



How to Attract and Retain Top Performers to Win the Battle for Talent and Beyond



A Stark Reality

The most persistent threat to CEO's and CRO's growth plans is the battle for commercial talent. In late 2021, SBI research estimated that over 50% of seller capacity was at risk for most organizations. Factoring open headcount, past attrition, expected attrition, ramping backfill talent, and required growth hires, this number likely understates just how much sales capacity is at risk for most organizations.

To help growth leaders take action, SBI and the Top Percentile Collective, a firm specializing in support for top performing sales professionals and their employers, partnered to conduct a large-scale survey of several-hundred quota-carrying sales professionals across high-growth B2B industries. Further, we conducted over 100 interviews with CEOs and CROs to understand how organizations were managing this reality. Our intent was to understand: "How do CEOs and commercial leaders attract and retain A-Players amidst this unprecedented battle for talent?" While this research focused primarily on the tech and tech-enabled services verticals, many of the implications span industry.

Our research surfaced a remarkably stark conclusion: the typical engagement drivers most organizations prioritize in a tough labor market -- including compensation, work-life balance, immediate title advancements and promotion opportunities, and strong sales organizational culture -- have little impact. Instead, firms need to focus on supporting longer-term career ambitions, near-term seller support, and building confidence in their sales team's path to immediate victory.

This research critically examines what gets sellers to stick around, and more importantly, what A-Players demand from their current (and next) employer.

The Battle For Talent Is Here To Stay

Strong growth environments, remarkably strong talent demand, and increasingly flexible work conditions have created a “seller’s market,” providing more options and better offers for sales professionals. Three common challenges face CEOs and their commercial leaders today:

- **JOB SEEKERS HAVE THE LEVERAGE**

Our research revealed that in today’s environment, companies are typically offering base salary increases ranging from 20-30% to bring in quality new hires; some reported upwards of 50%, likely reflecting required market corrections. Many are resorting to untraditional levers such as equity and other creative LTIs to secure sales talent.

- **DEMAND OUTWEIGHS SUPPLY**

Our research found that the average company was carrying 12% open territory (which is particularly notable given surveying occurred in December 2021 and January 2022, with many organizations wrapping their fiscal years). We also found 65% of organizations reported more open sales roles relative to last year.

- **JOB-HOPPING IS BECOMING THE NORM**

Sellers are shifting roles more quickly than in the past. We see the typical tenure at roughly 21 months for quota-carrying roles. Small, mid-size, and even smaller enterprises are not capable of hiring, onboarding, ramping and enabling talent to reach productive levels in such a short time period. Early 2022 saw average seller attrition rates of 27% (16% for A-players).¹

These challenges present clear implications for sourcing, hiring, onboarding, and engagement of sales talent. Further, this dynamic raises questions on how organizations should broadly think about sales capacity and support -- seeking greater contribution of marketing across the full funnel, buyer enablement programs, digital selling and commerce, and driving step-function increases in sales productivity through digitally-enabled opportunity identification and deal interrogation — issues we’ll address in subsequent articles.

1. SBI and The Top Percentile Collective Joint Research; n=121 companies and 650+ quota-carrying reps.



Question Your Instincts

The general sentiment we heard in CEO and CRO interviews in late 2021 and early 2022 was “we think the worst of the great resignation is over for us.” Our analysis portrays a different story. Across this time period, we surveyed over 650 sales professionals to understand their degree of job-seeking, as well as the broader organizational considerations that were prompting them to stay or leave their employer. We found the majority of sales professionals, and moreover, the majority of high-performing sales professionals are actively looking for new employers.

Job seeking behaviors we tracked included actions such as sending a resume, speaking with a recruiter, explicitly planning to leave, among other indicators. Our analysis showed that 56% of employed sales professionals are actively job searching, with 57% of A-Players doing so. Furthermore, our data finds a startling 44% of satisfied A-Players are also shopping for their next opportunity (see below). In other words, use caution in trusting those positive results in your last engagement survey.

