

PAY TO PLAY: INDIVIDUALLY CUSTOMIZED SALES COMPETITIONS

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Abstract

The Sales Education Foundation acknowledges 58 colleges in the United States that have specific sales programs (Building a Sales Program, 2013). As interest continues in sales education development it should be recognized that there is a gap between what companies want in their sales recruits and in what marketing/sales departments are currently delivering. This paper aims to provide direction for any college department in which sales education development is a priority. Through the lens of cross-functional partnerships, sales education can be extended beyond the classroom to focus on opportunities to build efficient learning experiences for students that also provide benefit to outside partners. Preliminary interview data suggests customized sales competitions sponsored by individual companies and hosted by marketing/sales departments might be an efficient partnership opportunity. The steps to initiate this partnership model are offered, with implications for successful programming and further research.

Introduction

Sales, as a profession, is no longer looked at as a door-to-door, grass-roots job as over 16 million people in the United States are employed in sales fields ("The Major Sales Forces in America", 2003). In fact, sales has grown so tremendously over the past decade that ManpowerGroup's Annual Global Survey (2012) has shown sales positions to be third on the list of most sought after positions. Sales has been realized as a sustainable business practice. Encompassing the opportunity to work with any and every different type of product or service, sales is an open door for anyone. According to the Sales Education Foundation, "Over 50% of US college graduates entering the workforce, regardless of major, enter sales as their first career" (Building a Sales Program, 2013). Though advancement is obviously being made academically in the field of sales, less than 2% of colleges in the United States offer any type of sales program (Building a Sales Program, 2013). This is one of many reasons sales positions are among the most difficult to fill (Rivera, 2007).

Sales recruiters can now take advantage of the fact that students are graduating from college with a particular affinity towards sales. Recruiters can seek out these 58 colleges in the United States that have specific sales programs (Building a Sales Program, 2013). There is still a gap though. The coursework taught in the classroom falls short of the skills and knowledge that practitioners desire (Leisen, Tippins, & Lilly, 2004). When firms are spending upwards of 30% of their human resources budget on recruitment and retention, the resulting new hires are expected to be strong sales candidates (Leonard, 1999). On the other end of that spectrum, students expect to be qualified candidates for entry-level jobs when they graduate. Collaboration between recruiters and academic programs is crucial in order to close this gap.

Collaboration exists between academia and industry practitioners in the forms of career fairs, class presentations, workshops, and more. These are all give-and-take processes by which companies are offered the opportunity to signal to potential job applicants what the true qualities of their organization are (Connelly, Certo, Ireland, & Reutzel, 2011). In return, the students are able to learn more about issues, such as life after college, in the pursuit of a particular career. These practices; however, do not guarantee quality candidates or successful recruitment. Further collaboration needed to be more hands-on and so a new model was developed.

There are currently 19 full member schools and 15 associate member schools of the USCA (University Sales Center Alliance). The member schools participate in national and regional sales competitions in order to provide their students with more hands-on sales experience. Sales competitions tend to be sponsored by a number of companies and are usually hosted at a sales center of one of the schools with a prominent sales program. Weilbaker and Williams surveyed a number of Sales Centers that reported a 29% increase in job placement rate when students completed actual sales programs through these respective sales colleges (2006). In this way, the collaboration between sales academia and industry practitioners is continuing to improve.

This collaboration has potential to be enhanced through individual customization. When multiple companies sponsor sales competitions, the qualities for top candidates are blurred. Sales can mean something different depending on which company is asked. Sales could be transactional or consultative. Sales positions can involve building relationships, managing accounts, lead generation, and any or all of the above and more. The needs of each recruiter for each individual company should be taken into account. Competitions like these have been a success, nonetheless. Students from the sales programs that participate in these competitions ramp up 50% faster than their non-educated sales peers along with having turnover rates of 30% less (Building a Sales Program, 2013). This research is exploring the extension of the current model of cross-functional partnership through the addition of individually sponsored collegiate sales competitions that can be successfully run by any department with or without a sales program or sales center. Continuing to explore new opportunities for partnership between sales academia and industry, this article aims to serve multiple purposes:

- 1.) Establishing a new opportunity for faculty to apply classroom skillsets in order to increase the rates at which sales students are successfully acquiring jobs post-graduation
- 2.) Encouraging the preparation of students for careers in sales with the help of industry professionals
- 3.) Helping to provide direction for any college departments in which sales education development is a high priority

