

I am consulting with a Print Client, who is about to hire a new, but experienced, print sales person. While this person has a base of business, they have a 1st year non-compete. So for sake of this illustration, let's assume in their 1st year they will be responsible for all NEW Business in NEW Accounts. The prospect list will be about 30 from my client and about 30 from the new rep, so at least 60 total prospects.

What activities are most important in year one that if they accomplish them, it will set them up for a large pipeline and a successful year two?

I am trying to create measurable activities that this person can earn a bonus, so they are feeling good about their progress, and have a track to run on since revenue will take a good 6 months or more to start coming in.

Quotes , Percentage of Quotes which turn into Orders, Value Added New Business vs. Commodity based New Business

of New Customer (growth) vs. Established Customers – Former Accounts or known leads (If you are trying to grow in a new area IE: Digital vs Offset)

First off, I would be very interested to see how much business follows the Rep after the non-compete lapses. We have found that business does not follow the Rep near as often these days, both on Reps that we have hired and lost. It seems that clients purchase from companies and not individuals. If the company does a good job, and continues do so in the 1 year gap period, it is usually difficult for the Rep to pry them loose. "Betting on the come" has not panned out for us.

That being said, I would use the same metrics for any new rep. It is all about activity. Effort creates opportunities that can create results. Number of contacts and number of quotes are big indicators of activity; need to monitor to make sure that these line up with the company's strengths and not just any random opportunity. Need to make sure that the pipeline is always full and that items are moving downstream and closing at the desired rate. It is necessary that the new Rep can sell enough new business to justify being part of the team and then again business regained from a previous employer is on top of that solid core. We've found that most experienced Reps are used to maintaining business and have a hard time getting back into a cultivating mode; they aren't used to the high percentage of rejection that comes with starting on accounts from scratch.

This situation is totally unclear to me as to the noncompete situation and how many sales people. What are the conditions of the non compete? Certainly the existing client list will be most successful.

Not knowing the print segment – thus the company position on the continuum between “standard products” that tend to be reordered frequently and completely customized orders this is a tough question to answer. Here’s a quick list of the things I’d look at:

- Face-to-face calls – how many to each prospect, how many on total prospects called on
- Proposal activity – how many presented, closed / lost / pending on a monthly basis. Close rate should be >15% of proposals presented....
- Quality of feedback on “lost” opportunities (“your price is too high” isn’t actionable, quality feedback)
- # of visits to the plant by qualified prospects
- # of sales calls that include key company management (President / VP / Finance)
- What product lines is the rep presenting to their prospects? (every print company produces a range of products. Is the rep “selling” what the company does best and wants to expand, or are they selling something “easy”?)
- Repeat orders from “new” prospects – number & value
- # of “new” prospects qualified beyond the 60 “seed” prospects, and associated close rate
- Complaints / compliments associated with rep’s accounts as compared to rest of company
- How does the rep handle quality complaints, invoice disputes, etc. with their account package
- “Compliance” with Company’s sales & general policies. (Expense reports, discount levels applied to new customer proposals, etc).

These are measures I’d use with any professional sales person. If the expectation is year #1 is a getting their feet wet year, and then year #2 will yield sales from the “protected” accounts that can then be called on – good luck. I’ve never seen that strategy work.

First off I would state that the non-compete should be allowed to run out or the cost of litigation it considered. Assuming that the year has been allowed to run out then the new business is truly new or is so because it is stale since it has been a year since serviced by this rep. If you are trying to circumvent the agreement the cost could not only be financial, but if the rep is ordered to cease and desist s/he will find other employment leaving you out the money you have invested AND the rep. If still in place either negotiate the terms with the prior employer, honor it or review the agreement with very good counsel to protect your investment. A one year limit is not overreaching and may very well be enforceable.

To obtain the activity list and respect the reps individual style, I think it a good idea is to ask the rep to outline their plans and routines before hire which will enable you to discuss the value as well as to provide you with insight into the writing, organizing and presentation skills of the rep as well as to the activities that they value. As far as incentivizing the activities, I favor a draw against commission keeping the rep hungry and motivated. Schedule regular progress discussions to discuss activities every couple of weeks. Bonuses can be set for all sales reps to induce specific achievements such as hitting thresholds of pre-determined numbers in various categories that you wish to steer the rep to focus on. If s/he is an entrepreneur they will begin an abundance of activities that can be coached to reinforce the positive and discourage unproductive activities while allowing the rep to nurture his or her own style which an established rep already has developed.

We have a year ramp up time to get to the sales level that justifies their compensation. The quota per month gradually increases over the year and ends up where they need to be. If they exceed the ramp up quota, they are entitled to additional compensation.

New Hire Foundation (Beyond the compensation how are you going to support them):

1. Company Education – the individual needs to understand your areas of expertise and competitive advantage to provide effective value propositions
 - a. As part of their education and training have them conduct their own company and market SWOT analysis
 - b. Production and order flow orientation
 - i. Who's on first, where do they go to get things done – who will be an important part of their "Network of Success"
2. Tooling – what support is available to create customer dialogue:
 - a. Case Studies, Samples, Brochures, ride-alongs with other rep's, scripting, prospect letter and e-mail examples
 - b. Should you assign a mentor or champion (SR. Rep to assist in guiding them)
 - c. Sales Training – seasoned or entry level all rep's can use a refresher on communicating, presenting and negotiating – do you offer any type of sales improvement education
3. Expectations – what is expected (KPI's) number of prospect calls/week, estimates/month, appointments, presentations, tours
 - a. Metrics don't motivate or create valuable sales activity they merely provide a basis for measuring activity if you need to
 - b. Reporting- recommend a weekly activity report that will be reviewed to improve customer interactions and up time
4. Focus – as part of the weekly report – you will need to tweak what accounts and opportunities they should be spending their time on - many rep's chase the wrong mix of business to make a sale
 - a. Direction – are there particular market sectors or types of accounts that are a good fit, any template-able sales or applications they can use for discussion or resell

New Hire Compensation Ideas:

1. Recommend some sort of guarantee or salary for the agreed to start-up period but still with an upside to incent during the developmental period
 - b. Ideas:
 - i. You are going to pay them anyway for the guarantee period so why not still pay them % of something sold
 1. % has to be contingent on your profitability and revenue levels and doesn't have to be on par with your regular plan as it is an incentive over the guarantee
 - ii. Establish near term benchmarks:
 1. Set up 3 month bonus for attaining X number of calls, appointments, quotes and tours – it can be a combination of these KPI's to attain the bonus
 2. Set up a revenue level for six months and one year with a bonus
 - iii. New account bonus with a revenue threshold – again dependent on your revenue levels but as an example \$2500 for each \$25,000 account

I don't think this answers your question completely, but a thought is to utilize this sales person to meet with existing customers the company has on board; customers of other sales people, to do a face to face Customer Quality Visitation. In this visit, they can solicit feedback from the customer that will help the company better serve them.

Because the new sales rep is new, they will act as a neutral party. It could be along the lines that "Because you are such an important customer, we wanted to check in with you to see if there is anything we could be doing better, or differently to be the best supplier for you." This is so not the right wording, but the concept is that it's a win-win for everyone. The company gets some valuable feedback from the customer in a setting, that because the new sales person isn't calling on them, they can be up front with their feedback. The new Salesperson will benefit from it as he/she learns what customers are really looking for, and the challenges that they face, etc. And the salesperson of the customer that is giving feedback will get some valuable information to use in building the business or at least securing it. I'm not sure how you would compensate the sales person or if you would have to.