JOB SEARCHING BEHAVIORS ACROSS SALES PROFESSIONALS

Percent of All Surveyed Sellers Looking for a New Role



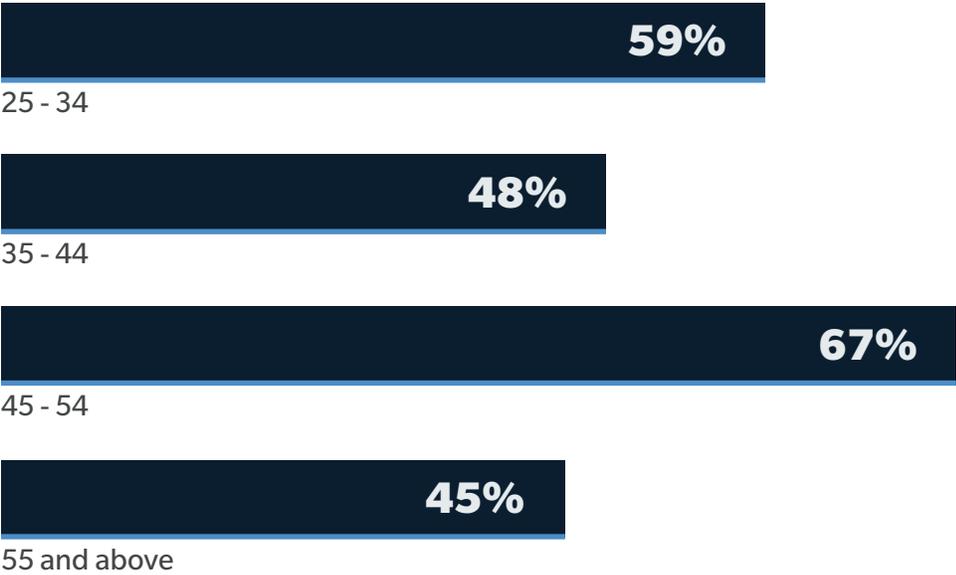
Percent of Surveyed High Performers Looking for a New Role



This Time It's Not (Just) A Millennial Problem

Many leaders are quick to assume this is a “Millennial problem.” However, this issue is pervasive across all age demographics, and, shockingly, most pointed among the highly-tenured 45-54-year-old segment of sales professionals, with a whopping 67% of that segment actively searching (see below). While reasons vary, CROs are citing that many seasoned sellers are more risk tolerant today given such positive market conditions and a tech hiring boom.

