

Commissioned Salespeople

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If you don't employ commissioned salespeople now . . . if you don't have a formal sales function of any kind . . . or if you are performing the sales function yourself, realize that your entire company will undergo an amazing transformation once you bring a professional salesperson or sales team on board.

Suddenly, your time will be free to focus on building the business, instead of making sales. You can begin to control your own daily schedule—planning dedicated focus time for critical projects, rather than being constantly interrupted by prospective new clients who must be dealt with whenever they call. You can focus on generating thousands of leads for your salespeople to follow up with—instead of asking your people to spend valuable time generating their own.

In short, everything changes when you bring on board a professional sales staff. But how does one go about it assembling the right team? I always like to ask critical questions of the business owner before starting the hiring process.

Are You Ready for a Commissioned Salesperson?

Do you want in-house salespeople or do you prefer to outsource the sales function for your company altogether?

Will the salespeople need to generate their own leads or do you? Will you compensate your salespeople differently if they generate the lead?

Could their time be better spent selling while some other method is used to generate leads?

Are your anticipated commissions in line with your industry? Is it possible to raise your prices and pay your salespeople more, or simply change the certification program's cost structure to a price that would create more sales (so they earn more on volume)?

- Have you tested different sales scripts for any licensing or certification program in the past? Was there a noticeable gain from one script versus the other? Have you ever reviewed and made changes to the sales “pitches” or scripts you use?

- Have you ever written a script for your receptionist to handle inquiries when you are not available—especially inquiries generated from advertisements?

- Have you created a sales reference book or “cheat sheet” for your own use when doing telephone sales? Does this book include proven sales scripts? Does it have answers to all possible objections that might come from prospective customers?

- If you don’t have salespeople of any kind, do you conduct sales for your company? Or do you have non-traditional outlets or non-traditional “salespeople” who are talking to potential customers for you (such as affiliates or other professionals who refer to you)?

- Would it be possible to expand your geographic market if you had salespeople to work those new territories for you?

- Do you have purchasing functions for your certification program at your website?

- How would you distribute leads if you were managing multiple salespeople? (Some CRM's have "round robin" distribution of leads.)

- If you are selling a certification program now, have you ever shadowed your best employee (or yourself) to find out why they are so successful at making sales for you? Have you ever "systematized" his/her methods (including your own, if you are doing the sales now) and created a procedure guide for future salespeople to follow? Have you ever conducted a brief training for others in your company on how to sell? Have you recorded successful telephone pitches or sales pitches, if permitted by law, and used them for training purposes?

Until you answer these questions for yourself, the process of finding a good salesperson will be imprecise at best.

Finding Good Commissioned Salespeople

Good salespeople are easy to find. Sales superstars are not so easy to find.

Who are sales superstars? Those top 5% of sales professionals who generate about 70% to 90% of all sales. In order to grow your certification business and meet your financial goals, you want these superstars working for you. And in order to successfully hire them, you must prove that your business makes it easy and profitable to makes sales.

There are two ways to acquire sales superstars for your company: (1) Hire a sales professional, then train them on the benefits of your methodology and certification program, or (2) Hire someone familiar with your methodology and train them to do sales of your certification program. Either method works well. In fact, sometimes the best salespeople are people who have never considered a career in sales, but are so enthusiastic about your work, they continually "sell" for you without being in a sales position with your company. Perhaps they have a natural gift of gab, are natural-born communicators who like to educate others on the benefits of your methodology—or maybe they simply have the ability to listen to the prospect's needs and instantly give a response that shows how your methodology and certification program can meet that need. That's natural sales ability that can be developed with the help of a few tools, scripts, and closing techniques.

To find sales superstars, you can advertise on the major jobseeker websites—in fact, these online job sites are ideal if your sales are done by telephone only. That means your sales superstars can live and work anywhere, rather than reporting to your office or geographic territory every day for local in-person sales calls. This lets you draw from a much larger talent pool.

In the same way you would look for a superstar receptionist, you can write your job description in such a way that top candidates will be excited to come to work for *you*. Don't just explain the job, but talk about your company and why it's such a pleasure to work there. With sales jobs in particular, talk about the superior marketing you're doing that drives pre-sold leads to the sales floor—making it easier than ever to close sales and make above-average commissions. Describe your company as a marketing-savvy, sales-oriented business. Talk about the superb training you provide. By using this technique, you'll get top candidates willing to work for the pay you're offering—regardless of whether they might be able to make more money elsewhere. Also determine the non-monetary advantages of working at your business and use them to draw top candidates.

