

EP. 3 - Retention Statistics in Sales

Overview

In this third session of "The 30 Day DealBreaker" course, the focus is on the statistics and trends surrounding retention rates in sales roles, particularly in startups and various industries. The video highlights the high turnover rates commonly seen in sales and marketing divisions and explores the factors that contribute to these rates. By understanding these dynamics, participants will gain insights into the challenges of maintaining a stable sales team and the importance of finding the right fit early in the employment process.

Key Points:

1. **High Turnover in Sales and Marketing:** Startups often experience significant churn in their sales and marketing teams, with 40% or more of employees leaving within the first two years. This is usually due to mismatches between the company's expectations and the actual fit of the employee, leading to quick departures or terminations.
2. **Challenges in Larger Organizations:** Even well-established organizations experience turnover due to factors like restructuring, changes in market conditions, and evolving job requirements. It is not uncommon for an employee who seemed like a perfect fit during the interview process to be misaligned once they start the job, whether it's due to shifts in company needs or the employee's own performance.
3. **Voluntary Turnover in Canada:** The average voluntary turnover rate in Canada has risen to 15.5%, an increase of 12.4% from the previous year. This trend suggests that employees may be seeking more flexibility in their work environments or are feeling increasingly dissatisfied with their current employers.
4. **Industries with the Highest Turnover:**

- **Retail & Wholesale:** 37.4%
- **Other Non-Manufacturing:** 18.2%
- **Health Care Services:** 18.0%
- **Consumer Goods:** 18.0%
- **Services (Non-Financial):** 17.5%
- **Logistics:** 17.2%

The industries with the lowest turnover rates include **Chemicals** (9.3%) and **Energy** (9.7%).

5. Sales Roles with the Highest Turnover:

- **Entry-Level Sales Positions:** These roles often act as stepping stones, and employees frequently move on to more specialized or higher-paying roles.
- **Inside Sales:** Positions that involve extensive phone-based sales or cold calling tend to have high turnover due to the mentally demanding nature of the work.
- **Telemarketing and Lead Generation:** The repetitive and challenging nature of outbound calling leads to high turnover.
- **Retail Sales:** Part-time or seasonal roles in retail often have high turnover due to job insecurity and seasonal fluctuations.
- **Direct Selling or Network Marketing:** Independent contractor roles have high turnover due to the income instability associated with self-employment.
- **High-Pressure Sales:** Roles with aggressive sales targets and high commissions can have high turnover as not everyone is suited to high-stress environments.
- **Freelance or Commission-Only Sales:** The income instability of commission-based or freelance sales roles often leads to turnover.
- **Turnover-Prone Industries:** Competitive industries like advertising and media also experience higher sales turnover due to the fast-paced, demanding nature of the work.

Conclusion:

This session provides a deep dive into the high turnover rates common in sales roles across various industries, particularly in startups and roles with demanding conditions. By understanding the factors that drive turnover—whether due to mismatches between expectations, market challenges, or the demanding nature of certain sales roles—participants can better prepare to navigate these challenges. The goal is to align their skills and expectations with the right opportunities, thus improving retention and long-term success in their careers.