

PART

I

# The Sales Hiring Formula

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# 1

## Uncovering the Characteristics of a Successful Salesperson

*World-class sales hiring is the most important driver of sales success.*

When you are scaling a sales team, the to-do list is endless. Hiring, training, coaching, pipeline reviews, forecasting, enterprise deal support, leadership development, and cross-functional communication are all part of the day-to-day. Dozens of urgent “fires” are blazing around you at all times. Unfortunately, you have only enough water to put out a select few. Choosing the right fires to extinguish might dictate your ultimate success . . . or failure.

This certainly described my situation in 2007 when I joined HubSpot, a marketing software start-up in Cambridge, Massachusetts. I was the fourth person to join the company and the first sales hire. In my first month, I acquired 23 new customers for the business. Clearly, we had identified a need in the market. We were on to something big. It was time to accelerate sales. It was time to scale.

The to-do list required to scale the sales team consumed my mind. I had a vision for what world-class execution would look like across

each component of the scaling process. Unfortunately, like any start-up, funds and resources were limited. A world-class effort across all components would have meant a 150-hour workweek. I had the energy for about 80 hours per week, tops. Corners needed to be cut, at least temporarily. If I could be world-class in only one discipline, which should I choose? Which fire should I extinguish first?

The first bet was made: I would attempt to build a world-class sales hiring program.

To this day, I'm glad I prioritized sales hiring excellence. Even if I was world-class at sales training, managing, coaching, and forecasting, it would not be enough to offset a team of mediocre salespeople. On the other hand, a team of top performers will find a way to win under any circumstances.

Unfortunately, the behaviors I observe in company executives are often not aligned with this strategy. These executives pour their daily energy into closing a big account or running an inspirational staff meeting or coaching an underperforming salesperson through a skill deficiency. Sadly, when it comes to recruiting and interviewing for their own sales team, they simply wing it. They fail to invest in the

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strategies that will predictably yield a team of top performers. Closing that next big customer in order to make the quarter helps win the battle. Finding a top salesperson, one who will bring in hundreds of big customers for years to come, helps win the war.

So what does a world-class sales hiring program look like? What formula will help me identify whether I am sitting across the table from an A+ candidate?

Over the years, I have hired hundreds of salespeople for the HubSpot sales team. I have advised many companies on their own hiring process. After reflecting on these efforts, I found some very bad news.

The ideal sales hiring formula is different for every company.

I am merely speaking from experience. Some of my earliest hires had been top performers in their most recent positions. I recruited them aggressively—lunches, dinners, the full court press. I showed them why I thought we would be the next big company in Boston. I even convinced a few of them to join. These were the top dogs out of hundreds of salespeople! What could possibly go wrong?

Needless to say, some of them did not evolve into our top performers. What happened? Why didn't my plan work?

I realized that every salesperson has her unique strengths. Some are great consultative sellers. Some crush their sales activity goals. Some deliver exceptional presentations. Some are amazing networkers. Some just know how to make their customers feel like family.

Similarly, each company has its own unique sales context. Some firms sell to marketers. Some target IT professionals. Some sales processes are transactional, while others are complex and much more relationship-dependent.

When the unique strengths of the salesperson align with the company's sales context, it is a beautiful thing. When they do not, it becomes an uphill battle.

Unfortunately, some of my first hires wound up in the latter bucket.

For example, some of my earliest hires were high-activity salespeople that knew how to bang the phones day in and day out. They came from companies with highly transactional sales processes. They operated in well-understood markets with well-established value propositions. The sales contexts in which they had operated had been perfect for their high-activity strong suit. Unfortunately, that was not HubSpot's sales context in 2007. Here is what a typical HubSpot sales call sounded like in our first year:

[Sam Salesperson] "Hi, Pete, this is Sam from HubSpot. I noticed you requested more information on our website. What questions did you have?"

[Prospect Pete] “I did? Sorry, I do not remember that. What is HubSpot?”

[Sam Salesperson] “We are an inbound marketing software company.”

[Prospect Pete] “What is inbound marketing?”

[Sam Salesperson] “Inbound marketing allows you to attract visitors to your website and turn those visitors into qualified sales leads for your company.”

[Prospect Pete] “Hmmm. How does that work?”

And so on . . .

This was an evangelistic sale with a not-yet-obvious value proposition and a not-yet-established company brand. It required tremendous education in the market. Unfortunately, high-activity salespeople coming from an established company with a no-brainer value proposition were not equipped with the skills to succeed in our context, even if they had been the top dog in their last role.

I realized that the characteristics of a top-performing salesperson would be unique to our business. I needed to figure out what kind of salesperson would be ideal for our company. I needed to engineer the ideal sales hiring formula. Fortunately, this engineering process is applicable to any company.

*The ideal sales hiring formula is different for every company . . . but the process to engineer the formula is the same.*

Here is the process I used.

### ***Step 1: Establish a Theory of the Ideal Sales Characteristics***

First, I listed the characteristics I thought would correlate with sales success. For each characteristic, I documented a clear definition. What did I mean by “intelligence”? What did it mean to be “aggressive”? My intention was to score each candidate on a scale of 1 to 10 for each

characteristic. Therefore I needed to define what a score of “1” versus a score of “5” versus a score of “10” represented for each characteristic. For each candidate, I summarized the results on an Interview Scorecard.

### ***Step 2: Define an Evaluation Strategy for Each Characteristic***

Once I defined the characteristics I was looking for, I needed a plan to evaluate candidates on each characteristic. What behavioral questions could I ask? Would I use role plays? Should there be an exercise for the candidate prior to the interview? How could I leverage reference checks?