In addition to job postings, look for people who are circulating in your universe right now. They've used your methodology. They're enthusiastic about you and your business. They may not be an experienced salesperson, but they have a natural aptitude, friendliness, rapport with people, passion for the industry, and so on. With a little training, they could become a sales superstar.

One final (and somewhat sneaky) way to recruit sales professionals is to simply recruit them away from the jobs they have now. This is done every day. In fact, so many salespeople become disillusioned with their employer, you'd be surprised how successful you can be in convincing them to leave their job to work for you.

One woman I knew who sold personal improvement services recruited attractive young saleswomen for her business from the cosmetic counters at upscale department stores. She knew they received frequent and comprehensive sales training as sales reps for the big name designers and cosmetic companies. All she had to do was recruit them and teach them to sell her services instead.

Another business owner I know of appraised the salespeople who came to sell *him* goods and services, then pitched the more talented ones on joining his sales force—particularly if he suspected they were not earning the substantial income he knew his commission structure could pay them.

Interviewing Commissioned Salespeople

Great salespeople are more entrepreneurs than employees. They just think differently. And during the interview process, you want to ascertain whether they have the same level of ambition you do as a business owner.

If you've done sales for your own small business or managed your sales organization for any length of time, you already know the traits, skills and sensibilities that are required to sell your methodology or services. Why not turn that knowledge into a process for identifying and recruiting people who can be trained to sell for you?

Simply create a checklist of the traits you're looking for and use it during the interview process. Have the candidate answer questions related to those traits.

If they look promising, send them home with a copy of your sales script (more about this later) to study. Schedule a time when they can call you (or your sales manager, if you have one) to role-play—*as if they are conducting a sales call using your script*. They won't be that well

rehearsed, of course. But you'll be able to tell whether they have what it takes to sell for you. See whether they have potential before *you* invest the time and resources to train them.

Remember, too, that good salespeople are entrepreneurs just like you. If your sales professionals work on any type of commission, they are, in effect, working for themselves. Like you and your business, their income is directly related to their efforts and ability to find new ways to sell more certifications and services in less time.

If you can add "*thinks like an entrepreneur*" to your list of criteria to look for in a candidate, it will make your job of recruiting salespeople much easier.

One way to determine if an applicant has this tendency toward self-motivation is to find out whether they've invested in their own knowledge and training, outside of what was provided by their previous employer. Have they taken sales training on their own? Do they listen to motivational or sales strategy training in their car? Do they passionately pursue sales excellence by reading books on the subject? If they've never been in sales before, do they at least search out new ways to make money or expand non-sales projects they've been involved in?

Just like you pursue your own business with a passion, entrepreneurial salespeople pursue sales strategies and tactics with a passion. They constantly improve their abilities in their spare time.

Hiring and Negotiating Commissions

If you decide to hire a specific candidate, offer a 30-day trial period. While many sales organizations follow this practice, most tend to focus on scrutinizing the new recruit's performance, rather than on supporting, growing and training the new salesperson during this time. Make it clear that you have a very specific sales culture in your company and expect to work together over the next 30 days to evolve them into a sales superstar. You expect to deliver certain things to them—training, support tools, motivational resources, qualified leads, and so on. (This announcement alone can have a huge impact during the interview process.) You want them to be motivated and to "take ownership" of their job and your services. But if they find they can't work within this supportive, exacting culture, it won't be a good fit in the long run—for either of you.

Once you find a top candidate (or more than one), it's time to negotiate their pay, their commissions, their bonuses and other benefits.

One thing that may surprise you: it *is possible* to hire salespeople on straight commission—that is, paying a commission only when a successful sale is completed and the prospect's money is in your bank account. I've hired salespeople on that basis for years.

The secret is to pay them above average commissions for generating sales versus paying them a base salary per month with lower commission percentages. In general, for sales of most high-ticket certification programs, commissions of about 7% to 20% of the gross sale amount are standard. I prefer to pay on the actual sales amount versus a percentage of profits, net revenue or gross margin—and my salespeople prefer this, too. It's easy to calculate, they know what their pay will be at any point in time and it avoids delays, uncertainty and misunderstandings that might occur if I had to first calculate profits or margins before paying out commissions. It also puts the responsibility on me as the business owner to control my costs so both I and the salesperson make money.

Defining Job Duties and Establishing Sales Goals

Top sales superstars are goal-oriented. As long as you are providing a steady stream of qualified leads through your good marketing and prospecting techniques, your sales team should have no problem converting these leads into enthusiastic buyers and satisfied long-term customers.

To establish sales goals that are fair and realistic, look to your own closing rate as the benchmark. Since you are often the best person to convince prospects to buy, assume that a top salesperson will be able to make slightly fewer sales than you would. If you close 22% of prospects into your certification program, for example, use that as a benchmark for your new sales team.

