

# True costs of a sub-optimal sales development hire

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One of the biggest challenges of building high-performance sales teams is recruiting. Hiring the right sales development professional will guarantee a strong foundation to the entire sales team. Unfortunately, many sales managers bring seemingly promising sales development professionals on board only to discover that the new hires consistently produce substandard results.

It is troublesome to know that the cost of hiring a suboptimal sales development representative can be substantial. Read on to learn more about the true costs of a suboptimal sales development hire and how you can streamline your sales development recruiting process to ensure that you're bringing the right people on your team:

## So...what types of traits does a bad hire exhibit?

While there isn't one cohesive definition for a bad hire, there are some common traits and behaviors that they will typically exhibit. Here are some of them:

- The sales rep regularly displays a lack of deep engagement for work. They appear to simply go through the motions.
- The sales rep exhibits behavior that impacts the morale or mood of others.
- When interacting with prospective customers or existing clients, the sales rep regularly exhibits behaviors that are unequivocally unprofessional.
- The sales rep rarely books good meetings and does not do a good job qualifying prospects.
- The sales rep regularly shows up to work late and does not put in much effort.
- The sales rep rarely participates in ongoing training and never takes the initiative to facilitate personal growth by requesting ongoing education, training or mentorship.
- The sales rep rarely meets quotas. While this is not necessarily a trait in and of itself, it is certainly an outcome of traits identified above.

## How Much Does A Bad Hire Cost?

Poor sales development hires can cost the company a lot in time, money, and other resources. Often times, the costs are not just economic and extend to reputational costs as well.

- **Hiring/Onboarding Costs:** Bringing new employees on board isn't cheap, and it certainly isn't free. Some of the costs that are typically involved with the hiring process include background checks, travel costs for interviews, job advertisements, and the cost of working with a recruitment firm. In addition, employees and hiring managers have to spend time screening and interviewing candidates. In many cases, this entire process can cost up to \$25,000 per rep.
- **Benefits:** Disability insurance, health insurance, and all other expenses paid out to the employee can be thought of as a loss. On average, companies spend in excess of \$6,000 annually for health insurance on each employee and this loss can be quite significant.
- **Training:** New employees have to be taught how to do their jobs carefully, and providing them with the resources to make this happen can be costly. Average ramp time for sales development reps can extend well into 4 months. Many companies spend a few thousand dollars on training alone and this does not include the payroll costs of ramp time.
- **Opportunity Cost:** Typically, underperforming sales reps don't contribute to generating business. A sales rep that misses targets by 50% translates to a loss of both topline and bottom-line for businesses. This could mean hundreds of thousands of dollars for businesses.
- **HR Expenses/Severance Pay:** Firing sales reps may add severance costs to organizations. In some cases, fees for HR, legal expenses, and severance pay can total \$10,000.

## Start Optimizing Your Sales Development Recruiting Processes Now!

If you run a sales organization and want it to be incredibly successful, know that you can make this happen. To ensure success, bring on highly qualified, competent people and train them well!