



# An Overview of the Objective Management Group (OMG) Sales Evaluation Tool

## White Paper

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# Are You Any Good at Evaluating Sales Talent?

You can probably spot an energetic, motivated, likable, memorable, polished, polite and outgoing salesperson from a handshake away. Aren't those the ones you like best; especially when they have industry background? And don't they all perform brilliantly?

Unfortunately this is not always the case.



When you pick your AFL Dream Team the key scoring factors to keep in mind are tackles, marks, free kicks, hit outs, inside 50's and goals. The most expensive and top drafted players are guaranteed to score you high points in all these areas, making sure you reach the finals. What's that? They don't? Why not? They have all the tools...

In other sporting codes, the outcomes are similar.

In American Football, only 13 players in the Hall of Fame were selected with the first draft pick. 13!

In the NBA (basketball), only 8 players, selected with the first pick since 1991, are in the Hall of Fame.

In the MLB (baseball), only 5 players, selected in the entire first round (28 picks in the round each year) between 1965 and 1982, are in the Hall of Fame. That's 5 of 476 first round picks!

There's talent, and then there's the ability to utilise one's talent and most sports talent evaluators are no better at this than most sales managers.

In sports, coaches, GM's and player personnel directors can evaluate skills, but it's more difficult for them to evaluate a player's makeup and how that will translate to performance at the highest levels.

In sales, managers can evaluate soft skills, like the ones I listed in the first paragraph, but not strategic and tactical skills, and not sales DNA, their sales makeup, and how that will translate to performance at their company and in a specific role.

*Adapted from Dave Kurlan's blog posted on 11th February 2014*

# Introduction

## OMG Sales Force Evaluation

As a CEO, senior leader or business owner, you need to have access to vital information about your sales team. This information needs to be accurate and specific – something you can act on. We imagine your primary needs are to:

- Have confidence in the capability of your current sales team
- Improve capabilities of your sales managers
- Improve recruitment, selection and retention of salespeople
- Develop stronger salespeople who are capable of selling more and having higher margin business

The assessment tools used by Neural Networks were designed and developed by

Objective Management Group (OMG), the pioneers of the sales assessment industry since 1989.

OMG have continued to enhance and improve these offerings over time and, to date, over 2.2 million salespeople have been assessed with these tools and more than 33,000 sales organisations, from more than 200 industries and 52 countries have been evaluated.

By undertaking a comprehensive evaluation of your sales force prior to investing in any further training or development, you will uncover crucial information about the sales mindset and capabilities of your salespeople.

When you evaluate your sales team using the Sales Evaluation you will learn:

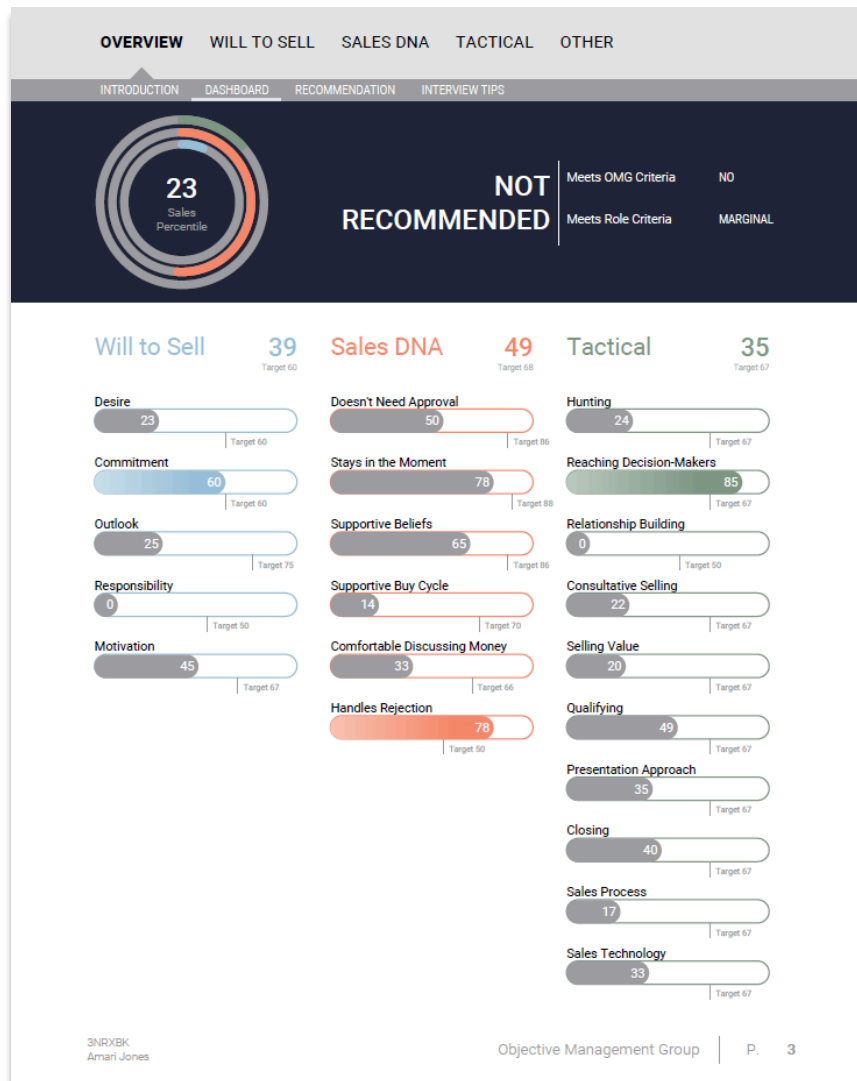
- What you can reasonably expect from your existing sales force
- What it will take for your sales force to execute your strategies
- Sales management effectiveness at coaching, motivating, recruiting, growing and holding salespeople accountable
- The quality of the pipeline (if appropriate)
- Who can improve and by how much
- What training curriculum is recommended
- The ROI from training and much, much more

