

The background of the entire page is a black and white photograph of a busy city street. In the foreground, two men in business suits are walking away from the camera. The man on the left is carrying a briefcase, and the man on the right is carrying a suitcase. The background is filled with other pedestrians and a dense urban skyline with various skyscrapers. A large, light grey diagonal shape cuts across the top right of the image, creating a modern, geometric design element.

Insights on The Sales Talent Crisis

What revenue leaders need to know about the long tail of the Great Resignation

Dear reader,

The Great Resignation has swept across the business world over the past two years, upending employer/employee relationship norms and turning labor into a decidedly seller's market. Between January 2021 and February 2022, nearly **57 million** Americans left their jobs — a 25% spike from the same time period one year prior.

In some industries, even companies with the most attractive offers may be hard pressed to combat the desire of its workers for a career change. Sales, a historically demanding job by nature, is one of those most significantly affected. Previous Xactly research found that sales organizations experienced a **58%** higher rate of voluntary turnover in 2021 than in the 12 months prior.

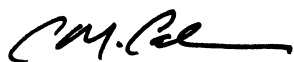
Pandemic life spurred a mass re-evaluation of work/life balance and professional priorities, and companies have had to rethink the value they deliver to their employees in response. Attracting and maintaining top talent now requires more than a competitive compensation package — Many salespeople who left their companies to chase higher compensation have become “Great Regretters”. The next wave of the Great Resignation will be employees looking for stronger cultures, more flexible work environments, and increased opportunities for growth.

Forbes recently called it a *sales talent crisis*.

“The financial consequences of this sales talent crisis on your revenue goals, selling costs, and margins can be severe,” the article states. “. . . In addition to the negative impact on selling costs, lost opportunity, and revenue goal attainment, the revolving door of salespeople can damage customer relationships.”

As we emerge into a post-pandemic business world, Xactly continues to prioritize support of sales organizations and professionals as they navigate these new norms. The research that follows explores sales leader attrition trends across industries, to inform strategies for combating continued effects of the Great Resignation.

I hope this document helps you,



Chris Cabrera
Founder and CEO, Xactly Corporation



Executive Summary

Why We Conducted the Research

As the industry leader in Sales Performance Management, Xactly takes great pride in bringing together the people, processes and technology across go-to-market (GTM) teams to build more agile organizations.

That's why we commissioned a survey of 400+ sales leaders to uncover the impact the Great Resignation is having on organizations and explore trends that business leaders can't afford to ignore.

Key Findings



Sales leaders now commonly change jobs, and even industries, every two years.



Sales employees want to do work they believe in and that impacts the greater good.



Sales leaders at all levels are willing to change jobs regardless of the economy, with VPs being most likely to leave.



Compensation is no longer the only — or even most important — factor in attracting and retaining sales talent. Good managers, company culture, work/life balance, and career growth opportunities all rank higher on employee priority lists.

Recommendations

1. Companies must focus on providing an entire employee experience tailored to the specific needs of sellers to avoid attrition.
2. Employee experience for sellers should be crafted much in the same way companies think about serving customers, especially as it relates to attracting new talent in a competitive labor market.
3. Revenue leaders require an integrated operations model to manage pipeline more effectively and help sellers sell more efficiently to reduce churn.
4. Compensation packages need to be adjusted to meet the new rules pertaining to what makes sellers happy in their jobs.
5. Finance leaders should not delay in transforming their RevOps through automation and integration to mitigate the cost of attrition.

Methodology

Xactly conducted a Great Resignation survey online between May 27 and June 3, 2022, among US companies. Surveying 402 Sales professionals, respondents included titles of director-level and above in a company with at least 500 employees.



TIME IN SALES

5 years or less	17%
6 – 10 years	54%
More than 10 years	29%



TITLE

Director	35%
AVP	9%
VP/SVP	46%
C-Suite or other executive	10%



TIME AT CURRENT COMPANY

5 years or less	39%
6 – 10 years	43%
More than 10 years	18%



SIZE OF COMPANY

500 – 1,000 employees	64%
Over 1,000 employees	36%



REGION

Northeast	20%
Midwest	19%
South	43%
West	18%

The Impact of the Sales Talent Crisis

Sales Professionals are Not Afraid to Change Jobs in Economic Uncertainty.

The easy assumption made while experiencing economic uncertainty that has defined the past 24+ months is that sales leaders are more likely to hold onto their current jobs than explore other options.