SALES PROFESSIONALS ACTIVELY JOB SEEKING, BY AGE DEMOGRAPHIC



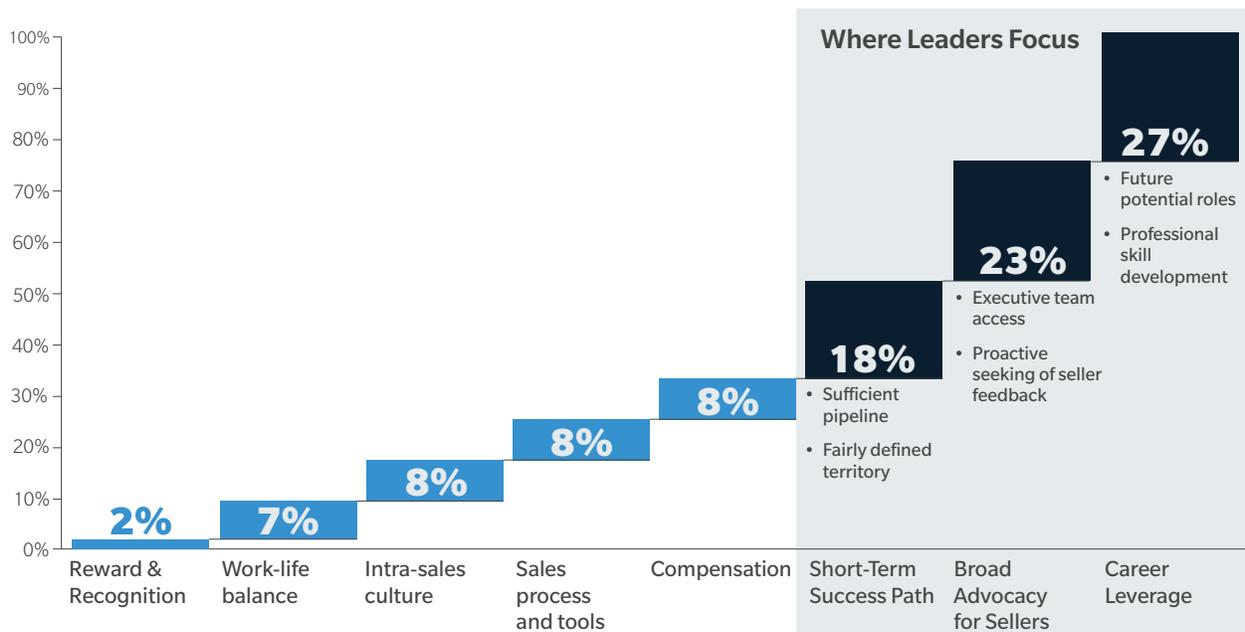
What Keeps Sellers Around

Beyond surveying sales professionals on their job-seeking behaviors, we also analyzed more than 100 variables related to the employee experience and operating conditions. These factors included quota and territory, compensation, tools and technology support, work-life balance, career development, sales and company culture, career pathing, leadership, and many more (see below). This allowed us to analyze which factors most impact seller intent to churn or stay with their employer.

A few highlights:

- Compensation — easily the most utilized lever to mitigate turnover had remarkably low impact. Adjustments to base pay are largely viewed as marginally impactful for most sales professionals, where highly-levered variable plans are the primary earning instrument. This is why sellers attribute far greater impact to providing a crystal-clear path to success within their territory. Indeed, sellers value such a success path over 3x greater than compensation adjustments alone, as they are provided with a tangible means to exceed plan as opposed to simply provided new plan terms. Too many companies are emphasizing the “what,” not the “how” sellers will be supported in exceeding their plan.
- The areas where sales leaders and enablement organizations spend most of their time - namely, sales process, sales tech, sales culture, and work-life balance - aren’t particularly impactful. Put simply, these categories are table-stakes rather than differentiators for today’s sales professional.
- The most impactful areas? Setting your sales professionals up for long-term, sustained success — even if that isn’t at your company. The top three factors, all related to this theme, account for 68% of the reason sellers choose to stay or leave your firm.

IMPACT OF FACTORS MITIGATING SALES PROFESSIONAL CHURN



Sellers reward companies that invest in both their short- and long-term success. When looking at the top drivers of seller retention, there are a few clear takeaways. First, the impact of “Short-Term Success Path”, which includes “sufficient pipeline to hit my number” and a “fairly defined quota and territory” suggests that a clear path to success matters more to sellers than their compensation plan or total on-target earnings.

Second, “Executive-Wide Advocacy for Sellers” is a call to action for CEOs everywhere. Sellers want more executive engagement and support than regular interactions with the CRO. This is a sign of an organization that works for its sales teams, actively removing organizational hurdles and speeding routes to market in a tightly interlocked fashion. Simply put, highly-siloed organizations merely depending on the CRO to represent the sales force, as paying a massive penalty.

Third, “Career Leverage” stood out as the largest single factor, explaining nearly one-third of seller intent to stay. To be clear, this factor is not about near-term job promotion and title changes. Instead, this represents sellers perceiving outright commitment to their career development and future potential not just as sellers, but working professionals. Many will confuse this with seller skill acquisition, but a better way to explain this concept is employability, and making your sellers inherently more valuable human capital. Yes, this may mean building superior talent which ultimately leaves. The key is that you gain incremental time from high-performing talent prior to departure (which remains suppressed, provided Career Leverage continues to increase).



