Pay to Play: Individually Customized Sales Competitions

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The Sales Education Foundation acknowledges 58 colleges in the United States (U.S.) that have specific sales programs. As interest in sales education development continues, it should be recognized that there is a gap between what companies want in their sales recruits and 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 suggest that customized sales competitions sponsored by individual companies and hosted by marketing/sales departments might be an efficient partnership opportunity. This paper offers the steps to initiate this partnership model, with implications for successful programming and further research.

Keywords: experiential learning, sponsored sales competitions, sales education

Introduction

Sales, as a profession, is no longer considered a door-to-door, grassroots job. According to Manpower Group’s (2012) Annual Talent Shortage Survey, it shows that sales positions to be third on the list of most sought-after positions. Sales has been recognized as a sustainable business practice. Encompassing the opportunity to work with any type of product and service, sales is an open door. According to the Sales Education Foundation (2013), “Over 50% of U.S. college graduates entering the workforce, regardless of major, enter sales as their first career”. Though sales is obviously growing as an academic field, less than 2% of colleges in the U.S. offer any type of sales program (Sales Education Foundation, 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 an affinity for sales. Recruiters can focus on the 58 colleges in the U.S. that have sales programs (Sales Education Foundation, 2013). However, there is still a gap between the needs of employers and the abilities of the available candidates. Sales coursework 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, they expect the resulting new hires to be strong sales candidates (Leonard, 1999). On the other side, students expect to be qualified candidates for entry-level jobs when they graduate. To close this gap, collaboration between recruiters and academic programs is crucial.

Collaboration already exists between industry and the academy 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 communicate the true qualities of their organization to potential job applicants (Connelly, Certo, Ireland, & Reutzel, 2011). In return, the students are able to learn more about relevant 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 needs to be more hands-on, and so a new model has been developed.

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

However, this collaboration still lacks customization for every individual client—something that students taking courses in relationship selling know is a successful business model. When multiple companies sponsor sales competitions, the qualities for top candidates are blurred. Sales can mean something different from company to company. Sales can be transactional or can be consultative. Sales positions can involve building relationships, managing accounts, generating leads, some combination of these duties, and more. During sales competitions, the needs of each recruiter for each company should be taken into account. Despite these challenges, sales competitions have been a success. Students from the programs that participate in these competitions ramp up 50% faster than their non-educated sales peers, and their turnover rates are 30% lower (Sales Education Foundation, 2013). This research looks to improve on the current model of cross-functional partnership by introducing individually sponsored collegiate sales competitions that can be successfully run by any department, with or without a sales program or sales center. This article aims to serve multiple purposes, rooted in the idea of efficiency for all stakeholders:

(a) Increasing the efficiency of sales recruiters on college campuses and, therefore, increasing the rates at which sales students acquire jobs after graduation;

(b) Encouraging the preparation of students for careers in sales;

(c) Providing direction for college departments in which sales education development is a high priority.

Background

Increasing Sales Recruitment Efficiency

Turnover is a significant cost for employers; initial hiring and training costs for a new employee are estimated at 200% of an employee’s annual salary (Griffeth & Hom, 2001; Hinchcliffe, 2003; Bliss, 2004). Research to develop more efficient recruitment is a never-ending process, as this issue affects an enormous range of companies (Cascio, 2006). Research on employee turnover has been developing since March and Simon (1958) because of the impact it has on organizations. In sales positions, turnover has particularly devastating ramifications, as there are a number of indirect costs involved in establishing a new salesperson in a territory (DeConinck & Johnson, 2009). A new salesperson may not achieve quotas immediately, which hurts the company and can cause the new employee to quit. This turnover has now incurred costs for the company in the lost selling opportunity and in the expense of hiring and training the employee, and it may also cause dissatisfaction for the clients in the territory that is not being managed appropriately while the sales role is
vacant. In this situation, as in most, it is better to recruit right the first time.

Applicant attraction measures are directly related to the decision to accept a job offer (Cable & Judge, 1996; Powell & Goulet, 1996; Turban, Campion, & Eyring, 1995). In this context, applicant attraction measures refer to the criteria that show how attracted the applicant is to a job. This attraction is directly influenced by the organization’s positive attributes and 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, thus creating the opportunity to signal key elements of their organizations.

While, in theory, any company can communicate the true qualities of the organization to potential job applicants, not every company succeeds in doing so pre-recruitment (Connelly et al., 2011). In the past, companies have relied on a few generic activities to signal to recruits on college campuses. These include common recruitment practices, such as corporate advertising and informational sessions on campus, career fairs, and campus interviews. Often, students do not have sufficient information about organizations recruiting on campus, and recruitment techniques, such as an interview hastily set up with a recruiter, might actually prompt applicants to assume that the company does not invest much in new-hire development (Cable & Turban, 2003).

