ZS

ZS study shows how the salesperson experience drives sales performance

By Tony Yeung and Tania Lennon

Impact where it matters.®

The experiences technology companies create for their salespeople matter. Positive experiences drive sales effectiveness through better alignment with strategy, stronger execution, improved customer focus and better talent retention. Poor experiences lead to effectiveness barriers and distraction, sapping motivation and accelerating attrition. Sales leaders who establish a positive environment for their reps achieve disproportionate success because salespeople can thrive, improve customer satisfaction and achieve higher sales productivity—between 8% and 12% higher, based on our recent research.

Our study of 250 business-to-business (B2B) salespeople at major high-tech companies in the U.S. sought to understand what drives the attraction, development and retention of high-performing reps. The results shed light on what really matters in attracting and retaining top talent and how investments in sales reps' experiences in turn lead to stronger sales productivity and business results. The insights also serve as a powerful reminder of foundational mistakes some sales leaders continue to make, undermining their reps' ability to deliver high performance.

As an industry, tech has a long way to go in creating a consistent climate of success

Our data shows that seller experiences across the tech industry are highly variable. Overall, only half of our sample of salespeople said they experience a positive environment. Every company in our study included a sizeable cohort of detractors. At one large software company, almost 70% of the sales team reported having a poor or neutral experience. Negative experiences largely stemmed from foundational issues such as unattainable targets and poor role clarity.

We also saw clear gender differences in satisfaction levels with sales jobs. Of the study participants, 18% identified as female, and 78% identified as male. The average seller experience score (SES), a composite measure of the salesperson's positive and negative experiences with their roles, was only +9% for women, compared to +46% for men. This gap is consistent with previous research on gender differences in the employee experience in the tech industry. It underscores the need for improved diversity, equity and inclusion (DEI) representation and outcomes, both within the U.S. technology industry as a whole and on high-tech sales teams in particular.

But there are some leading lights that more consistently create a positive seller experience, and they succeed in very different ways. For example, one well-known cloud services provider excelled through high levels of individual salesperson empowerment, agility and career progression opportunities. Another leader differentiated on work-life balance, commitment to DEI and investments in professional development. Notably, these differences reflect variations in each company's overall corporate culture and mission, suggesting authentic differences in the employee value proposition that flow through to the seller experience. Both also largely avoid the foundational mistakes that others make.

The sales-profit chain: The sales rep experience drives customer and sales results

The service-profit chain is a well-studied concept that validates the link between employee satisfaction and service levels. The strength of this relationship in turn drives positive business outcomes such as increased sales and higher profitability. Our data confirms the concept of what we're calling the sales-profit chain in today's B2B sales environment. Tech companies that invest in the seller experience have 20% more role "promoters," reps who will actively advocate about their experience and their employer. These reps are three to four times more customer-focused and more than three times more likely to stay at their companies. This in turn creates a better customer experience, culminating in the 8% to 12% higher sales productivity noted above.

FIGURE 1:

Companies with a higher seller experience score are more likely to have loyal, customer-oriented reps
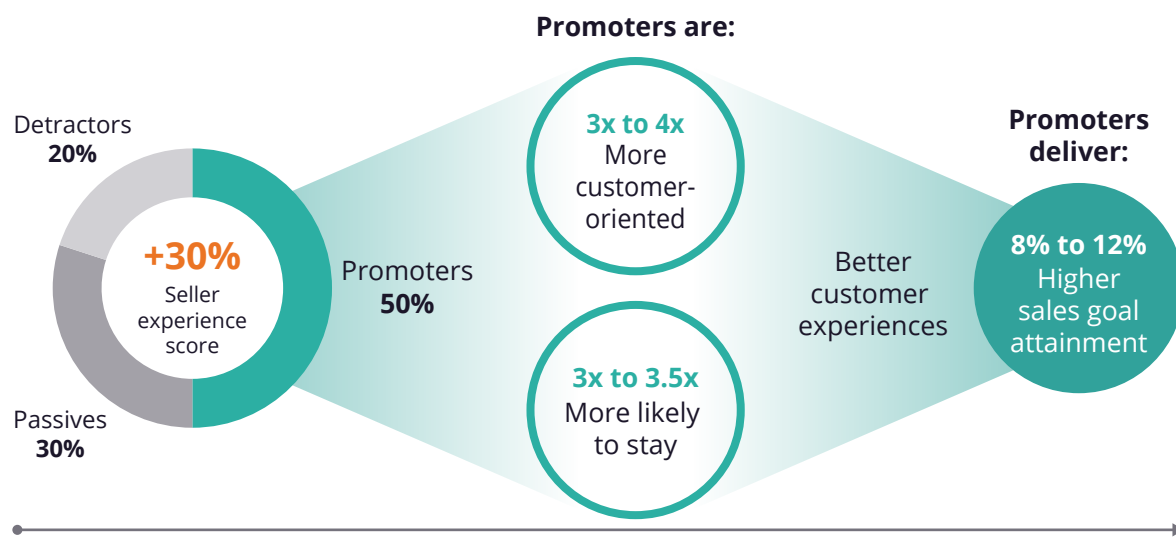
Adapted from the service-profit chain, https://hbr.org/2008/07/putting-the-service-profit-chain-to-work
The seller experience score is the difference between the percentage of promoters and detractors for the companies where they work. The total number of sales reps surveyed was 250.

Understand what drives positive and negative seller experiences

The seller experience is the product of the balance of negative and positive experiences. Positive experience drivers center around opportunities for learning and growth and a sense of connection and affiliation with the organization. On the other hand, negative experiences are sources of pain, driven by factors such as low satisfaction with compensation and goals, challenges in getting things done for the customer or a perceived lack of career development opportunities. Positive experience drivers attract, while negative experience drivers repel, competent sales professionals.

Career progression is unique on this list, as it is both a differentiating positive driver (No. 6) and the No. 1 reason for poor experiences and attrition. This suggests that career progression represents a prime investment opportunity for sales leaders to support personal growth and career progression and help their people enhance performance.

FIGURE 2:

The top 15 factors that positively and negatively affect a sales rep's experiences with high-tech companies

Factors	Positive experience drivers	Negative experience drivers
Belief in company direction	**1**	13
First-line sales manager	**2**	11
Belief in product-market fit	**3**	14
Connection to colleagues	**4**	15
Learning programs	**5**	12
Career progression opportunities	6	**1**
Effective leadership	7	9
Work fulfillment	8	6
Professional development	9	**5**
Performance management	10	10
Autonomy	11	7
Fair compensation	12	8
Customer orientation	13	**3**
Sales incentive plan	14	**2**
Internal process effectiveness	15	**4**

The study also offers powerful insights into where individual tech companies are succeeding and failing at creating a positive experience. As expected, the bottom-ranked companies have foundational issues. Unattainable sales targets, compensation that is perceived as unfair, poor role clarity and lack of enablement drive negative experiences, resulting in up to 50% more reps missing their sales quotas.

