**SMARTtools for Leaders™**

**Who Interview® for the role:** VP of Sales

**Candidate:** Karen Tan (This report is fictional.)  **Interviewer:** Morgan Jones

**Date:** 9/10/2016 **Recommendation:** Proceed

**Rating (A,B,C):** A+

**Summary:**

Karen has an extremely impressive track record of scaling sales organizations. She crushes revenue targets. We need someone who can convert consulting clients into software clients. She has done exactly this in growing TLY Consulting Group’s software division from $72m to $200m in four years.

Though they type of software they sell is different from ours, the buyers are the same (CEOs and heads of HR) and the size of deal is roughly the same ($1m per year software license and training revenue). Her work style fits our 5 values. We believe she will be an excellent hire. She wants to be a VP of Sales, and slide into general management as business unit President or CEO one day.

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| **STRENGTHS** | **RISKS** |
| 1. Beats her sales targets, consistently. Has beat her annual revenue target in 4 of her last 4 jobs. 2. Great at building talented teams. Has successfully built her teams by adding star talent and coaching folks who are on the fence, and removing nonperformers. 3. Loves to deliver real value to customers, not sell them lies. 4. Highly ethical. 5. Embraces values of generosity & gratitude, personal ownership over results, self-development. 6. Up-beat, and “can-do” attitude. 7. Very decisive. Makes good decisions quickly. 8. Is good at taking a stagnant growth rate, focusing on the customers who matter most, tweaking the sales approach, and executing aggressively. 9. Takes initiative; bosses say “you don’t need to manage her. She manages me.” | 1. Does not like to conduct in-depth market analysis, customer analysis, and collect or analyze quant data. She prefers to analyze quickly, based on stories and anecdotes, then make decisions and adjust course. 2. Sets prices too low at first, but increases price to target levels after successful adoption. 3. Good but not great knowledge of finance, which is not super relevant for this role. 4. Average understanding of technology, programming, and software development. Sometimes assumes product tweaks are easy to do when they are costly. 5. Does not hesitate to over-step her role and take over the turf of underperforming peers. This is bad for peer relationships, but great for revenue growth. So watch out her relationships with her peers. She won’t have many peers in this role, so this risk is not of great concern. |

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| **EARLY YEARS** | |
| ***Who were key influences in your early years?*** | * My mom was a classic Taiwanese tiger mom. She pushed me really hard. I went through a phase where I rebelled—I had blue hair at one point in junior high. This was not Ok to do in my private schools in Taipei. That’s why I wanted to go to boarding school in the U.S., to sort of have some breathing room. But my mom instilled in me my work ethic. My father was very caring. He was a doctor before he retired and teaches at medical school. He has a good heart and wants the best for others. I take after him in this way. * My older brother Prasong was the nerd in the family. He’s the technical one—coding all night, binge drinking Mountain Dew and playing video games. I did not get the love of programming that he did. But I got an appreciation for the potential for digital technology from him. |
| ***What were you known for back then?*** | * Organizing people. I was the one who was always planning birthday parties for our cousins, or organizing a food drive at school, or trying to bring people together to do something. I was pretty social and willing to put myself out there. |
| ***What were some of your biggest highlights and lowlights during your education years (e.g. high school, college, graduate school, if applicable).*** | * In high school, my highlight was probably being editor-in-chief of my newspaper. The thrill of it was hiring my staff and working late to get out the paper. We were very competitive and we won #1 in the Columbia University Scholastic Newspaper competition my senior year. Lowlights were probably I hated math, and I didn’t like to sit still all day in class so my teachers were constantly telling me to be quiet in class. Graduated #3 in my class of 175, so I did well academically. * In college at Boston University, my highlight was probably selling credit cards for Visa. I ran a group of 10 students whom I hired, and we smoked the competition—of 125 campus sales teams, we were ranked #4 my junior year and #2 out of all the teams my senior year. I also did an internship in the Northeast sales team for salesforce.com. I followed around some of their best salespeople my junior year, but then worked there part time my senior year and actually sold 3 deals for $1.2m total—my bosses were shocked. They did not expect a college intern to actually sell anything. * During my MBA program at INSEAD, four years after I graduated college, I met some amazing people and just enjoyed being a student again. I ruled out consulting and banking because of the excessive focus on details, and settled on sales and marketing as my career path to senior management. |

