

# Strategies Reducing Among Hospitality Sales Managers

By Ron Volper

Here's what companies with low turnover rates do to retain top-notch sales and marketing professionals. Adopt these "best practices" to keep good people and recruit talented new hires.

**M**ost hospitality companies, and those in other industries, struggle to find and retain talented sales executives. However, some companies, both hospitality and non-hospitality, experience significantly lower turnover—especially "unforced turnover"—than others. Moreover, these companies, referred to here as Group A companies, fill open positions sooner.

The Ron Volper Group recently completed an informal analysis to identify what those companies with annual turnover rates of salespeople below 15 percent do differently from those companies with annual turnover rates of over 25 percent. While we focused on the sales function, we believe the findings apply to other functions as well.

Some practices of the Group A companies may be difficult to emulate, but the majority are not. Given low unemployment in the United States and elsewhere, and a tight labor market, it is essential for all hospitality companies to improve their recruitment and retention practices.

## Recruitment

For starters, companies in the A group category, unlike those with higher turnover, identify which sales managers are at risk of leaving and why. They document, usually on a quarterly basis, a suc-

cession plan to replace a given individual, or cover his or her accounts. Many companies have the manager complete a succession planning form for this purpose.

When a sales manager, or anyone else leaves, a manager does an exit interview and documents it, so that the company can learn from the experience.

Part of the reason that Group A companies fill vacancies more quickly is that they interview candidates monthly, even when there are no openings.

Companies that have a sales operating system often require their director of sales and others to document, in their monthly report, how many candidates they have interviewed.

Many of these companies also have created junior sales positions to give their rookies more playing time (meaningful sales experience). Typically, this consists of assigning them a smaller slice of geography, or a less critical market segment, or simply a handful of named accounts. These "sales trainees" are given specific targets, compensation for bringing in business from these accounts and receive coaching and mentoring during their apprenticeship.

In some cases, these sales trainees hold the title and some of the duties of a sales assistant/sales coordinator but, as indicated, they also have their own

# For Turnover

account responsibilities.

Beyond interviewing on a pre-need basis, and creating a sales trainee position, these Group A category companies often take a broader perspective in their hiring criteria. For example, they more commonly hire salespeople from other industries, who have demonstrated success in selling. That is, they will consider hiring a successful insurance person as well as a hotelier.

A number of companies have also widened their pool of candidates by considering housewives and others returning to the workforce, especially if they've been successful, for example, in areas such as volunteer fundraising. Several companies have increased their labor pool by hiring salespeople with physical handicaps. Some have been assigned to telephone sales, or reservation sales, but others have successfully held field sales positions.

Beyond identifying those at risk of leaving, and recruiting more proactively, Group A companies reduce turnover because of a better selection process. They have more people interview sales candidates before they are hired. By interviewing the candidate on different days, they are in a better position to see how he or she acts in different venues, with different people. For these reasons and others, many non-hospitality companies include a phone interview as part of the process. Beyond that, the interview itself is more in-depth. For example, one all-suites hotels manager focuses on only

a few areas of a candidate's resume, but probes deeply into them.

At least one five-star hotel company and another three-star company will not hire sales managers unless they have been interviewed by salespeople.

A standardized sales inventory, measuring someone's presumed aptitude for sales, against benchmarks of incumbents, has also been found helpful to predict success.

## Motivation and Development

Beyond having an early warning system, and proactively filling vacancies, hospitality and non-hospitality companies that experience lower turnover do a better job of motivating their employees. While Group A companies sometimes pay better than Group B companies, what is more striking is that in a larger percentage of these companies, compensation is based on revenue results (i.e., a more aggressive incentive plan, versus a higher base salary).

Companies in Group A also seem to have a more comprehensive recognition and rewards system, both formally and informally. For example, a number of them have established a President's Club or the equivalent, whereby salespeople and others meeting certain annual sales criteria are invited to an all-expenses-paid trip to a resort, along with the other winners. Often they can bring their spouse or significant other along. During their stay, they are wined and dined and showered with accolades.

In addition, the Group A companies more often hold sales contests. These typically last from one to three months and might combine sales achievement with luck. Some sales contests focus on activity levels (appointments, etc.), while some focus on results (new business, etc.). The common denominator is that the success is celebrated and enjoyed. In addition to sales contests, Group A companies hold more teambuilding and fun events, such as company picnics, softball games, and holiday parties.

Group A companies also spur morale by having more formal career paths that encourage sales managers to remain in sales. That is, salespeople receive additional responsibility, a new title, and usually an increase in compensation by achieving the next rung on the sales hierarchy.

Group A companies also did a better job in training and developing their salespeople. They offered more (and better) sales training. And managers coached all people on the sales team, including the ones who were doing well.

Beyond having an early warning system, recruiting more proactively, motivating employees, and training and developing them more effectively, The Ron Volper Group identified one other driver of reduced turnover. Group A companies were less hierarchical, less rigid in their rules, and more supportive of salespeople and others throughout the company. Their motto could well have been: "What have we done for the troops lately?" ■