable means like manager coaching and ride-alongs. So organizations will have to overcome these barriers by [using technology that enables measurement of competency](#).

### What prevents you from more thoroughly assessing sales rep competency?



## Overcome Barriers to Sales Success

Until very recently, the words “training” and “innovation” haven’t been used together to refer to most organizations’ sales onboarding and competency. For decades, sales leaders have used tactics that include time intensive ride-alongs, firehose learning of the sales bootcamp, and expensive yearly sales meetings. When these fail to produce the right results, reps are put on performance improvement plans. This is not the recipe to turn your “B” and “C” players into “A” players.

Today, with modern technology, you have the opportunity to do better. You can use mobile devices, video, peer-to-peer mentoring and just-in-time micro learning to change the game.

Combining innovative technology with your focus on improving sales competency creates new opportunities:

- **Enable reps to practice their pitch using any device to record their progress.** They can share recordings with managers and trainers for review, and once they get it down pat, become certified. Managers can review the reps’ progress, wherever and whenever they like, even on an airplane, breaking the requirement that reps and managers be in the same place at the same time to get coaching and feedback.

- **Foster a culture of peer-to-peer training as a way to overcome that “lack of management time” barrier.** It’s a force multiplier. Our past survey shows that salespeople like learning from their peers more than from trainers or those that aren’t in the field day-to-day.
- **Make it easy for reps to train and improve their competency by enabling them to spot best practices from reps across the globe.** When it is easy to uncover best practices and collaborate with the best performers, reps will implement best practices swiftly. Measure competency digitally with a record of feedback provided to each rep. Make it easy to score a reps’ pitches, and provide insight into skill and knowledge mastery.
- **Move from the old episodic, in-person, “just-in-case” model to a constantly on, micro-learning, just-in-time model.** This less disruptive and less costly approach provides repetition and enables managers to focus on training gaps.



**Every company wants to create a high performing sales team. We’ve uncovered the model that promotes learning programs that will create highly competent sales reps and creates an environment that breeds “A” players.**

# The Methodology and Study

Using a research firm called Research Now, we surveyed 150 sales execs and sales enablement VPs about their sales teams' competency metrics and assessment. We asked about their hiring, how they ramp, how fast they ramp, which approach they used to training and how they assess and measure competency.

We were able to segment high performance teams from the general population. Here, we document for you where they differ and **what you can do to mimic their success**.



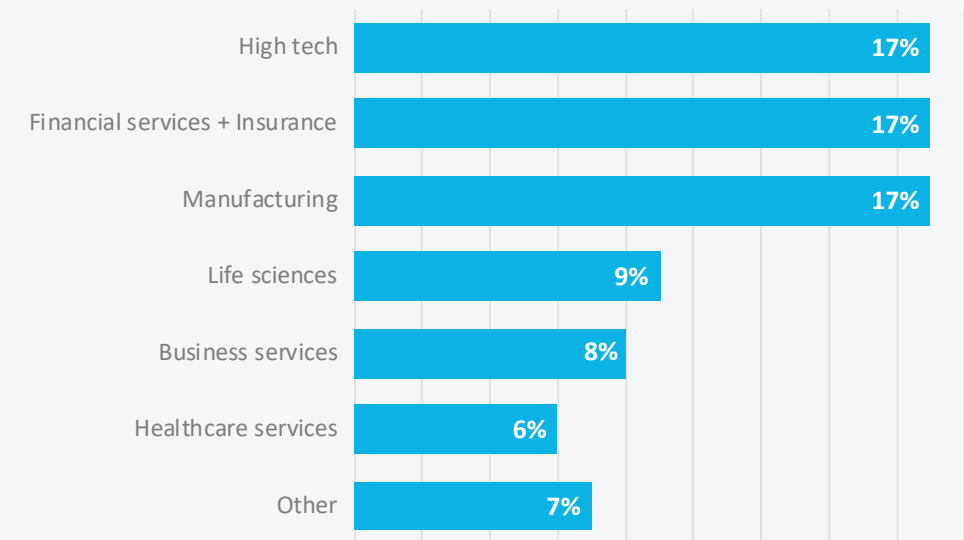
## The Data

Our survey responses came from executives with these characteristics:

- CEO, CRO, SVP/VP of Sales, Sales Director, Sales Enablement Director
- Large companies with 250 or more employees that have large numbers of sales reps
- Using a B2B sales model
- 40% rate their product as highly complex (top of those on a scale of 1-10)

## A Look at Our Panel

While we focused on B2B sales, we set out to ensure we had broad support from industries and businesses of varying levels of success. Our data came from differing sectors, including High Tech, Financial Services and Manufacturing. Where appropriate, this report will highlight the differences found across industries, but for the most part results are similar across each industry.