The assessment tool will identify the specific growth potential of salespeople and sales managers, what needs to be done to help them achieve that development and how long it will take.

It will also detail who will not get any better and why.

## Results Dashboard Example

Below is an example of a Dashboard from a Sales Candidate Assessment for recruitment.



## What can we tell about this candidate by analysing their dashboard?

This is pretty confronting. There is an issue with their sales desire, and there are also issues with their overall Sales DNA (sales mindset) that will hijack their ability to sell consistently. Their competencies also show that they may make an ok account manager, but currently do not have the skills to effectively chase new sales opportunities. They do not feel comfortable opening and closing proactive sales opportunities with your customers.

# Background

## Initial Research

By 1990 Dave Kurlan (CEO of the Objective Management Group at that time) had completed four years of research where he discovered 11 elements that contributed to sales failure. He took an unconventional approach to his research, where instead of attempting to find what top performers had in common (benchmarking), he attempted to **identify the issues involved in sales failures**.

He discovered four elements that were crucial to sales success:

<b>Desire</b>	How badly a salesperson wants to succeed – in sales – is the most important element. When a salesperson lacks strong desire, their incentive to do anything difficult is not very compelling and they will often take the easy way out.
<b>Commitment</b>	One’s willingness to do whatever it takes to succeed. Kurlan found that many salespeople have conditional commitment – they will do what it takes – but only if it is not too difficult, not too scary, and they agree in principle with what they are being asked to do.
<b>Outlook</b>	Encompasses attitude about the company, job, career, and self. When Outlook is not as strong as it could be, as is often true with candidates looking for a new position, it can affect desire and commitment, cause excuse making and a bevy of other conditions.
<b>Responsibility</b>	When salespeople take responsibility for their results, or lack thereof, they are being responsible. Salespeople who make excuses will seldom improve as they fail to see the part they played in their most recent sales failure.

When the combination of strong desire and commitment are present, accompanied by a good outlook, a salesperson will have tremendous incentive to change. Kurlan referred to a salesperson with incentive to change as “trainable”. With appropriate help, a trainable salesperson will improve.

## Five Major Sales Weaknesses Identified

While he identified dozens of weaknesses that could hinder sales performance, Kurlan discovered **five major weaknesses** which, when presented in certain combinations, prevent salespeople from executing their sales plans, making success more uncertain.