In light of this research, sales recruiters need other outlets to provide students with more positive signals about their companies. These outlets are also necessary in order to educate students about the opportunities and benefits involved in taking a sales position in particular.

College campuses have been the most successful place for sales recruiters to find entry-level talents for the last 30 years, and this shows no signs of changing (Dubinsky, 1980). However, the current recruitment model often leads college students to accept entry-level jobs merely because they qualify and believe that they understand the skills and abilities required (Cron, 1984). After four years of stale pizza and ramen noodles, students cannot be blamed for their eagerness to climb out of poverty. Generic recruitment practices aimed at students might allow recruiters to make their quota of applicants but can lead to a high level of turnover, demonstrating the importance of better sales recruitment techniques for these companies.

**Encouraging Students’ Sales Preparation**

To recruit the best candidates for their companies, recruiters need to be more in touch with the key job attributes that students rate as the most important. They could then tailor their recruitment offerings to these attributes (Weilbaker & Merritt, 1992). Of course, this is easier said than done. A recruiter has a significant time commitment in simply finding candidates, let alone understanding the candidates’ job priorities. According to Dubinsky (1980), a recruiter must spend precious interview time addressing misconceptions about sales careers in order to keep the applicant interested. The interview takes on further difficulty when despite the recruiter saying something the applicant wants to hear, the recruiter’s comments are not taken to heart because a certain level of trust has not been developed.

Conflict also arises for the recruiter between the time required to establish trust with candidates and the accountability for efficient use of the recruiting budget. When tremendous amounts of money are being spent on recruitment already, even an extra dollar or minute of time might be too much to ask for. Recruiters asking for accommodations quite possibly will be told that they just need to be more efficient. Assistance from academia may be necessary to allow recruitment offerings to pair up more consistently with student intentions.
Students who have taken marketing classes or sales classes hold sales careers in a higher esteem than those who have not (Bristow, Gulati, Amyx, & Slack, 2006; Sojka, Gupta, & Hartman, 2000; Karakaya, Quigley, & Bingham, 2011). Bristow et al. (2006) suggested that nearly 80% of college students who graduate with marketing majors and have taken sales classes will end up in a sales career at some point in their lives. This large number of entrants into the sales profession raises the question of why salespeople are still such a commodity. It seems a fair assumption that the low level of student interest in sales is the result of negative perceptions about sales as a career. Negative perceptions of sales careers have always existed in the media, such as *The Music Man*’s (1962) slick Harold Hill and *Death of a Salesman*’s (1985) defeated Willy Loman. 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 hundred years, despite sales becoming much more developed as a business-to-business (B2B) profession (Hartman, 2006). Negative perceptions based on popular culture play a part in the lack of interest among sales students who have not had first-hand experience with B2B salespeople. However, students from programs that offer customized sales competitions have more realistic ideas and perceptions about sales jobs, potentially minimizing the amount of time a recruiter might need to spend clarifying traditional concerns with sales as a career (Weilbaker & Williams, 2006).

**Providing Direction for Sales Education Development**

Recruiters attend countless career fairs and campus interview days every semester, interacting with a wide range of students from different majors, none of whom are guaranteed to even have interest in a recruiter’s company. At the same time, students interested in sales need to be constantly alert for every type of career fair on campus because many companies that have a need for professional sales students do not necessarily advertise such postings prior to the career fair. Departments striving to boost their students’ job placement rates need to recognize this combination of circumstances. Sales departments that work with recruiters from a variety of 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, sales departments need to develop a service that makes recruiting their students as efficient as possible. This paper suggests that sponsored sales competitions should be the service primarily offered.

**The Study**

During the Fall 2013 Semester at Purdue University, 93 undergraduate students participated in four different individually sponsored sales competitions. The competitions were sponsored by PepsiCo/Frito-Lay, AT&T, Northwestern Mutual, and Victaulic. Each competition was hosted in a suite of offices that were set up with a video feed that allowed company representatives in one room to view and judge candidates as they completed a role-play in an adjacent room. To ensure a fair competition, the people portraying buyers in the role-play remained the same for the duration of the competition, as did the evaluation form used to critique the competitors.

After the competitions, qualitative interviews were conducted with the recruiters from each 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, who were asked whether participating in the competition was worthwhile.
Initial Results

Although the process of analyzing these interviews is in its early stages, initial results are exceedingly positive from both the student and recruiter perspectives. 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 Sikorski, senior Selling and Sales Management student)

You just cannot get this type of experience in a classroom setting. It is 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 Davis, 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 makes a very positive impression on students and faculty as they see first-hand the dedication we put into the event and how seriously we take our recruiting and hiring process. (Catherine Bryson, University Relations Recruiter for Victaulic)

The sales competitions are a great opportunity 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. (Nikki McAtee Hunt, College Recruiting Manager for AT&T)

Individual Sales Competition Breakdown

Sales curriculum more than likely already includes role-plays or experiential learning techniques, which means that sales/marketing faculty who already understand the process of conducting role-play situations with their students should consider offering their assistance with sales competitions as a service to recruiters. Understandably, sales faculty may not have time to contact and secure companies to host sales competitions, but this should not be the responsibility of faculty alone. Academic advisors and internship 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. However, the primary stakeholders in this process are the students, so they need to have the most significant participation. Included in this model would be the possibility of offering 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 would these students be able to use their recently learned sales skills to secure clients, they would also have the opportunity to manage the clients’ accounts from the inception through the successful completion of the sales competitions.