Implications

Hiring new talent inevitably brings significant additional performance risk and costs - heightened base and variable pay, uncovered territory, ramp time, and incremental HR and enablement resources. To manage these factors, sales leaders must prioritize keeping the sellers they have and investing in their overall engagement.

When it comes to decisions to change jobs or stay in seat, sellers prioritize their potential to evolve as professionals and to have influence in an organization where leaders value their input and feedback. To improve talent retention, executives must boost seller confidence in their near- and long-term prospects by focusing on the top drivers of intent to stay: [Career Leverage, Broad Executive Advocacy for Sellers, and Short-Term Success Path](#).

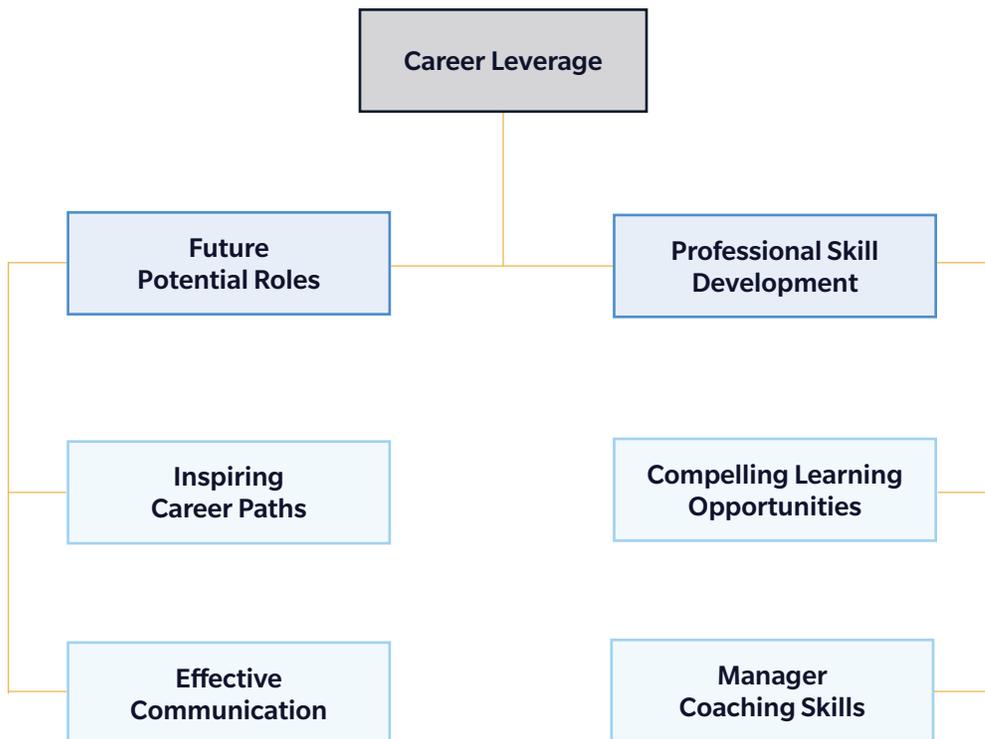
1. CAREER LEVERAGE

Sales organizations must help sellers see potential to grow and evolve as professionals over the course of their career (see chart on next page). When we look at those organizations with lower attrition and fewer sellers pursuing new opportunities, we see a common hallmark. These companies prioritize building their sales force over buying it. They are organically developing sales talent, cultivating and expanding skills sets, and stretching capabilities. This is the core of building a highly-desirable sales organization. This is not a matter of merely creating new tiers of meaningless titles, and promoting sellers into those roles once every two years. Rather, this is building infinitely more employable sellers; while some may shudder at that thought, wise CROs are leaning into this idea, realizing the retention and incremental productivity gains of employing a strong seller even 6 months longer dramatically outweigh comparable efforts with new sales hires.