These were:

<p><b>Need for Approval</b></p>	<p>Salespeople who are easily liked have a great advantage but salespeople who need their prospects to like them often make that a priority over getting the business. Salespeople with need for approval usually have difficulty asking tough questions, often have a fear of rejection and avoid confrontation.</p>
<p><b>Stays in the Moment</b></p>	<p>Salespeople who think, analyse, create, strategize or otherwise talk to themselves when prospects catch them by surprise become emotionally involved instead of remaining in the moment. When they are emotionally involved, their listening skills tend to be self-focused rather than prospect-focused, causing them to miss important points and lose control of the conversation.</p>
<p><b>Self-Limiting Beliefs</b></p>	<p>Every salesperson has as many as 60 beliefs that either support the selling process (“I have the ability to be effective with company presidents”) or sabotage (“I don’t like making cold calls”), etc. The collection of self-limiting beliefs is what Kurlan referred to as the “Record Collection”. Ineffective salespeople often have 10 or more of these self-limiting records while more effective salespeople have very few.</p>
<p><b>Non-Supportive Buy Cycle (Bad Empathy)</b></p>	<p>Buy Cycle refers to the way people makes major purchases for themselves. When we buy in a way that supports the selling process, we call this a Supportive Buy Cycle. Most ineffective salespeople have Non-Supportive Buy Cycles. They think it over before making decisions, comparison shop, shop for the lowest price, perform research or think that a relatively small amount of money is a lot. When their prospects wish to engage in this behaviour, the salesperson empathises and the techniques for handling stalls and put-offs of this kind are either not used at all or used ineffectively.</p>
<p><b>Discomfort with Issues Involving Money</b></p>	<p>Many salespeople are uncomfortable escalating a question about budget, or affordability, to the next level. Their discomfort prevents them from helping a prospect figure out how to pay or where the money could possibly come from. When prospects don’t have the budget, can’t envision increasing the budget or don’t know how they can find the money, the salesperson empathises rather than digging deeper, asking questions and making suggestions to solve the monetary shortage.</p>



## Development of the Tool

When Dave Kurlan combined incentive to change with the number of weaknesses uncovered, he was able to accurately calculate Growth Potential – the percentage of improvement that could reasonably be expected from an appropriate development program that focused on eliminating the weaknesses.

He continued his research adding additional aspects to his sales assessment and building an effective recruitment screening tool.

### 2002

By 2002 research showed that there were important company-specific requirements for success that sales candidates had to meet in order to succeed.

- Closing – sales cycle
- Degree of hunting required
- Level of competition
- Price comparison (are you more expensive in the marketplace?)
- Money tolerance (such as selling high end, exclusive products)

### 2004

By 2004, field research provided by Tom Schaff, a colleague in Chicago, showed that most of the recommended candidates who failed in a technical sales position had the fatal combination of two sales weaknesses: not being money motivated and not enjoying selling. Kurlan had not previously seen this as a deal breaking combination.

Schaff's research also showed that, even when the number of weaknesses was acceptable, the severity of those weaknesses could predict failure.

Further research in 2004 suggested that three additional company-specific hiring criteria be utilised:

- Whether the salesperson had to make contact with top executives
- When the product or service is often met with resistance
- Whether the salesperson will be expected to hunt for new business with little supervision

### 2008

Following the 2008 economic crisis, salespeople found it increasingly difficult to achieve the same level of success as they did pre-2008. Research at this time found that the single biggest difference was their tolerance for Rejection.

Difficulty Recovering from Rejection is now as important a finding as the 5 previously mentioned weaknesses.

By the close of 2008, OMG's extensive research had enabled them to identify "perfect" candidates.



## What the Data Tells Us

OMG's data strongly suggests that while 74% of all salespeople are average to weak, there is a very distinct combination of criteria that can be utilised to accurately and consistently identify the other 26% and therefore recommend people who will succeed in a company's sales position.

After testing more than a million salespeople over the last 30 years, most of the issues that were true in 1990 are still true today:

- If a salesperson lacks desire or commitment for success in sales, regardless of their record of accomplishment, **the chances of success with a company tomorrow are highly unlikely.**
- The more major weaknesses a candidate possesses, and the greater the severity of those weaknesses, **the more ineffectively that candidate will perform.**

## The critical role sales leaders play in sales success

Research by OMG has revealed:

- 20%** of sales managers have need for approval – the need to be liked – and shy away from confrontation.
- 30%** of sales managers accept mediocrity and tolerate poor performance.
- 61%** of sales managers aren't inclined to upgrade their sales force.
- 60%** of sales managers have less than 65% of the attributes of accountability.

*Where do your sales leaders sit on this scale?*

# Sales Evaluation in Recruitment

## Sales Force Express Screen

The salespeople in your business are not like any other group in your workplace and require a different mindset to succeed.