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| **Sales Intern, Salesforce.com, 2006** | |
| ***What were you hired to do?*** | * I was originally hired to just intern in the Boston office of Salesforce. Follow around some of the sales leaders. But I talked them into letting me go out and try to sell accounts myself. |
| ***What were your priorities? What did your accomplish, and how?*** | * I wanted to prove myself. None of the other 5 interns were actually meeting 1-on-1 with customers and prospects. I wanted to get a sale. * The other 5 interns sold $0. I sold $1.2m. Boom. Drop the mike. That was a thrill. How? I just watched the best sales execs, and followed their process for creating a prioritized sales funnel, and working down the list, getting to know the customers’ worlds, and asking for the sale. |
| ***What were mistakes and lessons learned?*** | * I was way too outspoken. I started meeting with customers before I officially got permission to do so. Once I started actually selling, my bosses forgave me. But until then, I was a little bit of a rebel in the office among my peer group of interns. |
| ***Who was on your team? How were those relationships?***  **(Hiring, firing, developing team)** | * I didn’t have a team in that job. It was just me, and a tech support rep visiting customers. |
| ***Primary Boss' Name?*** | * Jerry Timmons |
| ***How did your boss rate your performance?*** | * 9/10. |
| ***Strengths your boss might mention?*** | * Took a lot of initiative. * Actually sold deals and make money for the company vs. following people around like the other interns. * Confident. * Fast-moving. |
| ***Weaknesses your boss might mention?*** | * Didn’t sit still during our orientation trainings. * Didn’t really invest in the relationships with the other interns, who weren’t really doing anything. * Jerry might say I didn’t spend enough time learning what the product did. I spent almost all my time building relationships with the customers. |
| ***What were your reasons for leaving?*** | * I was offered a full-time offer for after graduation, but I took a different job with more responsibility. |

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| **Marketing Manager, Softcorp, 2007-2010** | |
| ***What were you hired to do?*** | * It was hard to say no thank you to the Salesforce offer, but the Softcorp job was twice the responsibility and salary/bonus. * They were a small, $10m HR software company with dreams of doubling their size to $20m in revenue over 3 years. |
| ***What were your priorities? What did your accomplish, and how?*** | * My main priority was to create the marketing and sales strategy for doubling the company over 3 years. It had been stagnating with only 10% growth total in the previous two years. * I figured out that we were wasting too much time selling to the wrong kinds of customers. So we 1) tightened up our focus on the target customers, 2) hired 2 new marketing assistants to help me create segmented material we used in print and digitally, and 3) I re-jiggered the sales incentive compensation to make it all about landing the right customer, making them happy, and having them re-up. Our re-up rate was only 45% from year to year. We were churning customers. * I’m really proud of the results. We not only doubled the revenue from $10m to $20m, but we actually hit $50m in revenue within 3 years. Our re-up/retention went from 45% to 88% because we were selling the right features to the right customers that they actually wanted. |
| ***What were mistakes and lessons learned?*** | * I way over-stepped my role and pissed off the VP of Sales. It was his team that I was essentially directing with the new marketing strategy and incentive comp system. His name was Jeb Hauser. I think he hates me. * I probably should have made more fancy Powerpoints to convince the CEO of my marketing strategy. He thought my white board scribbles were not as pretty as I thought they were. But it worked in the end. |
| ***Who was on your team? How were those relationships?***  **(Hiring, firing, developing team)** | * There was a marketing team of 3 there when I got there. None of the 3 seemed happy or successful, so I suggested they find work they’ll enjoy more, and so they left within 6 months and I hired 4 new people. |
| ***Primary Boss' Name?*** | * Glenda Jarowski, President |
| ***How did your boss rate your performance?*** | * 10/10 |
| ***Strengths your boss might mention?*** | * Glenda told me she had never seen a company go from standing still to explosive growth like that with the addition of one key hire (me). * She’d say I focused us on our high priority customer targets, fixed the features, and revamped comp for the sales team. And the rest took care of itself. * Aggressive. * Enthusiastic. * Great at managing up and down (but not sideways). * Great at hiring and developing my team. |
| ***Weaknesses your boss might mention?*** | * Too fast. In meetings, I’d hurry people. It was probably too much for that culture. * The Sales guy, Jeb, probably wanted to choke me unconscious. I was making him look bad. It was under his leadership that the sales grew only 10% in two years. He was unfocused. I let him know that, to his face, and in meetings, and we argued about it. * I was too cavalier about asking the dev team to make changes to the product features. I should have respected their processes for making changes. I learned it’s better to work within a dev cycle’s process than just demand changes be made on the spot. |
| ***What were your reasons for leaving?*** | * A customer hired me, TLY Consulting Group. |