A student-centered organization is suggested as the first step in the initiation of individually sponsored sales competitions. This organization can be an established organization, such as Pi Sigma Epsilon, a collegiate chapter of the American Marketing Association, or any 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 company’s search criteria. With this knowledge, sales students who meet the recruiter’s requirements 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 who pre-qualify for the competition are asked to provide their resume to a sales faculty member. From there, a resume book of all interested students is forwarded to the recruiter who chooses the students he/she would like to see compete.

At this point, a realistic scenario for the sales call is created and given to the competing students to prepare for. Such 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. Sales faculty with experience conducting role-plays have the ability to create effective scenarios that will elicit the qualities recruiters are looking for. In addition to scenarios, evaluation forms are created in order to further student participants’ education. Carroll (2006) suggested an evaluation form that can assist faculty who do not have experience with role-play scenarios.

The only requirement for the recruiter is to be on campus the day of the sales competition to judge the participants. Even the operations of the event are planned and scheduled by the students who belong to the student-centered sales organization. The operations for a standard sales competition require the effort of a team of student interns or independent study students, and sales faculty need to make themselves available to ensure the 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). If additional judging input is desired, representatives from the company can observe the sales call directly or via video feed, as mentioned earlier. The sales call lasts approximately 10 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 are offered to the student in order to enhance his/her growth and development and amplify his/her understanding of the company’s available sales positions available.

Throughout the sales competition, the recruiter is able to evaluate the students on how well they apply what they have learned in the classroom to a realistic situation. The students are evaluated on their success during the sales call as well as how coachable they are when constructive feedback is offered. This provision of feedback is a crucial component in sales education (Hawes & Rich, 1998). The recruiter can also gauge how well a student might fit into company culture, which allows a much more accurate prediction of the student’s success in the sales position. This process ensures that next-day interviews will be with high-quality candidates who already understand what it takes to succeed in the position they are interviewing for.

After all, students have been evaluated, the recruiter announces the rankings of the student competitors, often at an awards banquet held the evening of the competition. At this banquet, all students are recognized for competing, awards are presented, and company representatives are afforded additional time to mingle with students and confirm candidates for next-day interviews. The banquet can be customized according to the recruiter’s budget, but some kind of finale for the competition 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.

The potential service provided by sales competitions extends tremendous value to all the stakeholders involved. The choice lies with the faculty and student organization on whether they feel the service they have offered is worth a set monetary value for sponsoring companies. Once, the individually sponsored sales competitions become established, additional sponsorship from the company hosting the competition may be
appropriate. If the sales competitions generate revenue, a portion may be set aside to increase the quality of future competitions. For example, money 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 the sales scenarios to look and feel more professional.

Conclusion

After establishing individually customized sales competitions that satisfy the needs of partner companies and the students competing, there are a number of additional steps that can be taken to create even more value. The most obvious answer is the expansion of more and more competitions. Through the addition of more individually customized sales competitions, universities can establish closer relationships with even more companies and students have the ability to understand what selling for a variety of different companies looks like. This will provide universities with more credibility in the eyes of corporate entities and it will allow the students to make more enlightened decisions about the specific sales careers they will be most interested in pursuing. Individually customized competitions could even be expanded further to involve multiple schools, similarly to the current regional sales competitions held with the help of the University Sales Center Alliance, yet the key will continue to be still narrowly focusing on only one sponsoring company’s goals at a time. The specificity of using one company sponsor at a time will be the most appropriate way to meet needs of every stakeholder at the highest level.

Limitations and Future Research

This research has several key limitations. Currently, these limitations are the scale and the 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 as they host individually customized sales competitions. Other areas of research interest that might offer an answer to these limitations may include data from marketing department faculty that could provide insight into the barriers to development of these competitions. Restraint based on lack of faculty background in sales is another factor of interest.

As this research continues, the number of successful hires for sponsoring companies will be viewed to establish exactly how beneficial these competitions are. In addition, any difference in the amount of training the new hires from these competitions require, in comparison to new hires from other sources, will be investigated. Additional research will examine survey data from sales recruiters in which recruitment needs can be benchmarked and sales recruitment best practices can be reviewed and compared.

References