Our survey found the opposite to be true.

Just over half of respondents reported that they have changed jobs over the past two years, and 47% of that group changed industries, too. The Harvard Business Review recently referred to this phenomenon as The Great Exploration — one in which people are being awakened to new possibilities for their professional lives.

“People aren’t just quitting their jobs,” said Arianna Huffington, founder and CEO of Thrive Global, in [HBR’s Great Exploration article](#), “they’re rejecting the idea that burnout is the price they have to pay for success.”

51% of sales leaders have changed jobs over the past two years.

- ▶ Of these respondents, 47% also changed industries.

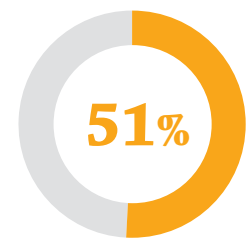
88% of sales leaders are likely to change jobs if the country’s economic situation does not improve in the near future.

- ▶ VPs (88%) and higher are more likely than directors and AVPs (81%) to change jobs in this scenario.
- ▶ Similarly, those in sales for less than 10 years (89%) are more likely to change jobs than those in it for 10+ years (75%).

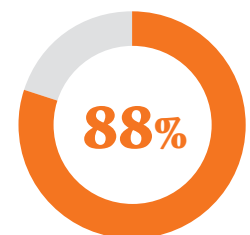
Despite pandemic-related (and other) uncertainties, attrition across industries was higher in both 2020 and 2021 than the two years prior.

- ▶ The SaaS industry has experienced particularly high turnover, with total attrition counts 4X higher in 2021 than in 2019.

SALES LEADERS



Sales leaders who have changed jobs in the past two years.



Sales leaders who are likely to change jobs in the near future.

Compensation Falls Lower on the List of Employee Priorities.

Sales compensation has been on a steady upward trajectory over the past several decades. In 2020, the average salary for a sales representative was about **\$73K** — \$10,000 higher than it was a decade prior. Compared to most other industries, sales offers more opportunity for high earnings thanks to compensation plans that include base salary, commission, bonuses, and other incentives.

Still, as the **Wall Street Journal** recently put it: “the pay is high, and the jobs are plentiful, but few want to go into sales.”

Sales organizations feeling this squeeze can attribute it to a shift in employee priorities — one that has seen compensation fall lower than factors like good managers, work/life balance, and career growth opportunities.

Today, it seems, employees are looking for a complete experience that considers their wellbeing as well as their talent. The results of our survey show that work/life balance (20%), lack of career growth opportunities (18%), company culture (15%), and poor management (15%) are the top four reasons sales leaders changed jobs.

Compensation ranked 6/9 on the list of reasons why sales leaders chose to change jobs in the last two years.

The critical importance of these factors to retaining top sales talent is demonstrated by the fact that their inverse scenarios are the very reasons sales leaders are choosing to stay with their current employers.

The 49% of people who did not change jobs in the past two years named good management (26%), company culture (19%), work/life balance (17%), and career opportunities (15%) as the top reasons they stayed in their current positions.

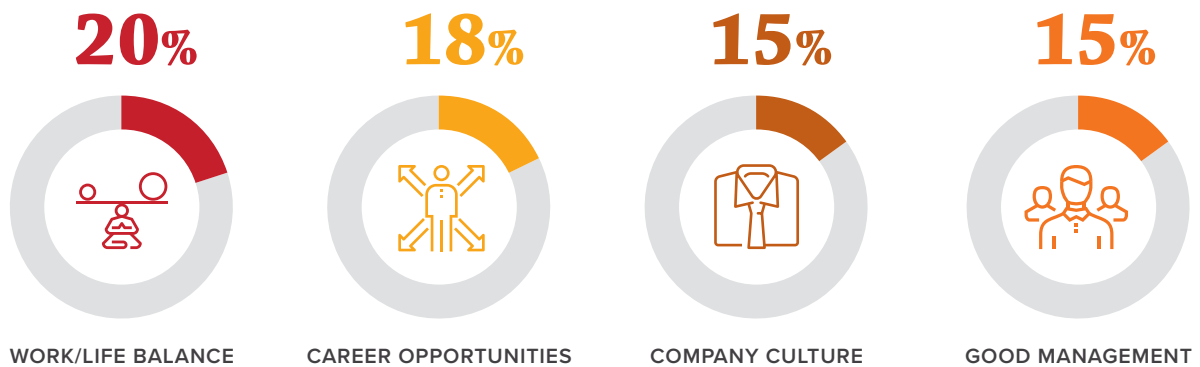
Compensation ranked 5/9 on the list of reasons why sales leaders have not changed jobs in the last two years.