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### ***Step 3: Score Candidates against the Ideal Sales Characteristics***

Back in the early days of HubSpot, I simply filled out the Interview Scorecard after each interview. The process was not overly sophisticated. I used Microsoft Excel. (We were a start-up— I needed to be “hacky.”) The key to the process was discipline, not sophisticated technology. I documented my findings and learnings as I went, and used them to constantly tweak my approach.

### ***Step 4: Learn and Iterate on the Model while Engineering the Sales Hiring Formula***

A few months in, I had a handful of salespeople on board. Many were doing great. A few were progressing more slowly than others. By remaining disciplined to the process described in Step 3, I was in an

optimal position to learn from these first hires and begin to understand our ideal hiring criteria. I was ready to engineer my company's sales hiring formula. I simply went back to the Interview Scorecards for the top performers and asked myself the following questions:

- Which characteristics do these top performers have in common? Are these characteristics predictors of success here at HubSpot? Once I identified them, I increased the weight of these characteristics.
- Which characteristics do not seem to matter? Which characteristics do not predict success? I needed to decrease the weight of these characteristics or eliminate them altogether.
- What am I missing? I had to think beyond the scorecard and reflect on these top performers. Was there another consistent, meaningful characteristic to be found among them? If so, I had to add the characteristic to the Interview Scorecard and start rating candidates on it.

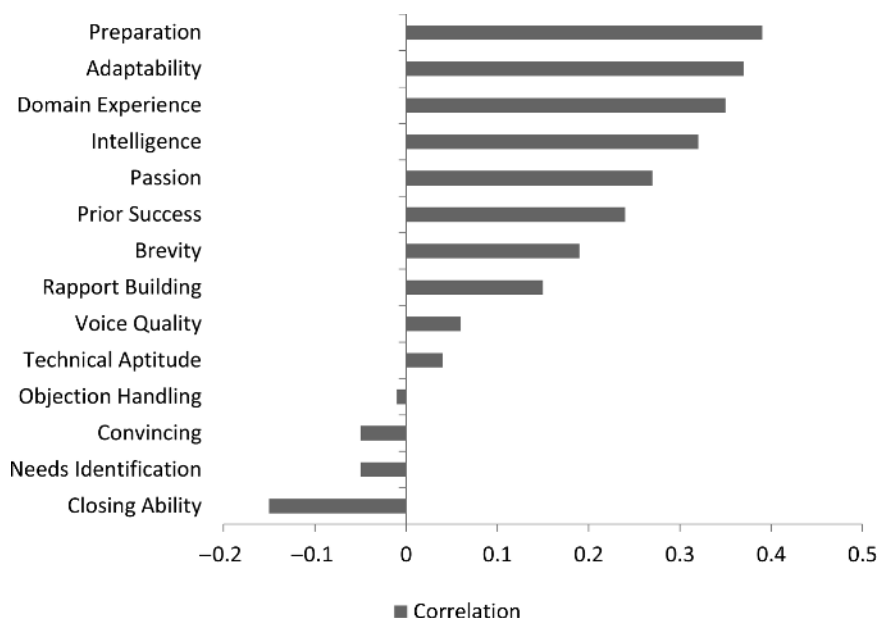
I repeated the same process for the salespeople who were progressing more slowly. I adjusted the Interview Scorecard. The sales hiring formula was taking shape.

As you can see, you do not need to be hiring dozens and dozens of salespeople for this process to be valuable. Reflecting on as few as two or three sales hires can be compelling. That said, if you are truly committed to the \$100 million journey, it will take more than two or three great sales hires to get there. Investing in efforts to engineer the sales hiring formula early in the journey will reap significant returns as scale accelerates.

Once you start hiring lots of salespeople quickly, things get interesting. This was my favorite part.

After about a year of hiring, I had accumulated enough data points to run a formal regression analysis, correlating the hiring characteristics with post-hire sales success. As a result, much of the subjectivity could be eliminated from the sales hiring formula. Data is your friend, and statistics do not lie.





**Figure 1.1 Correlation of Sales Characteristics to HubSpot Sales Success (Results of the First Regression Analysis).**

Figure 1.1 shows the results of the first model.

Upon first seeing these results, I made an interesting observation: the characteristics that are traditionally associated with salespeople, such as aggression and strong objection handling ability, had the worst correlation with success.

What was happening here?

In my opinion, the Internet's rise in prominence has caused a shift in power from the salesperson to the buyer. My findings were a statistical representation of that phenomenon. With this shift in power, buyers will no longer tolerate being strong-armed into a purchase. They will respond to salespeople who are helpful, smart, and respectful of their needs.

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We were well on our way to developing the ideal hiring formula, customized to our sales context. Every 6 to 12 months, the team reran the regression analysis. This continual analysis allowed us to account for the new data we were collecting as our team expanded. It also enabled us to account for potential shifts in the buyer context caused by product evolution, shifts in buyer preferences, and changes to the competitive landscape. In the next chapter, I will illustrate the hiring formula that resulted after many years of iteration.

Having the ideal hiring formula not only gave me great comfort as we scaled the team, but also served as an exceptional blueprint for future hiring managers. As opposed to driving in the dark, new hiring managers instantly understood exactly which characteristics to look for and how to evaluate each of these traits.

### **To Recap**

- World-class sales hiring is the biggest driver of sales success.
- The ideal sales hiring formula is different for every company, but the process to engineer the formula is the same.
- Statistics suggest salespeople who are intelligent and helpful, rather than aggressive and high-pressure, are most successful with today's empowered buyer.