Background

Increasing Student Job Acquisition

Turnover is an increasingly significant cost for employers when initial hiring and training costs for new employees are estimated at 200 percent of the employee's annual salary (Griffeth & Hom, 2001; Hinchcliffe, 2003; Bliss, 2004). Research to develop more efficient recruitment is a never-ending process as it affects an enormous scope of companies (Cascio, 2006). Research on employee turnover has been developing since March and Simon (1958). In sales positions, turnover has particularly devastating ramifications as there are a number of indirect costs related with establishing a new salesperson into a new territory (DeConinck & Johnson, 2009). New salespeople may not achieve quotas immediately, which hurts the company. The failure to achieve quotas immediately can cause these new salespeople to quit. This turnover has now cost the company opportunity costs lost when they did not succeed, the price to hire and train the employee lost, and may also create dissatisfaction for clients in the territory that are not being managed appropriately during the time it takes to fill the sales role again. These consequences reinforce the idea that it is better to recruit right the first time.

Evidence confirms that applicant attraction measures are directly related to actual decisions to accept job offers (Cable & Judge, 1996; Powell & Goulet, 1996; Turban, Campion, & Eyring, 1995). Applicant attraction measures in this context are viewed as the measures that show how attracted the applicant is to a prospective job. This applicant attraction is directly influenced by positive organizational attributes and positive organizational reputation (Turban, Forret, & Hendrickson, 1998). Graduating college students choose where they apply and from whom they accept jobs based on their pre-recruitment awareness of the company. This suggests that if college recruitment is to be successful, companies need to increase their visibility to students in order to increase student awareness. Through increased visibility, companies signal key elements of their organizations to potential job applicants, but not every company succeeds in doing so outside of the recruitment process (Connelly, Certo, Ireland, & Reutzel, 2011). In the past, companies have relied on a few generic activities to build awareness on college campuses. These include common recruitment practices such as corporate advertising and informational sessions on campus as well as career fairs, and setting up campus interviews. Often, students do not have sufficient information about organizations recruiting on campus. A hastily set up interview with a recruiter might actually prompt applicants to assume that the company does not invest very much in their new hire development process (Cable & Turban, 2001). In light of this research, sales recruiters need other outlets to provide students with more positive signals about their company. Sales recruiters need these outlets to also educate students about the opportunities and benefits involved in taking a sales position in particular.

The most successful place for sales recruiters to find potential entry-level talent has been college campuses (Dubinsky, 1980). College students, among others, often accept an entry level job opportunity merely because they qualify and believe they understand the skills and abilities required to do the job (Cron, 1984). After four years of stale pizza and Ramen noodles, they cannot be blamed for their interest in an opportunity to climb out of poverty. Recruitment practices that prey on minimal student understanding of the job market might allow the sales recruiters to make their quota of applicants, but can lead to a higher level of turnover, further demonstrating the importance of better sales recruitment techniques for these organizations.

Encouraging Students Sales Preparation

Recruiters need to be more in touch with the key job attributes that the students rate as most important. They could then tailor their recruitment offerings to these attributes (Weilbaker & Merritt, 1992). A recruiter has a significant time commitment in simply finding candidates, let alone understanding the candidates' most important job attribute interests. Even if a recruiter meets with a potential new collegiate recruit, according to Dubinsky, that recruiter would then need to spend precious interview time explaining away all the misconceptions about sales careers in order to keep the applicant interested (1980). For the recruiter, conflict arises between the time required to establish trust with candidates and the accountability for efficient use of the recruiting budget. As previously mentioned, when tremendous amounts of money are being spent on recruitment already, asking for an extra dollar or extra minute of time might be too much to ask for. Assistance from academia might allow recruiters a better understanding of student intentions in order to pair their recruitment offerings.

Students who have taken marketing classes or sales classes hold sales careers in a higher esteem (Bristow, Gulati, Amyx, & Slack, 2006; Sojka, Gupta, & Hartman, 2000; Karakaya, Quigley, & Bingham, 2011). Bristow et al. suggest that nearly 80% of college students graduating with marketing majors, who have taken sales classes, will end up in a sales career at some point in their lives (2006). With this large number of entrants into the sales profession, it begs the question of why salespeople are still in such high demand. It seems a fair assumption that the low level of interest students have for sales in general may be the result of negative perceptions about sales as a career. Negative perceptions of sales have always existed in the

media, from *The Music Man*'s Harold Hill (1962) through *Death of a Salesman* (1985). Sales careers portrayed in a negative light have often been criticized (Baldwin, 1992; Butler, 1996; Jolson, 1997). Sales research has shown that portrayals of salespeople in the media have not changed in the last 100 years, despite sales becoming much more developed as a business-to-business profession (Hartman, 2006). The negative perceptions play a part in the lack of interest for students that have obviously not had first-hand experience with B2B salespeople. The students from programs offering customized sales competitions have more realistic ideas and perceptions about sales jobs already, potentially minimizing the amount of time a recruiter might need to spend justifying sales as an overarching career (Weilbaker & Williams, 2006).