**“The pay is high, and the jobs are plentiful,
but few want to go into sales.”**

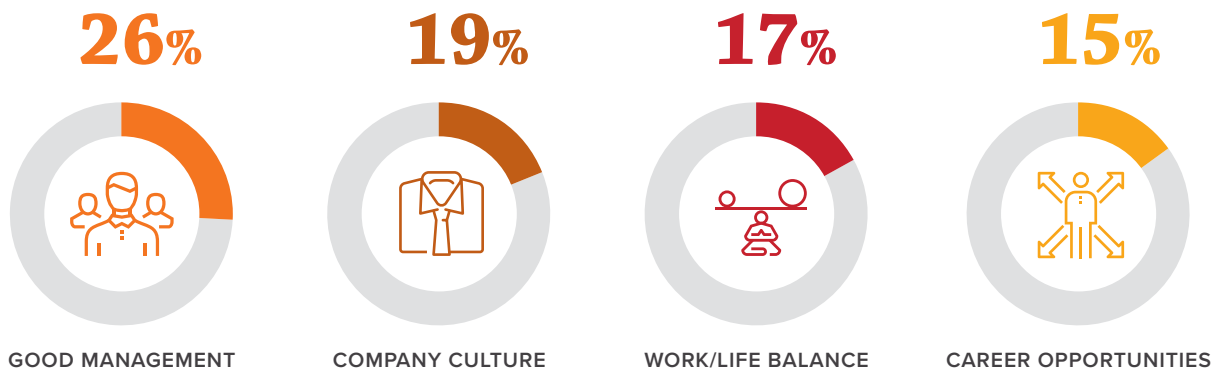
—WALL STREET JOURNAL

Top Four Reasons

WHY SALES LEADERS HAVE CHANGED JOBS IN THE LAST TWO YEARS



WHY SALES LEADERS HAVE NOT CHANGED JOBS IN THE LAST TWO YEARS



“People aren’t just quitting their jobs, they’re rejecting the idea that burnout is the price they have to pay for success.”

– ARIANNA HUFFINGTON

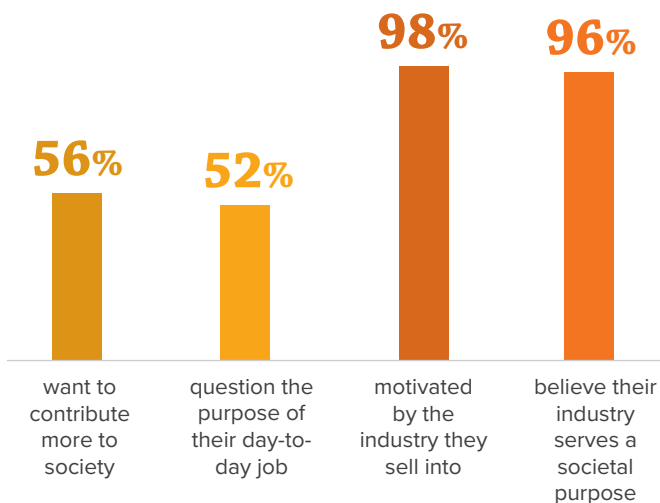
Employees Care How Their Work Impacts the Greater Good.

The pandemic, and the starkly human struggles surrounding it, have led to a more reflective workforce. Many people previously caught up in the “daily grind” had no choice in 2020 but to stop and consider the importance of work among other things happening in our world.

The impact of this unprecedented and unique time is still felt in 2022. Specifically, people are thinking about the value of their work and how it contributes to the greater good. A [Gartner survey](#) from earlier this year found that 56% of respondents reported that the pandemic made them want to contribute more to society, and 52% said it made them question the purpose of their day-to-day job.

Xactly’s research found that this sentiment is even more prevalent among the sales leaders we surveyed. Nearly all respondents — 98% — indicated that they are personally motivated by the industry they sell into; 96% believe their industry serves a societal purpose.

THE IMPACT OF THE PANDEMIC



Sales leaders are overwhelmingly motivated by alignment between their work in sales, their industry, and the greater good. It is a major contributor to a company’s ability to attract and retain top sales talent.