On the other hand, higher-ranked companies do well on these foundational attributes, then further differentiate themselves on higher-order dimensions such as connection, affiliation, belief in the organization's overall value proposition and career development opportunities. They build on these basics with factors that reflect their unique culture and employee value proposition. One company wins on high levels of individual salesperson empowerment, agility and career progression opportunities. Another differentiates on work-life balance, commitment to DEI and investments in professional development. While they both have key gaps to address, their solid foundation, complemented by spikes on a few important dimensions, is sufficient to drive success.
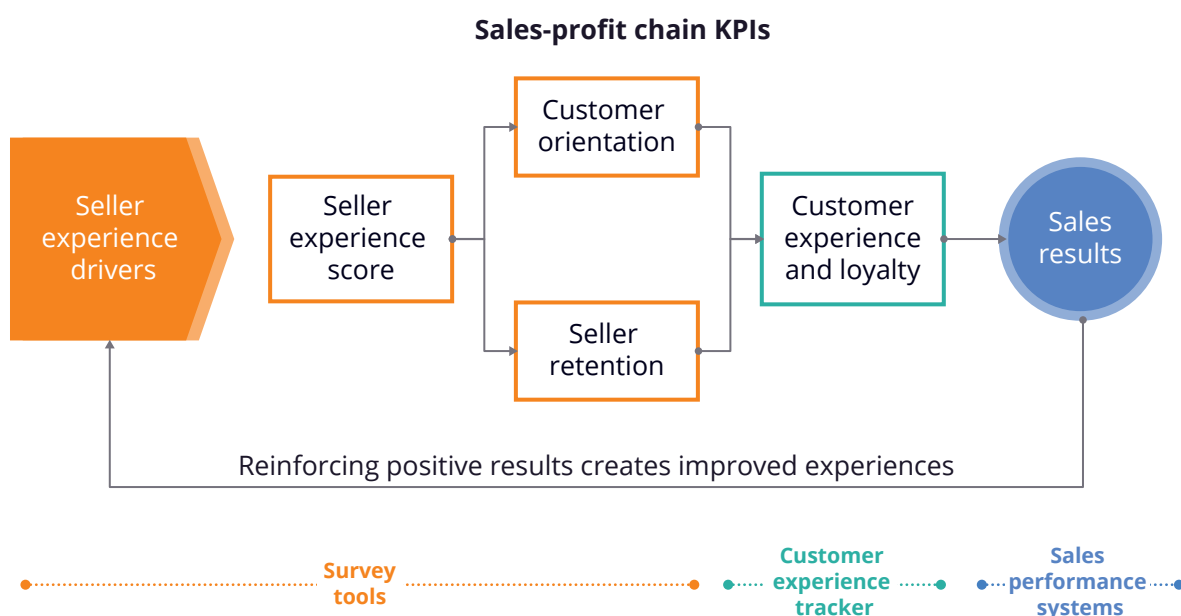
Take action: Measure, learn and design to improve the seller experience

How can companies capitalize on the insights from this study to drive performance? The first step is to establish firm foundations for seller experiences, using the SES as a lens to pinpoint the opportunities that drive improvement. By linking the SES to key performance indicators (KPI) across the sales-profit chain, organizations can measure and track the value they create by enhancing the seller experience. For most tech companies, sales-profit chain KPIs are readily available or easily collected. Once the measurement system is in place, companies can dive deeper to understand links in the chain by business unit, sales role or geographic region. This helps identify both bright spots and areas of underperformance. Most importantly, it equips leaders to understand the core sales performance drivers and address root causes.

FIGURE 3:

Creating positive experiences for sales reps translates into positive customer experiences and improved sales performance

Sales-profit chain KPIs

Seller experience drivers → Seller experience score → Customer orientation / Seller retention → Customer experience and loyalty → Sales results

Reinforcing positive results creates improved experiences

Survey tools · Customer experience tracker · Sales performance systems

Once leaders begin deriving insights from these measurements, the temptation may be to jump into action, often by focusing on pain points. However, our analysis of the high performers shows that driving performance through the sales-profit chain doesn't mean getting everything right. Rather, success is created by designing an intentional seller experience that reflects the organization's distinctive employee value proposition. While everyone needs to get the foundation right to remove factors that cause drag, the enhancement factors are about defining the give-and-get agreements between leaders and their sales teams, often described as the "psychological contract."

Based on our research, the factors that create a positive experience are best captured in a hierarchy of elements that form the building blocks of the seller value proposition (Figure 4). Fair compensation, goals and performance management form the basis of the value proposition. Without these, a positive experience is impossible. The next level focuses on role clarity and empowerment. This involves creating a leadership commitment that both clarifies expectations and actively removes barriers to execution and the delivery of positive sales process advances and outcomes.