Organizations taking this direction place strategic importance on the enablement function instead of relegating it to onboarding and sales methodology training alone. Enablement is tasked with true capability building in these organizations. Mature performance management and talent development processes exist. In these companies, sales enablement commonly resembles a product organization, developing and actively managing new products and services to support accelerated development and skill acquisition for distinct segments of the team, including tenured sellers, experienced and new frontline managers, as well as new-to-company and entry-level roles. Sellers - at each of these critical career stages - not only perceive significant development opportunities, but also have the means to document, demonstrate, and “feel” personal progress.

Further, these organizations have tremendously strong coaching cultures, minimally tolerant of inaction or complacency of sales talent. Sales manager quality is held in remarkably high regard. FLSMs play an outsized role in helping sales professionals reach their full potential, motivating, supporting, and directing sellers as needed. In this current labor market, there have been a tremendous number of “field promotions” into the FLSMs ranks, resulting in a dearth of true sales leadership and those able to mobilize a sales team. Rash field promotions only perpetuate the turnover challenge.

CRITICAL DRIVERS OF CAREER LEVERAGE

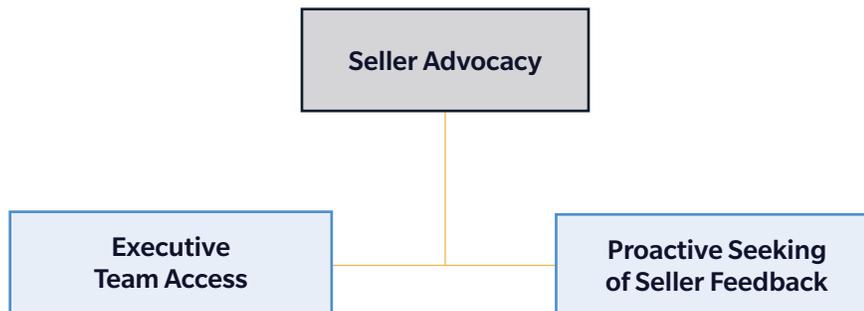


2. BROAD EXECUTIVE ADVOCACY FOR SELLERS

Involved leadership teams constitute another hallmark of companies with relatively lower sales attrition (see below). While an excellent CRO certainly makes a big difference, executive advocacy and involvement requires much more. Specifically, the entire C-suite needs to engage with sellers, signaling ‘open-door’ policies and showing strong interest in, and support of, seller activity. Specifically, the highest-impact drivers of this type of seller advocacy include the ability of strong front-line sellers to reach out to their executive team with questions and feedback, effective information sharing from executive audiences, and an inclusive culture that encourages sellers to speak up.

These actions are not costly, yet have remarkably powerful economic consequences within a sales organization. A hallmark of organizations that execute well in this regard is that they avoid lip service. All-hands meetings make clear what suggestions have been acted upon. There is an old adage which rings true in these organizations: everyone is in sales or supporting sales. Such organizations broadly take pride in supporting sales.