Providing Direction for Sales Education Development

Sales students striving to succeed in college need to know that their department is going to help them find a place to use the knowledge and skills they have acquired. Recruiters attend countless career fairs or campus interview days every semester searching for these specific skills and knowledge base, but they interact with a wide range of students from different majors, none of whom are guaranteed to be successful or even have interest in their particular company. Concurrently, students interested in sales need to be constantly alert for every type of career fair on campus. Many companies have a need for professional selling students, but may not advertise such postings prior to the career fair. Departments driving to boost their students' job placement rates need to recognize this juxtaposition. Departments that work with recruiters from a variety of different companies can not only place more of their students in successful jobs, but also increase the credibility of their programs. In order to partner with recruiters, the sales departments need to develop a service that makes recruiting their students as efficient as possible. This paper suggests that individually sponsored sales competitions should be the service most vibrantly offered.

Preliminary Data

During the Fall 2013 semester at Purdue University, 93 undergraduate students participated in 4 different individually sponsored sales competitions. The competitions were sponsored by PepsiCo/FritoLay, AT&T, Northwestern Mutual, and Victaulic. The competitions were also hosted predominantly by undergraduate student interns who were overseen by faculty and staff. Each competition was hosted in a suite of offices where a role-play was completed and video recorded in one room, sending the feed into an adjacent room allowing company representatives to view and judge each candidate. The role-play buyers remained the same for the duration of the competition in order to ensure a fair competition. The judges and buyers used the same evaluation form to critique each competitor as well.

Qualitative interviews were conducted with the recruiters from each individual company regarding the value of the competitions as a recruitment tool in relation to other recruitment activities. Additional exit interviews were conducted with the undergraduate participants of each interview, answering the question of whether or not participating in the competition has helped them with their future/current job search. Initial results are exceedingly positive from both the student and recruiter perspective. Shortened student responses include:

“Competing in sales competitions has allowed me to network and interview with amazing companies that I may have not otherwise even considered. These competitions broadened my knowledge of what companies are looking for and it made me more confident in my interviews with potential employers. I talk about my sales competition experience in every interview that I have.” – Stephanie (Senior Selling & Sales Management Student)

“You just can’t get this type of experience in a classroom setting. It’s like working for the company for a day and gaining feedback about what you could do better if you actually wanted to pursue that career.” – Seth (Senior Selling and Sales Management Student)

Shortened recruiter responses include:

“The sales competition is a unique opportunity to bring a team of Victaulic individuals together and have each competitor exposed to a number of representatives from our organization. It facilitates team-building internally as well as efficiency with respect to recruiting, as the entire team evaluates the role-play performances. Finally, the number of employees that we come to campus with makes a very positive impression on students and faculty as they see firsthand the dedication we put into the event and how seriously we take our recruiting and hiring process.” – University Relations Recruiter for Victaulic

“The sales competitions are a great for both the students and hiring managers. The students are able to demonstrate their sales skills as well as learn about a potential career path and the hiring managers can evaluate not only for fit with the company but based on desired skills. Our final interview consists of an activity very similar to the sales competition and the competition not only prepared the candidates well but gave us insight as to how well they will do. We already have one offer extended based on the competition and hope to extend a few more.” – College Recruiting Manager for AT&T

Individually Customized Sales Competition Implications

Curriculum already includes role plays or experiential learning techniques (Deeter-Schmelz & Kennedy, 2011), which means that sales/marketing faculty, who already understand the process of conducting role play situations with their students should considering offering their assistance with sales competitions as a service to recruiters. Understandably, sales faculty may not have the time to contact and secure companies to host sales competitions, but this should not just be the responsibility for faculty alone. Academic advisors and internships coordinators are among a number of staff members who can take a role in this service. Faculty and staff may be able to offer connections with companies that may be interested in hosting a sales competition. The primary stakeholders in this process are the students though, so they need to have the most significant and meaningful participation. Included in this suggestion would be the idea to offer internship credit or independent study credit to students willing to work together to sell company recruiters on hosting sales competitions at their campuses. Not only are students able to use their recently learned sales skills to secure clients, but they would also have the opportunity to manage the clients’ accounts from inception through the successful completion of the sales competitions. A student-centered organization of some sort is suggested as the first step in the initiation of individually sponsored sales competitions. This student-centered organization can be an established organization already such as Pi Sigma Epsilon, a collegiate chapter of the American Marketing Association, or any type of club pre-existing or developed by sales/marketing faculty.