- ▶ Three in five sales leaders consider social good/societal impact equally important to financial gain.
- ▶ Two-thirds of sales leaders say they would leave their job for another that provides more purpose and/or value to society.
- ▶ Nearly 2/3 of sales leaders said they would even quit a higher-paying job for one offering more meaningful work.

To meet this challenge, sales organizations must find ways to demonstrate the value they deliver to customers, employees, and the world at large.

Employees Want to Believe in the Work They Do.

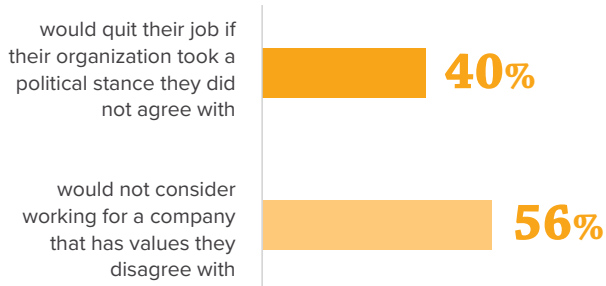
Just as sales leaders prioritize their work's impact on the greater good, they want their personal beliefs to align with those of their organization. As people consider their overall quality of life more holistically, they expect the companies they work for to meet the value standards they set in their personal lives.

At the same time, companies are now more involved in and vocal about sociopolitical issues than any other time in the past — and employees care deeply about whether their company's stances are similar to their own.

According to CNBC/Momentive research, 40% of workers say they would quit their job if their organization took a political stance they did not agree with. Similarly, Qualtrics found that 56% of job seekers would not even consider working for a company that has values they disagree with.

The results of our survey saw these trends reflected in alignment between sales leaders and the organizations they work for.

THE IMPACT OF VALUES



97% of sales leaders say it is important to believe in what their companies do and/or sell.

- ▶ Three in five sales leaders say the industry they serve aligns with their personal values and beliefs.
- ▶ Nearly two-thirds of sales leaders work for companies that provide time off to volunteer for causes they care about.
- ▶ More than three in five report their companies have organization-wide volunteer days.

Key Insights To Move Forward

Takeaways from this survey tell us much about how companies can proactively combat Great Resignation effects. Compensation, while important, is not the primary deciding factor for sales leaders when it comes to where they'll work and whether or not they'll stay there.

Companies must focus on providing an entire employee experience tailored to the specific needs of sellers.

In many ways, they should think about this employee experience the same way they think about serving customers, especially as it relates to attracting new talent in a competitive labor market. Talented employees are no longer willing to craft their lives around a company — instead, they look for employers who will fit into the lives they want.

Flexible work environments, strong company culture, quality leaders and management, a focus on social impact, and clearly communicated company values are all essential.

These key insights also indirectly highlight an opportunity for organizations to be intentional about the employees they pursue and hire.

Korn Ferry highlights strategies for attracting the right applicants for your sales team, including developing sales talent success models, vetting your talent sources, and using data points like onboarding time and quotas to identify important hiring needs by role. These practices ensure that new talent you hire is more likely to stick around in their roles.



Supporting Sales Leaders in a Sales Talent Crisis

To prevent attrition and minimize its negative impact when it does occur, sales organizations must support their sales leaders in ways that are meaningful to each specific role. Our research uncovered important insights that build understanding about how different sales leaders are uniquely impacted by today's economic climate.



VPs are the most likely role to change jobs despite economic uncertainty.

When VPs leave, there is a good chance many of their reps will go with them, making it even more difficult to maintain and grow sales revenue. Companies must be aware of common stress factors VPs experience, including:

- ▶ The pressure to sell more, even as people are buying less
- ▶ Working to hit sales goals with high turnover and with less experienced sales reps

As companies think about combating potential attrition, they need to start with top-level sales leaders, like VPs and CROs. Reducing the likelihood that your top leaders will turn over makes it easier to maintain quality talent at other levels. Implementing solutions to reduce the manual work that bogs them down is one effective way to do this.

And, to prepare ahead for a potential scenario in which a VP-level sales leader leaves, companies should consider the following:

- ▶ Are systems and processes robust enough to address the churn quickly and effectively?
- ▶ If a CRO or RevOps leader leaves, are they taking tribal knowledge of programs and plans with them?
- ▶ How can the hit to morale and company culture that may occur if this sales leader leaves be minimized?



