

The Right Flavor

Understanding a staffing supplier through its sales reps

By Tom Kosnik

Taking a call from a staffing industry sales representative can leave you with a very bad taste in your mouth. But understanding where these sales reps come from can help you develop and manage your relationships with them so that you can maximize your time investment and your company's best interest with your staffing suppliers.

Top Dog

Many customers try to bypass sales reps in order to deal directly with the fulfillment team — not a good idea. As a customer, your greatest advocate is the sales rep. This is the person who can apply pressure on the fulfillment team where you cannot.

Even though a staffing firm fulfills job orders from customers, they view themselves as “sales organizations,” making the sales rep the most important person on staff. The main responsibility of the sales rep is to sell prospective clients on the staffing firm's services, while the recruiter's main responsibility is to sell candidates on open jobs at clients' sites.

Almost all staffing firms have a tiered sales culture. Outside sales reps are often higher in the hierarchy than recruiters because their job tasks are considered to be more difficult. In fact, recruiter job tasks are typically seen as administrative selling tasks where outside sales

reps job tasks are seen as complex and competitive.

Therefore, customers of staffing firms need to understand the internal culture of a staffing firm as well as who is top dog.

Really good sales reps should know how to work with specific recruiters assigned to their job orders or the fulfillment team as a whole. Such reps have the authority and knowledge to get your job orders allocated to priority status against all the other job orders that the fulfillment team may be working on. Developing a strong relationship and keeping clear lines of communication open with the person who can pull strings for you is a smart technique.

Understanding Costs

Another important thing to understand is how sales reps

are compensated for their work — typically base pay plus a commission. The base pay will range on years of experience in the industry while commission is typically a percentage of the gross margin that the rep brings into the company.

A sales rep's commission is generally more than the commission of recruiters. In

recruiting work as an administrative sales task.

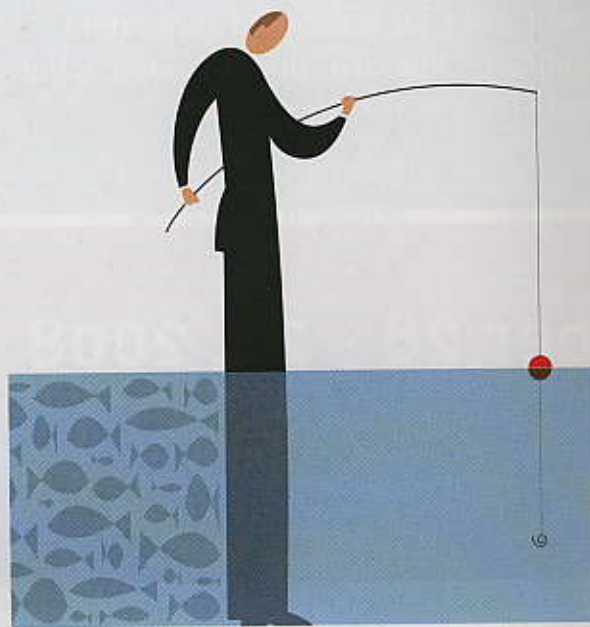
It is very important for customers to understand this commission dynamic. Follow the money; knowing specifically who in your supplier's organization that has the most at risk financially is critical. By trying to slash the sales rep out of the staffing service equation, customers

may be cutting out the very person in the supplier's work flow who has the most to lose financially.

Staffing firms' commission structures also are usually tiered. Namely, the more gross margin a sales rep brings in, the greater his or her commission. These commission payouts are not retroactive. Rather, a sales rep has to get from one pool of gross margin

dollars to another pool in order to obtain higher levels of commissions.

Will doing business with your company put a sales rep into an upper tier in which he or she will earn greater commissions? If yes, what is this rep going to do to insure the quality of the fulfillment? You



can, in effect, get a sales rep to jump through hoops to service your account. This is a good thing, if you know it and know how to use it as leverage to get what you want.

Transactional Selling

A hiring manager once told me, "The biggest time-waster of my day is deleting voice messages from sales reps from the staffing industry." Most of you have encountered this. The staffing industry, for the most part, conducts transactional sales. This is to say, that sales reps are required to make "x" number of phone calls a day, "x" number of face-to-face visits a week, obtain "x" number of job orders a week, and so on.

In addition to conducting low-end transactional sales, the staffing industry spends less than one percent of its revenue on training its internal employees, including sales reps and recruiters. This is far below general business averages for training and development. Typically, staffing suppliers place new hires through a one- to five-day undocumented training program, and then put them on the job.

It is important for a buyer or a hiring manager to understand how they are being sold to. One selling method is transactional. This means lots of phone calls and a quick move to get a job order if a sales rep were to get a prospect on the line.

What it tells a customer is that the staffing firm is a quick hit, high turn-around kind of an organization.

Consultative Sales

Consultative selling is far more sophisticated than transactional selling. It takes time, commitment and training. Consultative selling has to do with understanding the buyer's business issues, asking lots of questions, building a trusting relationship and communicating true value to the prospective buyer.

Consultative selling means that a supplier is committed to the business and the development of its internal employees and has financially

invested in the employees. It also communicates that a supplier is interested in a long-term relationship that can bear fruit for both the supplier and its customer.

Taking a call and working with a sales rep from the staffing industry can be as sweet as digging into a cherry pie. Knowing the rep is a leader in his organization, is rewarded for assisting in your success and is fully trained to conduct business in a professional manner are all the key ingredients. ●

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