Individually customized sales competitions on campuses are initiated through acquiring the sponsorship of an individual company. The student-centered organization works closely with the recruiter from the sponsoring company to understand the criteria of candidates that they are looking for. With this knowledge, sales students on campus that meet the recruiter’s criteria are targeted with successful marketing best-practices. The sales competition hosts sales students who not only have an interest in the company, but also possess the key qualities the recruiter looks for in a job applicant. Students that pre-qualify for the competition are asked to provide their resume to a sales faculty member. From there, a resume book of all of the students

interested is forwarded to the recruiter to choose the number of students that they would like to see compete. At this point, a realistic scenario for the sales call is created that every student competing will need to study and prepare for. Sales faculty that have developed scenarios for role plays in the past have the ability to create effective scenarios that will elicit the qualities recruiters are looking for from the sales students. In addition to effective scenarios, evaluation forms should be created in order to further student participant education. Carroll suggests an evaluation form for role-plays that can assist faculty that do not have experience with role-play scenarios (2006). The scenarios are focused around a product or service that the students would actually sell if they were to acquire a job with the sponsoring company. The only requirement of the recruiter is to be on campus the day of the sales competition to judge the students as they role play this specific sales call. Even the operations of the event for that day are planned and scheduled by the students that have chosen to be a part of the student-centered sales organization.

The operations for a standard sales competition will need the effort of a team of student interns/independent study students, and sales faculty will need to make themselves available to ensure success of the first few competitions, especially. The only physical resource required is a vacant room in which to place a desk and chairs for the sales call between the student and “buyer” (the recruiter or company representative) to sit at. If additional judging input is desired, additional representatives from the company can observe the sales call. The sales call lasts approximately ten minutes, with the goal of moving the buyer through the sales process to a successful close. At the end of the sales call, feedback and coaching is offered to the student in order to further the students’ academic sales careers. Student growth and development is enhanced through this feedback and students’ understanding of the company’s sales positions available is amplified. Throughout the sales competition, the recruiter is able to observe and evaluate the students on how well they apply what they have learned in the classroom to a realistic life situation. The students are evaluated on their success during the sales call as well as how coachable they are when constructive feedback is offered. A crucial component in sales education is the provision of feedback (Young, 2002). The recruiter can also gauge how well the student might fit within the company culture and this allows a much more accurate prediction of whether or not the student will be successful in the sales position. This process assures that next-day interviews will be with high quality candidates that already understand what it takes to succeed in the position they are interviewing for.

At this point, the recruiter is in a position to announce the rankings of the student competitors. The venue to announce the winner of the sales competition is often an awards banquet. Held the evening of the competition, all students are recognized for competing, awards are presented, and the company representatives are afforded additional time to mingle with students and ensure candidates for next-day interviews. The banquet can be customized according to the recruiter’s budget, but some kind of finale is highly recommended. Prizes serve as a great incentive to initiate interest in sales competitions at universities that may be running these competitions for the first time. Of course, the most important prize for a student participant is an invitation to a next-day interview.

This potential service to be offered extends tremendous value for all of the stakeholders involved. The choice lies with the faculty and student organization on whether they feel the value they have offered needs to be set monetarily for sponsoring companies. Once the individually sponsored sales competitions become established, additional sponsorship from the company hosting the competition may seem fitting. With the possibility of revenue coming in from the sales competitions, money may be set aside to increase the quality of the sales competitions on campus. Revenue could be spent on digital video cameras to record the competitions for further academic review. Additional displays could be purchased so that

judging may take place in an adjacent room, allowing for the sales competitions to look and feel more professional.

Limitations and Future Research

Currently the limitations for this type of research are the scale and obvious convenience sample bias. If interest in this type of cross-functional partnership can be established, research could flourish with the study of programs across the country hosting individually customized sales competitions. In the meantime, the amount of successful hires for sponsoring companies will be viewed to establish exactly how beneficial these competitions are. Along with that, any discount in the amount of training the new hires from these competitions require is being looked into. Future research aims to examine survey data from sales recruiters deciphering recruitment needs and rating sales recruitment best practices. Other areas of research interest that might offer an answer to these limitations may include data from marketing department faculty. This data could provide insight into the barriers for development of these competitions internally.

References Available upon Request