The unique Sales Evaluation and candidate screening tool (Express Screen) evaluate critical mindset and skill capability factors that contribute to sales success. As a screening assessment, it has demonstrated a **predictive validity of 96%**.

*This means that, when a candidate is recommended as 'hireable' against the specific sales criteria, they are successful in that sales role 96% of the time.*

Using the Sales Evaluation, you will uncover crucial information about sales capabilities prior to investing in training.

The Evaluation details sales strengths and mindset weaknesses and provides comprehensive insights into how these elements affect performance.

A significant advantage of the Evaluation is the initial client calibration process. We get a clear understanding of the criteria for success in your market by identifying the experience required in the 20 most important areas that will influence sales success.

These include:

- Markets in which you operate
- To whom you sell
- Level of competition
- Sell Cycle
- Type of resistance your salespeople will experience
- Type of supervision and management

You will be made aware of Hidden Mindset Obstacles that the individual will not be consciously aware of but will prevent execution of certain sales requirements. The Evaluation will tell you which salespeople will improve, why and by how much.

*"Candidates who failed in a technical sales position had the fatal combination of not being money motivated and they did not enjoy selling."*

*– Dave Kurlan*



## Predictive Validity of Express Screening Version

The Objective Management Group (OMG) has gathered predictive validity information for the Candidate Assessment of hire-ability among applicants for sales positions. The sample was drawn from employers who had been using the test for more than one year and had used the test to evaluate candidates for sales roles during the hiring process.

One year after hiring, these employers were sent a questionnaire which asked them to indicate how many hires had been retained for the past year, whether they had been recommended by OMG or not, and one year performance outcomes.

As shown in the table (below), 96% of the candidates who were recommended were retained for at least one year and 92% of those were performing in the top half of the employer's sales force.

Alternately, only 25% of the candidates who were not recommended had been retained, and of those only 2 (33%) ranked in the top half of the sales force at the end of a year.

### Results of Predictive Validity Assessment

Number of Candidates Tested	500
Number of Candidates Recommended	273
Screen to Hire Ratio	55%
<b>Candidates Recommended and Hired</b>	<b>129</b>
Retained	122
<b>Retention Rate</b>	<b>96%</b>
Ranked in Top Half after One Year	112
Accuracy of the Hireable Recommendation	92%
Ranked in Bottom Half after One Year	5
Quit or Terminated	5
<b>Candidates Not Recommended but Hired</b>	<b>24</b>
Retained	6
<b>Retention Rate</b>	<b>25%</b>
Ranked in Top Half after One Year	2
Ranked in Bottom Half after One Year	4
<b>Quit or Terminated</b>	<b>18</b>

These results strongly suggest that this Profile is clearly able to distinguish very accurately between individuals who will sell effectively for a particular company and those who will not.

# Further Research

## The Modern Science behind Sales Force Excellence

OMG undertook a Sales Force Effectiveness Study which evaluated the practices of companies across over 200 industries. These companies ranged from revenue under \$1 million to more than \$1 billion and had sales forces of fewer than 6 to more than 1,000. This included sales teams selling into channels, territories, major accounts and verticals, as well as teams dedicated to inbound, social and traditional sales.

The results of this study show the impact of initiatives like social selling, training, inbound marketing, improved sales processes, recruiting processes and related tools.

### **Does Sales Process Have an Impact on Sales Effectiveness?**

Yes, a customised, formal sales process appears to correlate with an increase in sales. However, the significant increase occurred only when companies also evaluated their sales forces, accounted for the buyer journey in their sales processes, had an outside sales training company provide monthly or bi-weekly sales training for at least a year, and had a dedicated Inbound team generating leads. The sales process appeared not to be the cause, but one of several significant contributing factors.

### **Does Social Selling Impact Sales Effectiveness?**

Social selling appears to have an impact on the size of very few sales pipelines but the impact on the quality of the new opportunities generated is significant. Social Selling makes a difference and companies that have been slow to adapt are well behind in the race to have a presence, make new connections, identify new prospects, and add new, quality opportunities to their pipelines.

### **Is the Traditional Sales Force Still Relevant?**

The key is integration and commitment to best practices with both traditional solutions and modern technological tools. Also, when the CEO is not driving decisions or the company is small, they may be late in adopting the latest practices and tools. The top performing companies made tremendous use of their sales force evaluations and sales training. The bottom performing companies tended to do things themselves and ignore much of the information that was provided to them. In summary, traditional sales teams, those with responsibility for the entire sales cycle, are losing ground.