Once foundational elements are in place, career progression opportunities are the biggest opportunity driver for a positive seller experience. SES drivers entail enabling individuals to engage in personal and professional growth, supporting both capability development and retention. Recall that a perceived lack of career opportunities was the biggest driver of negative seller experiences and among the most important drivers of positive experiences. For organizations with these strong foundational elements, building robust affiliation and connection to the team and the organization is the next most important SES driver. The best sales organizations in the world build a strong sense of connection and trust with their reps that inspires loyalty and advocacy. They also create opportunities for reps to fulfill their personal goals and aspirations. Successful organizations encourage employees to connect work with personal interests in a way that reinforces and sustains engagement and supports retention.

FIGURE 4:

The seller value proposition builds on foundational elements that differentiate companies from other potential employers

Differentiating
- Enable best-in-class seller experiences, leading to better retention and productivity
- The right focus areas are invariably company-specific

Elements of the seller value proposition

- Achieving one's full potential
- Affiliation and connection
- Career opportunities
- Role clarity and empowerment
- Fair compensation, goals and performance management

Foundational
- Low effectiveness detracts from the seller experience, leading to poor productivity and high likelihood of attrition
- Need to meet a minimum effectiveness level for all sales organizations

Define a seller value proposition that stays true to the sales culture

While the core tenets in the seller value proposition hierarchy are true, the way in which they are delivered needs to be authentic and consistent with the organization's culture and employee value proposition. Our research suggested that there are three archetypes of sales culture: process-driven, talent-driven and incentives-driven. Initiatives that align with a company's sales culture are most likely to succeed. Initiatives that conflict with the culture are much harder to implement and typically fail.

FIGURE 5:

Companies that align their corporate culture and values with the 3 sales culture archetypes are the most likely to succeed
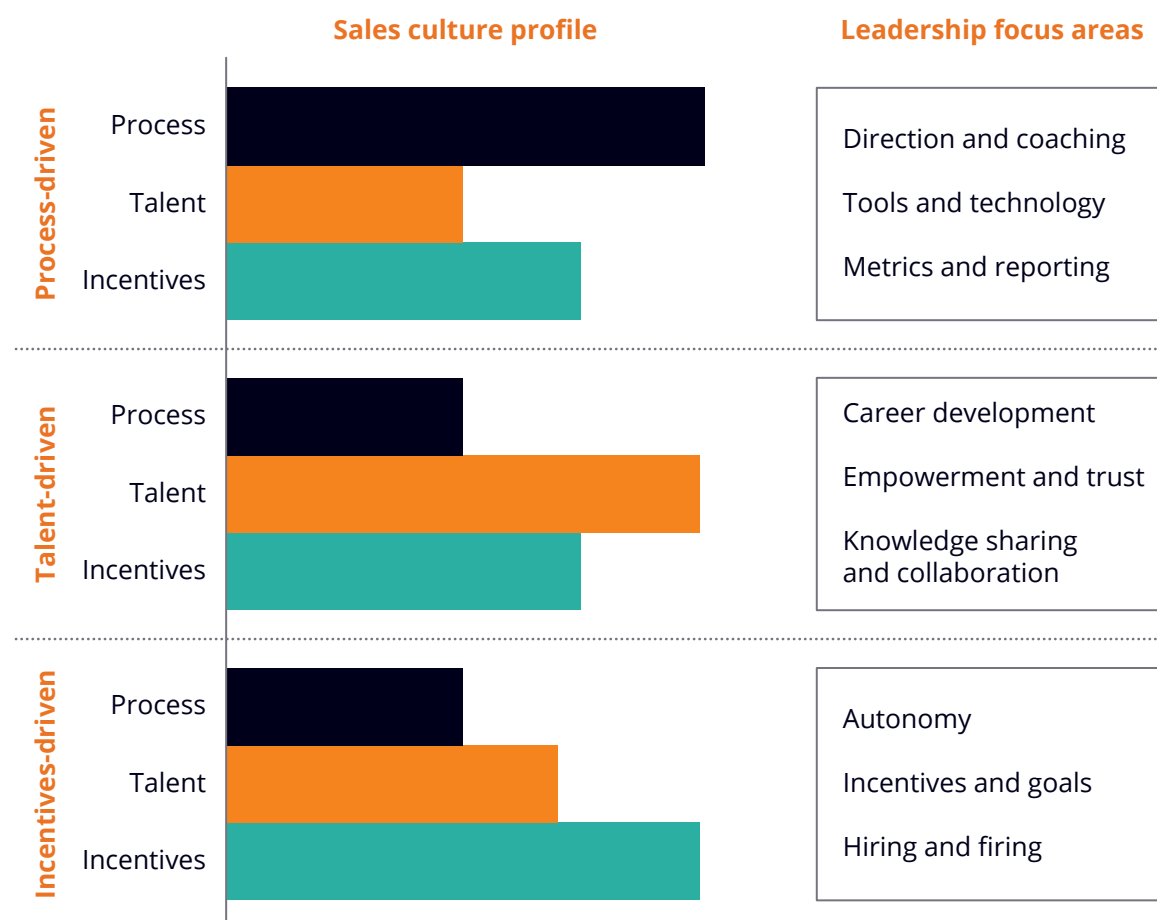
While there are different sales cultures across technology companies, talent-driven models tended to be most prominent due to the high levels of expertise required for many sales roles in the sector. In talent-driven sales cultures, creating robust career development opportunities, nurturing collaboration and empowering individual reps are critical. Talent-driven sales organizations often resist rigid and burdensome processes and tools. For this reason, processes and tools need to be well aligned with creating good experiences and, above all, creating value for salespeople.

