



What to Do When Your Star Salesperson Quits

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A company's sales force is the most difficult to replace. Most devastating is when your salesperson leaves you for the competition.

Your best employee will quit. Maybe not this week, or next month, but someday he or she will leave. The impact on your customers and staff and the financial cost of turnover are substantial. Studies show that employee turnover can cost a company up to 200% of annual employee compensation¹. The cost of replacement has exceeded the cost of retention; the higher compensation needed to attract new hires, combined with the cost of necessary training, far exceed the price of retaining current employees². A company's sales force is the most difficult to replace. Most devastating is when your salesperson leaves you for the competition. When it happens to you, keep this in mind:

Don't sever the relationship

Upon hearing the words, "I'm giving my notice," many companies have the employee escorted out of the building. Severing the relationship so bluntly is bad for business; it will demotivate coworkers, reduce productivity, and instigate retaliatory behavior. In reality, the separating employee may still be of great value to you. For example, are his client records up-to-date and easily understood? Do you know the status of every account? It's not about the salesperson; it's about your clients. Manage this transition well and clients will stay with you. Additionally, former employees can be the most useful resource when recruiting. Those who have held the



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job previously know the characteristics and skills to look for in a new hire and can also provide a sense of mentorship once the new employee is in place.

Is he leaving or has he already left?

If the employee is planning on leaving, but has not made the ultimate decision, there may be room to make a counteroffer. Open the dialogue by asking the employee, “What can we do to make this work for you?” Not everyone should get a counteroffer; it is a question of whether the employee’s issues can be addressed and if he is really worth retaining. If he is committed to leaving, then you need to move quickly onto the next steps.

Where is he headed?

Is the individual staying in the same industry, working at a company where they may still be in contact with your clients?

1. Ensure that non-disclosure and non-compete agreements have been signed.

This protects your business as well as the relationship you have with your clients. While this should be done upon employment, the sooner the contracts are signed, the better. The problem with non-competes is that they're penalty-driven, and negative in nature. Consider instead “golden handcuffs,” more of a

financial reward than a penalty. Offer your salespeople tuition reimbursement programs, deferred compensation, or salary continuation plans. If salespeople leave the company prematurely, they lose their chance to reap the reward³.

2. Identify what made the salesperson successful.

Document any knowledge, skills and abilities that made him/her productive and profitable. Asking key clients what they liked best about working with this individual will help in training the next account rep.

3. Start the hiring process immediately to create a solid applicant pool.

Some of the best candidates don't respond to job postings and advertisements. Instead, they are choosing the companies they want to work for: Make sure you are on their short list of employers⁴. The retention of quality salespeople begins before recruiting, in your branding process. Success within your organization should be clearly defined, and must take into account corporate culture, employee personalities, and necessary role requirements. Due to the demanding nature of a sales career, it is crucial to assess personalities and temperaments of candidates early in the hiring process. Testing does not guarantee you will hire the right person every time, but it is a definite step in the right direction⁵.



What about your business?

1. How much more time can he/she give you? If possible, using the employee to train his own replacement can accelerate the new hire's productivity. He can train the new individual on your company's culture, systems, and how to succeed at your organization. The first few days of employment is the most formative time for the employee to decide how he feels about your organization and his job. Opinions formed in the first days at a company are very hard to change. Ensure your training program is structured; take the time to be thorough and he will feel valued and welcome. The amount of effort and time put in will reward you in the end. Remember that hiring a great salesperson is "only half the battle." In order to keep your new employee in the long run, invest in his skills in both personal and product knowledge.

2. Contact the salesperson's key clients. Ask them what you, as the business owner, can do to help them. Let them know if there is anything they need, they can always contact you. Turnover leaves customers in the dark; a lack of continuity can cause confusion and decreased productivity. As you go forward, impress upon your clients that no single employee is their support system. Each employee works as a part of a team to provide for them.

3. If you have not, create a client database now containing key contacts, their history, needs, requirements and also relevant personal information, such as special interests, likes and dislikes. At times like this, it is a valuable tool to give your new hire a headstart.

4. If your new hire is not in place in time for a smooth transition, distribute the workload evenly. Also, consider the separation as a development opportunity for a rising star. Give someone the chance to prove themselves with a new client and be sure to take care of those who get extra work. Mitigating salesperson turnover is about preserving not only intellectual capital, but also relationship capital, which is more valuable but also easily overlooked. Many employers are so concerned with separating employees, they forget about those who remain at the company. Do not forget how turnover affects those left behind; make sure employees are well-informed and offer a forum for them to discuss their concerns openly.

Leading organizations use employee retention strategies to retain knowledge, momentum, and competitive advantage. Incorporating these practices the next time a salesperson leaves will keep your company moving forward.

1 Branham, Leigh. *Keeping the People Who Keep You in Business* (New York: Amcam, 2000), p. 6.

2 "How Bad is the Turnover Problem?," *HR Focus* March 2007: 5-7, 10.

3 Silverstein, Ray. "The Key to Retaining Sales Talent." *Entrepreneur.com*, April 25, 2008.

4 Hrehocik, Maureen. "The Best Salespeople: Finding, Keeping, Grooming." *Trainingmag.com*, October 1, 2007.

5 Boe, John. "Retention is a Problem That Won't Go Away." *JohnBoe.com*, 2008.



Understanding your People is what Our People do.

Retensa is a leader and innovator of Employee Retention Strategies. They combine experience and web-based technology to develop, motivate, and retain a company's best employees. Retensa builds solutions and metrics to help firms reduce turnover and create a high-performing workforce.

To create the "Retention Environment," Retensa provides additional expertise in Training and Development, Mentoring, Cost of Turnover Analysis, On-line Employee Surveys, On-line Exit Interviews, Executive Coaching, and Succession Planning. For more information about the results you can achieve visit www.retensa.com or [contact](#) a specialist at 212.545.1280.



RETENSA SERVICE INQUIRY

Please answer these questions to the best of your ability. Fax completed form to: (212) 545-8677. We will contact you at your desired time to discuss your goals in more detail and identify a range of solution to fit your budget.

When this project is complete, what has been accomplished? _____

In regards to your workforce, what does your organization do well? _____

In regards to your workforce, what are the challenges? _____

What, if anything, has been done to address this issue? _____

I am interested in a solution that includes (Check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Attracting, Orienting, or On-boarding employees | <input type="checkbox"/> Benchmarking, Quantifying, or HR Metrics |
| <input type="checkbox"/> Cost of Turnover Analysis (Turnover Audit) | <input type="checkbox"/> Diversity Retention (Gender, Generation, Culture) |
| <input type="checkbox"/> Improving Employee Morale or Motivation | <input type="checkbox"/> Mergers & Acquisitions |
| <input type="checkbox"/> Reducing employee costs | <input type="checkbox"/> Retention of best employees (Reducing Turnover) |
| <input type="checkbox"/> Executive Coaching | <input type="checkbox"/> Training & Development |
| <input type="checkbox"/> Employee Surveys | <input type="checkbox"/> Exit Interviews |
| | <input type="checkbox"/> Other: _____ |

Complete the following:

Your Name: _____ Title: _____ Phone: _____

Organization: _____ Email: _____

City: _____ State/Province: _____ Country: _____

URGENCY:

- Urgent:* Please contact me ASAP
- High:* Need to move quickly
- Moderate:* Searching for solutions
- Mild:* Researching options

--- Fax completed form to: (212) 545-8677 ---

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