## Do Social Selling and/or Inbound Marketing/ Selling Impact the Effectiveness of New Salespeople?

Focusing on the 27% of companies that reported their new salespeople were performing significantly better than those hired previously, the following was found:

- 88%** achieved an increase in sales from sales process customisation and optimisation
- 96%** successfully integrated their sales process into their CRM application
- 100%** have refined their sales recruiting process
- 85%** include sales specific candidate assessments
- 93%** employ a formal on boarding program for new salespeople
- 72%** used the sales force evaluation for improved sales decision-making and changes to their selection criteria
- 65%** have well-established, inbound lead generation taking place
- 75%** of the Inbound group have a dedicated Inbound team
- 67%** of the Inbound group reported that Inbound leads convert to conversations and sales better than cold calls and traditional leads do
- 76%** have a social selling program in place
- 53%** of the social selling group reported that the qualified opportunities have increased

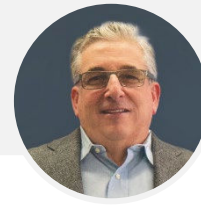
It is not one particular thing, and it is not necessarily the thing you are looking for or assume to be true. It is clear that a sales force evaluation leads to better selection criteria, and that a sales-specific recruitment process and candidate assessment get the right salespeople selected. A formal onboarding program, sales process integrated into CRM, and an Inbound lead generation team help new salespeople gain immediate pipeline velocity. Finally, social selling improves the quality of leads that the Inbound team are able to generate for their new salespeople.

# Conclusion

## The Current Situation

“...salespeople still have, on average, no more than 21% of the attributes of consultative sellers.”

– *Dave Kurlan*



Practices, tools, methodologies, models, training approaches, technology and buyers are changing rapidly. Training content, sales methodologies and salespeople are not keeping pace.

Despite the importance of selling consultatively, and everything that has been written about it, salespeople still have, on average, no more than 21% of the attributes of consultative sellers. Back in 2008, 74% of all salespeople were mediocre or worse. The numbers 15 years later? Still 74%.

If you want your company to experience a significant increase in sales, this report show you the most crucial steps:

- Evaluate your sales force and use the results as a map to future and improved decision-making
- Have your sales process customised and optimised to be milestone-centric
- Account for the Buyer Journey in your sales process
- Fully integrate the sales process into your CRM/Pipeline Management application
- Have a professional sales training firm train your sales force on traditional selling competencies
- Assure that the frequency is at least monthly
- Have a dedicated Social Selling team (or person)
- Have a dedicated Inbound team (or person)
- Develop a sales specific recruiting process that uses a predictive, sales-specific candidate assessment, and features a formal on boarding process
- Reach out directly to potential customers through Social Selling channels
- Include the CEO in these initiatives to drive adoption and accountability
- Don't rely on tools or technology to solve the problem with salespeople that are ineffective at building and maintaining pipelines – replace those people

## Neural Networks Concepts (NNC)

NNC has established itself as a leader in performance-based sales, business strategy, leadership, coaching and team effectiveness programs. Our training programs are solution based and ROI driven, achieving measurable results. Our unique integration of Generative Psychology, Neuro-Linguistic Programming (NLP) and Emotional Intelligence (EQ) has enabled NNC to develop a powerful series of programs and workshops designed to substantially raise the performance of your team.



**Dr John Gora**

Ph.D. (Psychology)

B.Sc. (Hons)

Accredited EQ-i 2.0 Trainer

John is one of Australia's leading authorities in Leadership & Sales development. For the past 20 years his organisation, Neural Networks, has served as business strategists, consultants and coaches to some of Australia's leading organisations, including American Express, ANZ, CBA, Colonial First State, CommInsure, Lendlease, KPMG and St George Bank.

His unique array of qualifications, including a PhD in Psychology, NLP Master Practitioner, Emotional Intelligence Facilitator and Martial Arts Instructor, have enabled him to develop a number of personal and business-related technologies designed to inspire people and organisations to achieve. Some of his customers have achieved over 400% improvements in sales outcomes.

Working as both a consultant and facilitator, John has a strong interest in business strategy, leadership and coaching as well as influence and values alignment.

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