What sales goals will you establish for your new salespeople? Use the chart below to help you decide.

Sales Goals	Your Own Track Record	Goal for Salesperson
Leads Generated Per Week (if required)	_____	_____
Number of Leads Contacted Per Week	_____	_____
Conversion Rate	_____ %	_____ %
Average Sale or Contract Amount	\$ _____	\$ _____
Average Upsell Amount	\$ _____	\$ _____
Refund Rate (Percent of Sales Refunded)	_____ %	_____ %
Lifetime Value of Customer (Total Patronage)	\$ _____	\$ _____
Customer Service/Save-the-Sale Calls Per Week	_____	_____

Additionally, be sure to define the salesperson’s job duties going forward. The biggest question by far is whether you’ll require your salespeople to handle customer service related to the sales they make. Requiring them to be the one and only point of contact helps increase sales and customer satisfaction, but it reduces the amount of time they have to follow up on leads. It’s your decision: I’ve utilized both situations . . . that is, salespeople doing customer service and a separate staff providing customer service.

Additionally, you’ll need to decide whether you want your sales professionals to generate their own leads (prospective customers). Many companies require this of their salespeople, but I’ve always preferred to control the quality and frequency of lead-generation programs, letting my salespeople follow up on the quality leads that my good marketing generates.

Use the chart on the next page to help you plan duties for your sales professionals. These are some typical sales functions, but you may have others in mind. Jot down yours in the blanks provided.

Planning Duties for Your Salespeople

	Required	Not	If Not, Who Will Do This?
Generate his/her own sales leads (prospective customers)	<input type="checkbox"/>	<input type="checkbox"/>	_____
Receive inbound product or service inquiry calls	<input type="checkbox"/>	<input type="checkbox"/>	_____
Handle refund requests/"save-the-sale" calls	<input type="checkbox"/>	<input type="checkbox"/>	_____
Make outbound telesales calls to targeted lists (cold calling)	<input type="checkbox"/>	<input type="checkbox"/>	_____
Conduct in-person sales calls and visits	<input type="checkbox"/>	<input type="checkbox"/>	_____
Follow up on inquiries by telephone	<input type="checkbox"/>	<input type="checkbox"/>	_____
Email or ship product literature or samples	<input type="checkbox"/>	<input type="checkbox"/>	_____
Provide customer service to buyers he/she sells to	<input type="checkbox"/>	<input type="checkbox"/>	_____
Provide own sales support staff (including paying for own staff)	<input type="checkbox"/>	<input type="checkbox"/>	_____
Attend trade shows and industry conferences	<input type="checkbox"/>	<input type="checkbox"/>	_____
Speak at industry events in order to generate leads	<input type="checkbox"/>	<input type="checkbox"/>	_____
Conduct preview workshops locally	<input type="checkbox"/>	<input type="checkbox"/>	_____
Call existing customers to upsell, resell or cross-sell	<input type="checkbox"/>	<input type="checkbox"/>	_____
Manage sales lead database and/or conduct CRM*	<input type="checkbox"/>	<input type="checkbox"/>	_____
Develop product literature or sampler packages	<input type="checkbox"/>	<input type="checkbox"/>	_____
Develop proposals or write contracts from a template	<input type="checkbox"/>	<input type="checkbox"/>	_____
Write up estimates	<input type="checkbox"/>	<input type="checkbox"/>	_____
Develop pricing policies/discounting policies	<input type="checkbox"/>	<input type="checkbox"/>	_____
Run sales reports	<input type="checkbox"/>	<input type="checkbox"/>	_____
Write sales scripts	<input type="checkbox"/>	<input type="checkbox"/>	_____

(continued next page...)

	Required	Not	If Not, Who Will Do This?
Manage other salespeople	<input type="checkbox"/>	<input type="checkbox"/>	_____
Recruit new salespeople	<input type="checkbox"/>	<input type="checkbox"/>	_____
Train new salespeople	<input type="checkbox"/>	<input type="checkbox"/>	_____
Attend in-house sales meetings/in-house trainings	<input type="checkbox"/>	<input type="checkbox"/>	_____
Attend outside sales trainings (requiring travel)	<input type="checkbox"/>	<input type="checkbox"/>	_____
Other _____	<input type="checkbox"/>	<input type="checkbox"/>	_____
Other _____	<input type="checkbox"/>	<input type="checkbox"/>	_____
Other _____	<input type="checkbox"/>	<input type="checkbox"/>	_____
Other _____	<input type="checkbox"/>	<input type="checkbox"/>	_____

* CRM is "customer relationship management," typically via ongoing email, telemarketing and direct mail.

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