CRITICAL DRIVERS OF SELLER ADVOCACY



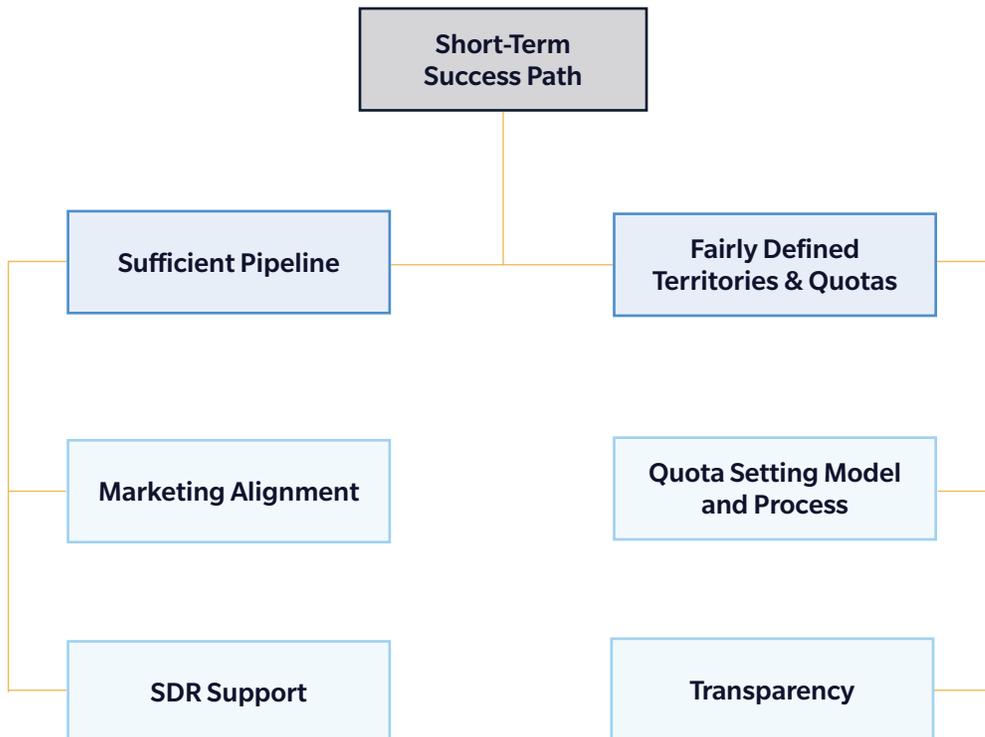
3. SHORT-TERM SUCCESS PATH

If sellers do not believe that they have the raw material to succeed, they will begin to look for new opportunities. Our analysis showed that most surveyed sellers generate the bulk of their own pipeline, and only 15% of sellers agreed that Marketing generates good-quality pipeline. This suggests an improvement opportunity that most CROs cannot afford to ignore.

For underperforming marketing teams, the function may require clearer, or more aggressive, mid- and lower-funnel contribution targets; they may also need improved qualification and lead development protocols at the top of the funnel. For organizations that identify the need for improved interlock, consider building unified teams, or at a minimum, creating shared goals.

In our research, a hallmark of the leading companies was their efforts to quantify, demonstrate, and clearly explain territory expectations and assumptions to sellers. This helps ease perceptions of unfairness. We've seen other organizations extending this best practice further by sharing territory quality analysis with candidates, helping potential sellers see a path to success in a new organization with a new territory, and providing assurance that new talent will not receive a "reconstituted territory" consisting of other sellers' castaways.

CRITICAL DRIVERS OF SHORT-TERM SUCCESS PATH



Conclusion

While the pace of resignations may slow, the battle for talent is here to stay, and growth leaders must adapt. The pandemic has made it easy to explore new opportunities, and strong growth across PE-backed and public companies means there are plenty of opportunities for commercial talent to explore.

Many companies will (rightly) reengineer hiring and onboarding processes for speed, and while there's undoubtedly opportunity to improve sellers' experience across the employee lifecycle, the most critical area for CRO focus is talent retention. Improving performance in just three key areas can position organizations very favorably versus their peers - and reduce the odds that sellers will begin exploring new opportunities. However, the improvements that matter most to sellers are typically under-resourced today and require top-down change. CEOs and their growth leaders must navigate across functions to improve their performance in Career Leverage, Executive Advocacy for Sellers, and Short-Term Success Path. By investing in a more resilient selling system, commercial leaders will be better positioned to hit their number, operate more efficiently, and ultimately benefit from more engaged teams.

