

EP. 12 - Market Landscape

Overview

In this video, we explore the current state of the sales job market, covering both challenges and opportunities. With tens of thousands of sales roles available across major platforms like LinkedIn, the market is highly dynamic. However, shifts due to over-hiring in 2021 and 2022, new trends in sales practices, and adjustments in commission structures have significantly impacted the industry. Understanding these changes will help you navigate the market more effectively.

1. Opportunities in the Sales Market:

Despite recent challenges, there are still plenty of open sales roles:

- **In Canada:** Nearly **40,000 open sales jobs** on LinkedIn in Q4 of 2023.
- **In the U.S.:** Close to **1 million open sales jobs** on LinkedIn.
- These numbers reflect just one job platform, meaning the total market is even larger.

2. Over-Hiring and Its Impact:

In 2021 and 2022, many global enterprise organizations (e.g., Salesforce, Oracle, Microsoft, SAP) aggressively expanded their sales teams. This has led to several issues:

- **Smaller Territories:** Sales reps now have smaller territories, reducing their commissionable earnings compared to previous years.
- **Stretched Sales Managers:** Sales managers are managing larger teams, making it difficult to mentor and train effectively.
- **Increased Targets:** Higher targets are pushing sales reps to close deals under pressure, often without sufficient support.
- **Disappearance of Account Management Roles:** Account executive (full-cycle sales) roles have largely replaced account management, with fewer customer success teams available to support clients after onboarding.

3. Outsourcing Lead Generation:

Large companies like Google are outsourcing lead generation to third-party firms such as Teleperformance. These third-party roles often offer:

- **Low base salaries and low commissions.**
- **Limited career advancement opportunities.** This trend represents a shift toward lower-cost labor for companies but limits growth opportunities for sales professionals within these structures.

4. Trends in the Current Sales Market:

- **Sales Reps Facing Termination:** Sales reps are some of the most expensive employees to maintain when they aren't meeting their targets. When performance falters, they are often the first to be let go.
- **Buyer-Centric Models:** Today's sales strategies focus on **consultative selling** rather than just pitching features and benefits. Sales reps must act as subject matter experts (SMEs), offering tailored solutions to their customers.
- **Team-Based Selling:** Collaboration between sales development representatives (SDRs), account executives (AEs), and customer success teams is becoming more common to provide a seamless buyer experience.
- **Player-Coaches:** Many startups want "player-coach" sales leaders who can mentor teams while still prospecting, negotiating, and closing deals themselves. This is a dual role where you often end up doing the job of two people, but with the expectation that it's temporary as the team scales.
- **Industry Expertise:** Having deep knowledge of the industry you sell in is becoming increasingly important. For example, a sales rep selling healthcare technology should understand healthcare regulations and challenges to be effective.
- **Lower OTEs and Higher Commissions:** Companies are offering lower base salaries but higher commission opportunities, often promising "double or triple" income potential. However, if the company sets unrealistic targets, you could end up with minimal earnings.

5. Challenges for Sales Professionals:

- **Unfair Commission Plans:** Even if you're stuck with a bad territory or an unrealistic commission plan, companies are often indifferent to these challenges.

- **High Expectations:** Companies want salespeople to “cover their cost,” meaning you need to generate as much revenue as you cost the company, including your salary, benefits, and other expenses.
- **Complex Commission Structures:** Commission plans vary widely and can involve combinations of net new business, growth from existing accounts, or KPI-based earnings. While higher commissions are offered, they are tied to performance that may be hard to achieve.

6. Key Resources for Sales Professionals:

- **LinkedIn’s State of Sales Report (2023):** This report offers valuable insights into current trends in the sales job market and is a must-read for understanding what’s happening now.
- **LinkedIn Social Selling Index (SSI):** Your SSI ranking is a measure of your LinkedIn activity and engagement. A higher SSI ranking can open up more networking, branding, and selling opportunities.

Conclusion:

While there are still many open sales roles in the current market, the industry is undergoing a significant shift. Over-hiring, increased targets, and changes in commission structures have impacted the landscape. To succeed, sales professionals must adapt by focusing on consultative selling, building industry expertise, and optimizing their online presence. Stay informed by utilizing resources like LinkedIn’s State of Sales Report and tracking your SSI ranking to boost your visibility and opportunities in the sales job market.