

Does Salary Attract Better Competitive Salespeople? You might be surprised.

HOW DOES SALARY IMPACT RETENTION?

In a recent study, first year retention **was not found to be impacted** in the way one might expect with the implementation of a base salary: salespeople who did not receive a base salary had slightly higher retention rates at one year compared to salespeople with base salary + commission.

DOES SALARY IMPACT PERFORMANCE?

Another significant finding was that salespeople who **did not receive a base salary** outperformed those that did by **5X the amount of year-end sales**.

Considering the increased investment and higher processing costs associated with base salary + commissioned salespeople, this is significant lost time and money for the employer.

RECRUITING EFFECTIVENESS:

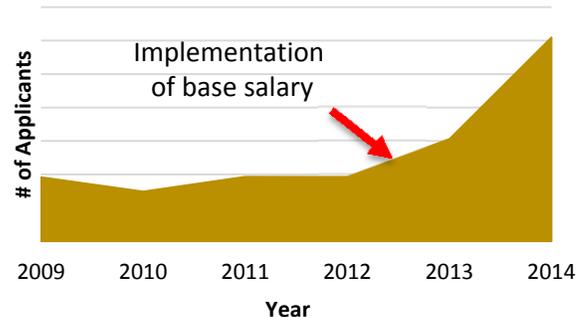
Warm Source-66% of base salary salespeople and 52% of commissioned salespeople were approached by someone from within the company.

Cold Source-34% of base salary salespeople and 48% of commissioned salespeople heard about the opportunity from an outside source.

Quantity: 3X the amount of applications with the introduction of a base salary.

Quality: 105% drop in salespeople rated as suitable in a sales role with the implementation of base salary.

- 116% more salespeople were rated average or below average with the implementation of base salary.



CHARACTERISTICS OF SUCCESS

- Trends suggest that those with 5-10 years of commission based sales experience have higher sales compared to those with less experience.
- Results also indicated that salespeople working >50 hours in their current employment had higher annual sales amounts.

EFFECTIVENESS OF SCREENING & SELECTION TOOLS:

Salespeople **without a base salary** who were rated suitable using the POP™ sold **DOUBLE the total sales** than those rated poorly.

Paying a salary to salespeople in roles that have been commission based attracts more candidates but fewer quality candidates. Paying a salary might be attracting individuals who are conditioned to receiving a salary and less suited for commission only opportunities.