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| **Director of Sales, TLY Consulting Group, 2011-present** | |
| ***What were you hired to do?*** | * TLY had built a successful consulting business. They were a huge, global, human capital consulting business for big companies. They wanted to distill some of their best practices into tools, then license those tools to their existing clients. It was sort of like a mature startup—they got to $72m in revenue on the software, then sort of hit a wall. There was a question of how to grow it from there. |
| ***What were your priorities? What did your accomplish, and how?*** | * I was hired to double the business from $72m to $140m within 4 years. * I’m so proud to report that we more than doubled it. Our software revenue came in at $203m this past year which is the 4th year I’ve been there. * How did I do it? It was a lot like the story I just told you about Softcorp. TLY had all sorts of clients. And the previous Director of Sales was un-focused. Sort of selling all types of features to all types of customers. I got the sales team in a room and asked them three simple questions: “Who is buying? What features do they value the most? How do we give them more of what they love?” We build a sales & marketing plan from that—not much outside research. It was pretty clear from our own team, and from working with Finance, which customers were the ones to focus on. So the second thing I did was to clarify * I won the “Recruiting Maniac” award, given to the manager (out of 1,000 managers at the company) who recruits the most talented people in a given year. I gave the award to my recruiting team, who did all the work. I probably spend 25% of my time recruiting and developing the people in my organization. * “Top Customer Ratings” by Gartner. |
| ***What were mistakes and lessons learned?*** | * There were some deals that got away. There always were. In a couple of these cases, I think our analysis of what the customer needed was probably not as deep as it should have been. So the prospect went with other firms. * The CEO Gerry thought I priced some deals too low. We agreed to disagree. I always cranked up the price later to target gross margin levels. But sometimes I would discount to get the deal. * The Dev team would say I “meddled” with features. They would have liked that I follow standard protocol for requesting feature modifications. But I would just bring them pizza and sit there and insist they make changes. I was told by the CTO to stop doing this, so I stopped; but it caused some friction for a few weeks. |
| ***Who was on your team? How were those relationships?***  **(Hiring, firing, developing team)** | * I inherited about 500 people in the sales and sales engineering organizations. I’d say only about 10% were high performers. I initiated a big talent review process after being there for 3 months. My best few direct reports and I interviewed everybody, and I mean everybody, to figure out who was well-matched for their job, and who needed to be moved, developed, or replaced. When the dust settled 6 months later, we had made chances in about half the jobs. That took most of my time during that period. * But the result was awesome—my 11 direct reports had 10 As, and 1 B (91% A Players). And we increased the talent of the organization from 10% As, to 67% As within the first year, to 88% As within two years. |
| ***Primary Boss' Name?*** | * Gerald Rodgers, CEO (Managing Partner) of the holding company. |
| ***How did your boss rate your performance?*** | * 9.5/10 |
| ***Strengths your boss might mention?*** | * Gerry really thought I was “go-getter” he told me. He loved the growth in revenue and profitability from the software division. * He said he thought I did a good job of setting really high standards, but then nurturing the people in the key roles to figure out plans for how to achieve the results. I was a delegator, but not too much. I was involved. * High energy. * Very, very focused on the target customers, target features, and making sure we had the right client service teams doing the implementations and trainings for the customers. * Confident, self-reliant, happy to make decisions and move forward vs. staring at a spreadsheet or suffering from analysis paralysis. |
| ***Weaknesses your boss might mention?*** | * He wanted more strategic analysis—I think for his board meetings. I wouldn’t spend the time to do the level of analysis of the market and customers that he wanted, so we used an outside consulting firm to augment my work. * Gerry would say that I could have given the CTO an easier time, and followed his process for feature modifications. That annoyed the developers that I would go right to some of the software development managers and tell them what to do, in order to win an account. * I think Gerry worried that I worked too many hours and that I’d burn out; he said that. But I really love this work, and my team is like a family to me, so it was really no problem being available and responsive 24/7 to my team and to clients. |
| ***What were your reasons for leaving?*** | * Still there. |

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| **FUTURE CAREER GOALS** | |
| ***What are your future career goals?*** | * My future career goals are to join a smaller, more entrepreneurial software firm, and help it obliterate its sales targets. I know how to grow sales. I love it. The chance to make a big difference is bigger in a small company that is really finding its footing from a scalability standpoint than in eking out another few percentage points of growth in a large corporation. * Longer-term, I’d like to be President or CEO of a software company. Probably something in the education tech or finance tech space just because I see so much potential in those markets. * Long, long-term after that, I’d finally like to retire and either be an adjunct professor at a business school in the marketing department. Not to do research, to teach the next generation of leaders what I’ve learned about how to build a winning sales & marketing team. * With regard to your company, the things I’m really excited about are your size—small with aspirations to be big, your product is really good, and the culture seems like a fit. I love how you emphasize adding real value to customers vs. fake value, and building a culture of generosity and gratitude. It’s the kind of environment I’d love to be in. I think this could be a great fit for the next 5-10 years of my career, and I’m hopeful you feel the same. |

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