Consistently high seller experience scores establish a lasting competitive advantage

This research offers powerful insights into the importance of shaping a positive sales rep experience as a driver of success—a need that's further amplified by increasing competition for talent within the industry. It suggests that companies that create a strong seller experience will thrive, thereby creating a sustained competitive advantage. The investments they make in their salespeople and seller experience will provide a pathway to direct impact through the customer experience and indirect impact through the retention of sales talent. Measuring the sales-profit chain and managing the seller experience is a vital tool for winning the war for talent in a competitive world.

About the authors

Tony Yeung is the office managing principal for ZS's Seattle office and a leader in the firm's go-to-market strategy and transformation practice. Tony's areas of expertise include B2B go-to-market design, customer engagement and commercial operations. He has led client engagements in sales and marketing strategy and execution across a number of industries, including high tech, industrials, travel and transportation and medical devices. Tony works directly with a variety of sales channels, including key accounts teams, field sales, inside sales, customer success and channel partners. He is a frequent writer and speaker on sales effectiveness issues, including a guest faculty role in the Maximizing Sales Force Performance course at the Kellogg School of Management.

Tania Lennon heads up ZS's Talent Expertise Center, which focuses on harnessing the power of people to drive performance. As an organizational psychologist and economist, Tania's focus is on the intersection of business and people. She leads a global team to shape and deliver client solutions in areas as diverse as enabling talent mobility and talent development to address changing field force needs to developing culture, capabilities and motivation for adaptive commercial organizations. Tania lectures in the Maximizing Sales Force Performance program at Kellogg School of Management, and her research can be found in a wide range of publications, from "Harvard Business Review" to SAMA's "Velocity" magazine. She is currently undertaking a professional doctorate in psychology in the area of harnessing digital technology to enhance assessment, performance and motivation.

About ZS

ZS is a professional services firm that works side by side with companies to help develop and deliver products that drive customer value and company results. We leverage our deep industry expertise, leading-edge analytics, technology and strategy to create solutions that work in the real world. With more than 35 years of experience and 10,000-plus ZSers in more than 25 offices worldwide, we are passionately committed to helping companies and their customers thrive.

Learn more: zs.com/industries/high-tech-and-telecommunications