



Hiring Mx Right

What sales leaders should look for in their next hire



by Luca Smuraglia,
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Ensuring the right talent in your salesforce can make or break your revenue stream. COVID-19 and its consequences have provided new challenges to getting this right. Hg's Luca Smuraglia discusses the risks and opportunities of hiring 'Mx Right' into sales during the new normal.

If you have a sales vacancy to fill and you're fretting about it, it's because hiring the right person for you, your team, and your business is critical and extremely challenging to get right.

No doubt your aim is to hire someone who:

- will be able to achieve their target, consistently, sooner rather than later;
- is easy to work with, and who can help you raise the bar and foster a high-performance culture in your team;
- has the will and skill to cope with the inefficiencies, constraints and weaknesses of your organisation.

So, what should your strategy be to minimise the risk of making a bad hire?

Who should you be looking for? Candidates with a demonstrable, relevant track record, subject matter expertise, and a rolodex of prospective clients ready to buy?

Despite what recruitment agencies want you to believe, those candidates are either too hard or expensive to attract, not available when needed, or simply do not exist.

And if they did, it is not guaranteed that they could replicate their past and current success in your organisation anyway.

In fact, a better hypothesis is that every candidate is flawed, someone else's bad hire, and therefore the right hiring strategy is to search for and assess candidates using a broader set of personal characteristics that are better predictors of future success, and to select those whose identified flaws you have the time, will and skill to work with and fix, and for which your team and your organisation can provide the right support and environment to nurture.

So, which personal characteristics are more reliable predictors of how a candidate is likely to perform in their new role, considering your expectations, management and leadership competencies and style, your team culture, and your organisation's weaknesses, inefficiencies and constraints?

COVID-19 has brought a unique challenge to many businesses over the last few months and those focusing on revenue growth and customer retention are certainly no exception.

By definition, the mission of these functions is to attract and persuade prospective and existing customers to invest in their company's products and services. Not an easy task against the uncertainty the next few years may bring.

Here at Hg, we have a Growth Team covering the often disparate and disconnected practices of Strategy, Attracting & Retaining Customers, and Delivering Value.

We use the combination of this expertise to support our portfolio companies in their growth aims as we believe that aligning these areas is the key to growth success.

Now, more than ever, we urge you to avoid allowing these different departments to tackle their problems separately. With resources and budgets under pressure for buyers and sellers alike, the time for mismatched objectives, inconsistent messaging, an unplanned customer journey and departments butting heads is over.

In the first of a series of Growth Insights, Luca Smuraglia, our resident expert in Sales, looks at the usual mistakes made when hiring your next Sales Superstar and how to get it right this time.

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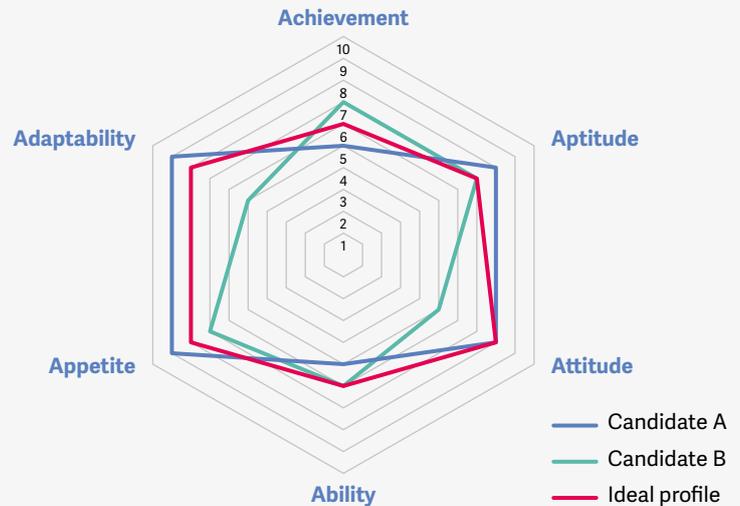


What should you look for to avoid making a bad hiring decision?

Our research into the science of performance, behavioural, sport and positive psychology, and experience as managers, leaders, and performance coaches tell us that the set of personal characteristics that better predict an individual's performance and development potential are:

Aptitude / Attitude / Ability / Appetite / Adaptability / Achievement

Below is a high-level explanation of each, and why they matter.



Aptitude

Aptitude is by far the most dangerous blind spot for hiring managers.

It is an individual's natural disposition towards performing a task, which for a salesperson is primarily down to cognitive skills and personality traits, both of which are generally set by adulthood and cannot be changed.

A salesperson's job is complex. Good cognitive skills are therefore a critical requirement for anyone in a sales role. Cognitive skills can be assessed by measuring IQ, fluid intelligence and crystallised intelligence, mental agility, working memory, numeracy and literacy, all which, according to research, may be the best predictor of job performance.

On the other hand, personality traits manifest as the characteristic patterns of thinking, feeling and behaving that an individual tends to adopt in given situations, and which depend on their level of openness, conscientiousness, extraversion, agreeableness and neuroticism.

