



# HOW TO DEVELOP A SALES SUCCESSION PLAN



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A WHITEPAPER BY THE BROOKS GROUP

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# In the world of sales, turnover is a fact of life.

People leave sales roles all the time for any number of reasons. It could be that they found a better opportunity at a different company in the same industry, or perhaps they have simply decided that it is time to try a different field. Maybe they're not getting the coaching they need from their manager or they're just ready to retire.

Despite the frequency with which turnover occurs in the sales field, most sales organizations still grapple with planning for it in a way that minimizes costs and creates a seamless transition of accounts, knowledge, and skillsets. [Entrepreneur](#) says that the cost of hiring a new employee to fill an open position can be more than 200% of the employee's yearly salary after you factor in things like time spent doing paperwork, recruiting, and training.

## **That hurts.**

Knowing these two facts — that sales reps will leave, and that it will cost a company money when they do — it's important for business owners and sales managers to take measures to prevent the loss of institutional knowledge, valuable accounts, and to minimize the interruption of the sales effort as a whole when reps leave.



The official term for a company's plans to ease the transition between exiting employees and ones who have recently been hired is called succession planning. This whitepaper will help you learn about why succession planning is especially important in sales, how to get started with it, and how to go back and evaluate your succession planning to make sure that it is doing what it needs to do to keep your organization on track.

## Succession Planning in Sales: The Hidden Costs

Succession planning is hard for companies losing all kinds of employees, but is especially problematic when it comes to salespeople. Sales reps are the ones responsible for interacting with prospects and customers to gain new business and making sure that current customers continue to make purchases from the business. Sales reps who are high-performing, "A" players are capable of bringing in exponentially more dollars in sales for the company than their compensation packages pay them. Hence, top-performing sales reps who leave a company can have a much bigger impact than turnover in other departments.

To understand the true consequences of sales turnover, however, you also must understand the hidden costs.

Lance Cooper at SalesManage Solutions wrote [a blog post](#) that touches on these hidden or emotional costs of turnover. Cooper says that even when a poorly performing rep leaves, there is an emotional vacuum left behind that affects both efficiency and effectiveness at the company. An organization's other employees and customers both may start to question why the company is losing valuable members of the team. In the case of retiring reps, the transition is less harsh emotionally, but still presents some difficulties.

## How Succession Planning Addresses the Problem

The unfortunate truth of succession planning is that it will not totally solve your organization's succession challenges. High-performing reps who leave your company are always going to hurt the business. Succession planning is important because it helps you determine how much of a hurt the company will feel.





With a smooth succession plan in place for your business, you can minimize the negative impacts of turnover, whether it is caused by a rep retiring or leaving the organization for a better opportunity. The challenge of succession planning is coming up with a way for your senior reps to communicate their institutional knowledge and customer details to junior reps without disrupting the company's day-to-day business.

## Getting Started with Succession Planning

### **So how do you begin addressing a problem that cannot be completely solved?**

The first step is to recognize where not having proper succession protocol in place could hurt you the most. Are there enough younger reps to eventually replace your senior reps who handle the most important accounts? Or maybe you are having trouble finding new talent for your inside sales team because most of your recent sales candidates haven't been up to hiring standards. Whatever the case may be, think about where having a lack of a succession plan in place might cause the most pain, whether that pain comes from lost sales, lowered employee morale, or a negative impression on customers.



## Who Should be Involved?

The answer to this question varies depending on the company in question. Are you looking into best practices for succession planning for a small business with just a few sales reps? Or are you interested in succession planning for a large corporation with hundreds of employees? The answer to these questions has a big impact on the way that your company handles succession planning. Most of the time, the direct sales manager should be involved, as well as other supervisors who have a say in the direction of the sales team. It is also a smart idea for a representative from the HR department to be involved, which will help organizations ensure that succession planning aligns with hiring strategy.

**In general, succession planning incorporates three common elements:**

1. Introducing a new rep to existing accounts,
2. Transferring customer knowledge between senior and junior reps, and
3. Educating incoming reps on sales techniques commonly used at the organization.

Each one of these tasks has its own unique challenges that must be overcome.



## Getting a New Rep Acquainted with Current Accounts

A big part of what salespeople do involves dealing with customers. As a result, a significant part of sales succession planning involves getting new reps in front of existing clients to start building a relationship.

**There are a few key things to remember when taking care of this part of succession planning:**

- Education is critical. The new rep should be informed about:
- The structure of the customer's organization
- How long they have been a customer
- Why they are a customer
- Their buying cycles and habits
- The decision-making process
- The informal and formal organizational hierarchy
- Any personal interests or hobbies that key players inside of the account may have

It is also important to be clear with the customer about the role of the new rep. Make sure you let them know if the new rep is taking over right away or if they are just in training. Can the customer expect to see the new rep again? How involved will they be in customer interactions? Getting your customer comfortable with the new rep will have a huge impact on the success or failure of future business interactions with the customer in question.