All chart data sources: SBI and The Top Percentile Collective Joint Research; n=121 companies and 650+ quota-carrying reps
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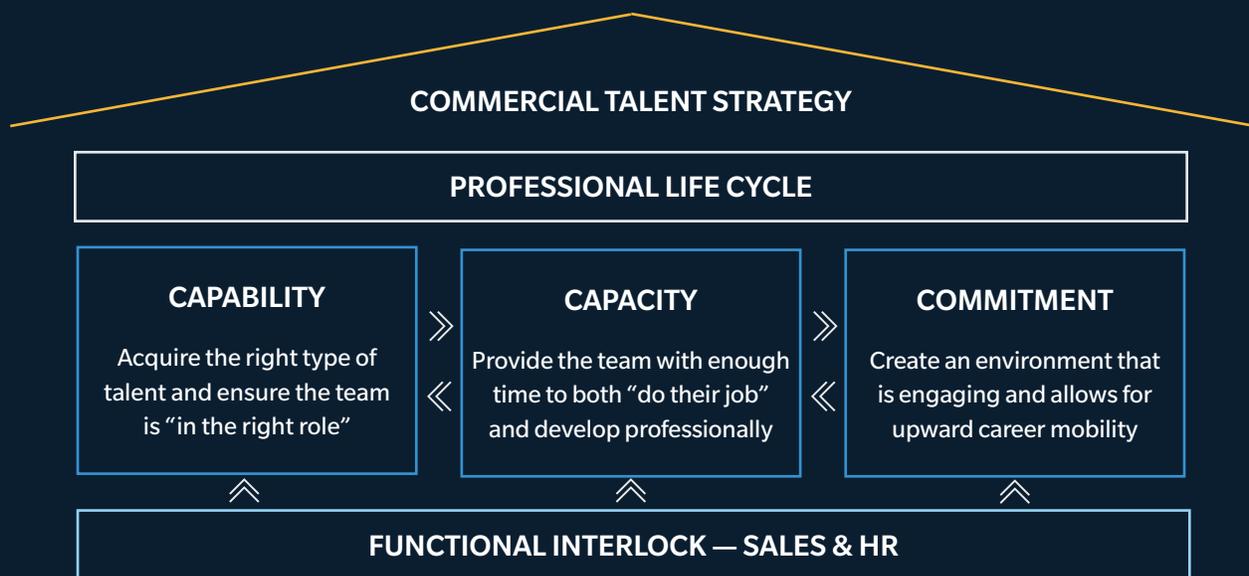
About SBI

Driven by insights and delivered from experience, SBI continues to help clients grow their revenue, margin, and enterprise value in ways never before possible. Working with us, leaders can expect confidence and trust with experienced partners every step of the way. We engage and support our clients as an extension of their team, both guiding and working side-by-side to deliver relatable, practical strategies that work for today and tomorrow.

OUR APPROACH

We work with clients to define and activate their commercial talent strategy across the three stages of the “professional lifecycle” via the 3 Cs Model: Capability, Capacity, Commitment.

This is supported through strong Sales-HR interlock on objectives and initiatives and results in enhanced levels of commercial execution.



Connect with SBI today and talk to us about how we can help you on **your growth journey**.

CONTACT US: Research@sbigrowth.com

About The Top Percentile Collective (TPC)

The Top Percentile Collective (TPC) is a professional support platform that helps top sales professionals achieve distinctive job and career impact. Our diverse network of elite sales professionals, the most selective of its kind, is committed to elevating outcomes and ethics in sales. TPC Members gain unique access to the insights and experience of other top practitioners, joint selling and advanced development opportunities, as well as objective counsel to inform smart decisions. Leading employers leverage the TPC to build great teams – by effectively developing and engaging top performers across critical career stages.

CONTACT US: [TheTopPercentile.com](https://www.TheTopPercentile.com) or Inquiries@TheTopPercentile.com.