A salesperson requires a healthy level of extraversion and agreeableness to build rapport with customers; openness to adapt to new situations; conscientiousness to do the right things right, no matter what; and a low level of neuroticism to cope with the stress typical of the sales profession.

In a nutshell, a salesperson's aptitude will either facilitate or constrain their ability to sell. That's why it's critical to assess it. Also, cognitive skills and personality traits determine a candidate's developmental potential, and therefore set the upper limit of performance and results an individual can achieve in their role.



Attitude

Another typical blind spot for hiring managers is a candidate's attitude.

US billionaire businessman Herb Kelleher's mantra was: "Hire for attitude, train for skill". It's good advice. In his book *Hiring for attitude*, Mark Murphy tracked 20,000 new hires. A staggering 46% of them failed within 18 months. But even more surprising was that 89% of the time they failed for attitudinal reasons and only 11% for a lack of skill.

Attitude is our mental disposition, our typical way of thinking or feeling towards people, situations, the things we do and the context in which we do them. As such, attitude can be a reliable predictor of the behaviours an individual is likely to display in performing a job in a certain organisational environment.

In particular, it is important to assess a salesperson's attitude towards the purpose of their role, their role as a team member, their target, their accountabilities and responsibilities, towards success and failure, personal development, towards compliance with processes, methodologies, and policies, towards the organisation's strengths and weaknesses, and market opportunities and threats.

Unlike aptitude, attitude is malleable, either through coaching or external conditioning. For example, a new hire's attitude can be moulded by a team's strong and well-rooted culture, as long as the individual is adaptable, i.e. open and willing to change.



Ability

Usually the main focus of hiring managers, and the easiest to assess, ability is a candidate's level of proficiency in performing a job. In other words, the extent to which an individual will be able to do the right things right in their role.

A candidate's ability determines whether they will be able to hit the ground running, and it depends on their foundational knowledge, specialist knowledge and expertise.

Foundational knowledge consists of awareness of the right things to do and how to do them. In essence, it's the mental model of performance that we try and apply in practice. Poor foundational knowledge, for example of listening, questioning, objections handling, and value selling best practices, results in poor execution and results.

Specialist knowledge is understanding of and familiarity with the subject matter specific to one's role. In the case of a sales professional, specialist knowledge would include knowledge of products, services, solutions, value proposition, etc., as well as market knowledge.

Expertise is a factor of quantity (measured in length of time and continuity in performing a role) and quality (relevance and complexity) of performance.



Appetite

Appetite is the willingness to apply and sustain the effort required to achieve goals and meet expectations, no matter what.

The personal characteristics that more than anything determine an individual's "appetite" are motivation, drive, conscientiousness, confidence, resilience, and self-management.

They are all linked. For example, increased motivation is likely to result in a stronger drive, which in turn will improve conscientiousness, boost confidence and encourage us to develop our competencies, resulting in greater resilience.



Adaptability

Adaptability is the extent to which a candidate is willing and able to develop their attitude, ability and appetite to the level required by the role.

It manifests in a commitment to personal growth, the ability to handle constructive criticism, and openness in regard to exploring alternative ideas.

Adaptability requires self-awareness and self-management, a willingness to be taught and to handle mistakes while being motivated to do better.

Appetite and adaptability are pretty important personal characteristics to assess in a candidate, right? Especially in a "new normal" hiring scenario where any recent blemishes to a candidate's track record and tenure could too easily be blamed on COVID-19.



Achievement

Finally, whilst past performance is no guarantee for future results, there is some truth in the say "Success breeds success". Indeed, the more success an individual has experienced in their personal or professional life the more likely they are to be able to visualise future success, to be confident in their ability to achieve it, and to be resilient in the face of initial setbacks, either independently or through coaching.

Key takeaways

The risk and cost of making a bad hiring decision is very high, especially in the "new normal" hiring scenario where COVID-19 has provided candidates and recruitment agencies with a catch-all alibi for failure and inadequacy. To avoid it, your hiring strategy and capabilities (skills, process, methodologies and tools) must be adapted to better search for and assess personal characteristics that are more reliable predictors of how a candidate is likely to perform in their new role, considering your expectations, management and leadership competencies and style, your team culture, and your organisation's weaknesses, inefficiencies and constraints.

With the exception of aptitude and achievement, all other personal characteristics can be developed through tailored personal development interventions (training, coaching and mentoring) in the right organisational environment.

Your Mx Right is that candidate who meets your minimum requirements for aptitude and achievement, and whose identified strengths and weaknesses in terms of attitude, abilities, appetite and adaptability you have the time, will and skill to work with and fix, and for which your team and your organisation can provide the right support and environment to nurture.

Building businesses that change how we all do business

Hg is a specialist private equity investor focused on software and services businesses in Europe and the US.

Hg has c.200 employees representing the largest technology investment team in Europe. Our deeply resourced teams focus on specific sub-sectors and investment themes to identify companies which have the potential to grow, create employment and become a leader in their space.

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