

Establishing Your Staffing Needs

Your business goals will determine your staffing needs. Your company should have a business plan that sets realistic sales, profit and growth objectives. These objectives should be solidly grounded on the size of your market, the competitive environment, your lead generation and production capacity. All these factors as well as your own taste for hard work will determine the staffing sweet spot—that optimum staffing level where your sales force is kept busy and is making enough income to keep them in harness, pulling toward their own ambitious goals for personal performance. They should be concentrating on improving their close rate rather than looking for another company that can offer them more or better leads or a more generous commission structure.

To find this optimum staffing level, begin with your budgeted income goal for the year. Figure the number of good sales you will require to achieve that figure. Then factoring your company's sustained close rate and your rescission rate, figure how many leads must be run to achieve that income goal.

Figure the number of days in a year that your sales force actually runs leads and divide the leads run annually by the number of working days to determine the necessary leads per day. Consider the day-part distribution of your leads (e.g. for every day time lead you may run two at night), then figure the number of presentations that a good sales

5

rep can realistically make in a day. Divide the daily lead count by that number to give you the optimum sales force. For example, you may find that you must run ten leads every working day to make your budgeted sales numbers. If a salesman can realistically make two presentations a day, your optimum sales force is five reps.

The 120% Solution

You should aim to maintain a sales staff at 120% of your optimum sales force. If five is your optimum number, plan on a roster of six. Maintaining one-fifth of your sales capacity as reserve will keep your operation humming efficiently through illness, accident and the inevitable attrition. You may choose to send the two lowest producers on the sales board out together to improve their skills.