When possible, try to let the new rep take over some of the customer actions that need to be executed. Doing something is usually a much more effective way of learning it than watching someone else do it. With the senior rep there to correct any mistakes to ensure that they do not negatively harm business, it will be much easier for the new rep to learn firsthand how to handle a specific account or customer.

## Transferring Business Knowledge Between Reps

Another one of the biggest challenges in succession planning for sales is determining how information, knowledge and successful approaches can be transferred from senior sales representatives to the ones who will eventually replace them.



How can you make sure that this information gets passed on to new generations? There are several tactics commonly employed by companies looking to open up the flow of information down the ranks:

- **Training modules that emphasize interaction between senior and junior sales representatives:** This could come in the form of classes, seminars, team-building exercises, or other activities that involve teamwork between reps of varying levels of seniority. You could also consider having the senior reps teach these courses themselves, which gives them a good opportunity to disseminate their knowledge to the organization at large while also giving these senior reps a morale boost.
- **Organized company procedures:** Putting important knowledge down on paper will contribute to the successful spreading of this information. Even though the more seasoned reps at your company probably have more knowledge than junior reps, don't neglect the newer sales members; they should be consulted about how they learn and what kind of challenges they face in their work, which will help you make your company procedures more targeted and effective.
- **Make sure the documented sales procedures are in line with other procedures in place at the company.** This is part of the reason that it is so important to get others at your company involved with succession planning. Having multiple departments working to document important sales knowledge also helps you provide new sales reps with a well-rounded set of information that they can use to transition into their new role.



## Sales Technique Education

One of the biggest questions that needs to be addressed by sales succession planning is how the actual techniques used by departing sales reps can be imparted upon new members of the sales team. Things like how to create a proposal, prospecting tactics, and sales negotiation are all critical skills that new salespeople at a company need to learn.

A way to make this part of succession planning much less challenging is to incorporate an outside trainer or sales consultant.

The reason that consultants are helpful for training in sales process is that these sales specialists have the ability to isolate the particular kinds of strategies and tactics that will be of the most valuable assistance to new sales reps. They will work closely with a company's sales teams to extract valuable techniques used by successful reps in a particular industry and then determine the best way for junior members of the sales team to learn how to implement these techniques.

It is also crucial for companies to provide a venue for reps to practice these skills.

Many organizations hold role-playing exercises where team members pretend to be customers or prospects, allowing other reps the chance to sharpen their skills. When executed the right way, role-playing exercises give new sales professionals the chance to get better at important sales techniques without the consequences of improperly executing these tactics. Building confidence in new sales reps through these kinds of exercises is an important part of sales succession planning.

## Changing and Evaluating Your Sales Succession Plan

Following the three tenets of customer familiarity, business knowledge, and technique training will help your organization get started formulating and finalizing its sales succession plan.





In the sales world, things have a tendency to change. As your market develops, or your product or service offering changes, it may become necessary to tweak your succession plan. Consider holding a regular meeting, perhaps annually or bi-annually, to discuss any changes that might need to be made with your succession plan.

You also need to be able to evaluate your sales succession plan to determine how successful it is. Examples of key metrics that you can use to better understand how well your succession plan is doing are:

- **How long it takes new sales reps to reach their goals,**
- **How long your training period for new reps lasts, and**
- **How satisfied your customers are with new reps who have taken over for old reps.**

Compile these metrics into a format that is easy to read and interpret and you will have a much better idea of whether or not your succession plan is contributing to helping your company meet its goals.

## **Sales Succession: The Key to Dealing with Turnover**

Turnover will never go away completely. As time goes by, people experience changes in their personal and professional goals; often these changes lead to them departing from their current position. When you understand this fact you can put your attention towards succession planning. With a focus on transferring knowledge while maintaining sufficient customer service and the ability to go back and evaluate how successful your succession planning actually is, it will be very easy for your organization to deal with the departure of senior sales reps.

When executed correctly, succession planning inside of the sales department gives your company a whole team of energetic, motivated new salespeople who have the knowledge and skills needed to start bringing in business for your company right away.



A comprehensive assessment will allow you use the results throughout the entire employee lifecycle –from hiring, to onboarding, to training and coaching, and eventually—succession planning.

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## About The Brooks Group

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The Brooks Group provides a suite of proven sales and sales management development programs, industry-leading reinforcement tools, and best-in-class assessments.

### **For more information**

The Brooks Group can be reached by phone at (800) 633-7762, by email at [Contact@TheBrooksGroup.com](mailto:Contact@TheBrooksGroup.com) or online at [TheBrooksGroup.com](http://TheBrooksGroup.com).



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