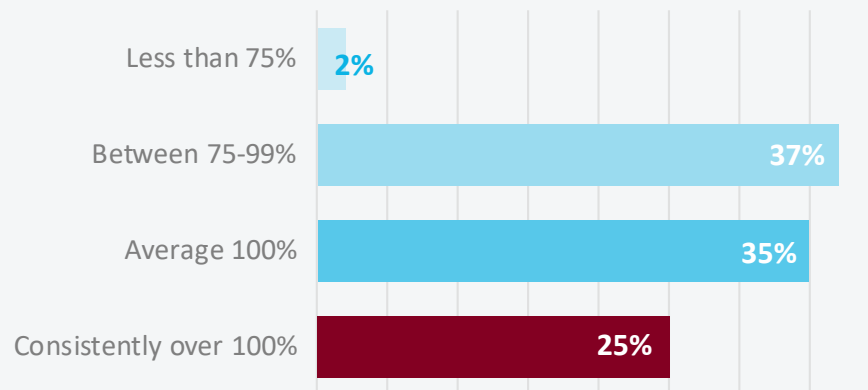


## Comparing Highest Performing Teams vs. the Rest

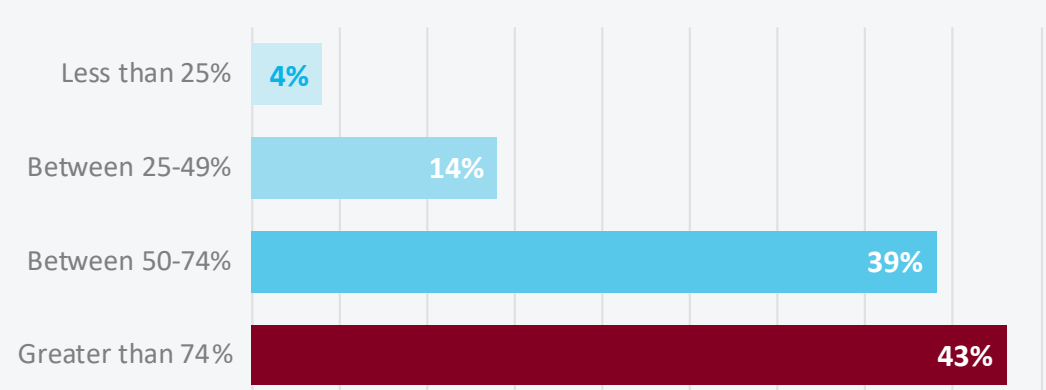
We also sliced the data by sales team achievement. We defined “high performers” as those sales teams that achieved 100% or more of their quota in the last year and those with more than 74% of their sales reps achieving quota in the last year.

In the context of onboarding, we defined “high performing” as those that ramped sales teams the fastest.

### What is your team's average quarterly revenue achievement versus goals over the last 4 quarters?



### What percentage of your sales reps achieved quota in the last 4 quarters?





# About Allego's Sales Learning Platform

- Deliver consistent, proficient messaging
- Share peer-to-peer best practices
- Reinforce skills and knowledge in the field
- Expand coaching opportunities
- Increase manager accountability



Harnessing the convenience and power of mobile, video and peer learning, Allego's sales learning and coaching platform reinvents sales training to help teams accelerate time to competency, accurately deliver on message, confidently handle objections and effectively articulate value. Enabling better performance for tens of thousands of sales professionals across high tech, financial services, medical device/life sciences and other industries made Allego the 5th fastest-growing software company on the 2017 Inc. 500 list.

Explore further at [www.allego.com](http://www.allego.com).