Sales and revenue leaders need a clear and concise way to look at how their business generates revenue.

Although there are an array of technology tools at the disposal of sales teams and leaders, the important thing to consider is the revenue operations model currently in place. The ideal solution is a fully integrated operations model that empowers revenue leaders to manage their pipeline more effectively and helps sellers to sell more efficiently.

This requires more than simply bringing together CRM, financial and HR data and applying analytics. It requires the transformation of revenue operations processes around disruptive technologies like AI-supported forecasting and real-time compensation modeling, as well as drawing on external data sources to support benchmark-backed decision-making.

This type of digital transformation gives sales and revenue leaders confidence to make decisions that can separate their organization from the competition and take their business to the next level. It also has a broader, positive effect on employee satisfaction, company culture and employee churn rates, as sellers and sales leaders spend less time trying to figure out how to make the number and more time selling.





Compensation leaders need to shift focus from growth to profitability.

Compensation is no longer the #1 reason employees stay or quit their job, so it's time to adjust compensation packages that abide by the new rules of work/life balance, a clear career path, and a good company culture to keep attrition low and interest in your company high. This transformative thinking around revenue operations is enabled by automation.

Owners of the compensation process need to run predictions repeatedly to support reps to better understand the value of their opportunities. The frequency is often tedious, repetitive and difficult to sustain. But when RevOps is transformed and technology, people and processes are all in sync through automation, compensation leaders are enabled to supply transparency, drive efficiency and increase productivity – all while ensuring timely payouts of complex commission calculations. And when sales reps are paid on time they are less likely to leave.



Finance leaders need to look beyond their department.

Finance leaders know it's expensive to replace any employee, let alone top-performing sales reps. Not only does it impact the organization's bottom line, but their strategic plans. In many cases, reps looking to leave are able to demand revised pay structures that are unplanned, making financial projections even more difficult without a holistic view of the company's financial health.

The cost of attrition is felt throughout the entire company, from finance with payroll and cash planning to HR and recruiting efforts to sales and ramp up times with draws. Even IT feels the pinch. To mitigate the impact, finance leaders need to engage in cross-functional collaboration at the leadership level. Using AI-enabled forecasting and the wealth of CRM data, along with other data sources that inform the health of your revenue pipeline, finance leaders achieve a complete view into top and bottom-line projections. When finance leaders look beyond their own team to combine people, processes and technology a RevOps transformation occurs. A transformation that should not be delayed.

How Xactly Solutions Help Sales Organizations Combat The Great Resignation

At Xactly, we love salespeople.

That's why we built the Xactly Intelligent Revenue Platform. It brings Revenue Operations teams together to support salespeople with precise plans, better incentives, and data-informed insights to give them more confidence in their pipeline.

Xactly's solutions empower the type of capabilities companies need to create collaborative, efficient, and happy sales teams.

Xactly supports sales organizations in key areas like:

- ▶ Capacity and quota planning
- ▶ Territory planning and optimization
- ▶ Incentives and employee performance
- ▶ Pipeline management and forecasting
- ▶ Pay and performance insights and benchmarking

Our solutions power a data-driven approach that provides insights across the entire sales performance value chain from planning to execution, including compensation to optimization.

With access to predictive analytics and benchmark data, enterprises can create optimal sales resource and capacity plans, balanced territories, design the right compensation and incentive plans and accelerate attainment and optimization of sales performance.

Now is the time to build a sales and revenue engine that is resilient, profitable, and predictable.

Sources

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ABOUT XACTLY

Xactly® has helped thousands of companies and millions of sellers around the world beat their revenue targets. Using Xactly's solutions, leaders look past the current quarter to create revenue streams for long-term growth. The Xactly Intelligent Revenue Platform marries artificial intelligence and 17 years of proprietary data in easy-to-use applications. Sentiment, process and trend analysis come together to form accurate machine forecasts. Quick identification and implementation of revenue plans, quotas and territory improvements are easy. And, rapid calculation of even the most complex compensation plans keeps sales reps motivated and on track. This makes the Xactly Intelligent Revenue Platform the only solution that aligns seller behavior with boardroom strategy to create a resilient, predictable, and profitable business. To learn more about Xactly® and the latest issues and trends in intelligent revenue, follow us on Twitter, Facebook, and visit www.xactlycorp.com.

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