



# The Costs of Rebuilding Sales Teams in the Time of COVID-19

WHITE PAPER

*In response to the COVID-19 pandemic, businesses across the globe were forced to drastically scale back operations or even close entirely, prompting massive layoffs in sectors from B2B to retail.*

*During March alone, 30% of the labor force in Kentucky, Hawaii, and Georgia had to file for unemployment benefits, and unemployment rates across the rest of the U.S. skyrocketed. Sales, customer success, and HR employees were among those cut at many firms trying to reign in costs.*

*Now, with restrictions lifting and businesses reopening, more and more people are being asked to return to work. But this shift back to “business as usual” presents a new problem for companies: how do you handle a surge in customers when reopening with significantly reduced staff?*

*Especially for businesses dependent on sales, it’s critical to get people out there generating leads again as quickly as possible. But in times like this, with markets and expert predictions fluctuating from one day to the next, cost-effectiveness and flexibility are almost as important as hiring fast.*

*There are a few options at your disposal for rebuilding sales teams in a post-pandemic market, but perhaps none that offer a better balance of speed, versatility, and affordability than recruitment outsourcing. Here, we’ll go over some of the best solutions for replenishing sales staff, as well as the costs, benefits, and processes associated with each.*

## Bringing Back Old Staff

The easiest place for many businesses to start is to bring back the employees they had before the pandemic hit.

Some companies may have been able to lay off staff with an understanding in place that their jobs would be there once things began to return to normal. Others may have been able to retain workers on an official basis, but with reduced hours until the pandemic passed. Either way, reinstating employees who are already trained and experienced in your company’s process and culture is a good first step toward rebuilding your workforce.

## The Process

Calling back employees who've been furloughed is fairly straightforward, but rehiring employees who've been laid off will require more effort on the company's part.

Ideally, you would be remaining in consistent contact with furloughed employees and those who have been laid off with the promise of being rehired from the beginning. If that hasn't been possible for your company so far, there's no better time to start than the present. No one likes to be left in the dark, especially when it comes to their jobs.

Make sure the employees you're rehiring know you'll be there to answer any questions they might have about pay, benefits, or sick leave. Give them as clear an idea as possible about what their rehire and return to work will look like. Transparency and clarity will help make the transition back to work easier for everyone involved.

As safety is paramount right now, it's also a good idea to develop a plan for your reopening, letting employees know what that plan is as soon as possible. That may mean working from home for the foreseeable future, implementing new sanitation procedures, or requiring protective equipment like masks.

## The Costs

Putting furloughed employees back on the schedule may be the most affordable method of replenishing sales staff, assuming your business model will remain the same as it was pre-pandemic. That's because there won't be any additional costs related to paperwork, salary changes, or training.

Rehiring laid-off employees will likewise let you save on training costs, but will still require investments of time, effort, and money to renegotiate contracts and turn around employment paperwork.

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For many businesses, though, COVID-19 has signaled a shift in sales strategy that might mean bringing back old sales staff isn't the best course of action. Consider if you will need to make any major changes to the way you conduct sales—shifting to an inside sales model, for example, or changing retail practices to accommodate social distancing rules.

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Before bringing back the old staff, make sure that your previous employees will be able to fill the company's new needs. Waiting to find the sales reps who are best suited to your company's game plan can help you save big in the long run.

# Hiring New Employees

Even if you do decide to mostly rehire or bring back existing employees, there will likely be some gaps that need to be filled. Employees who were laid off may have found jobs elsewhere, and if you expect an influx of customers upfront, you may need an even bigger sales team than you did before.

For many organizations, the disruption of the pandemic has presented an opportunity to re-think the ways in which they do business, requiring that they recruit and hire employees with different experience or skill sets to meet new needs.

In either case, many companies will need to step up their acquisition of new hires before resuming business as usual.

## The Process

If you're planning to onboard new salespeople, consulting an employment expert may be a safe route.

As you'll likely be working with a limited number of in-house HR staff (if any at all), bringing in an outside expert to help with hiring can speed up the process significantly. A recruitment expert will be able to handle the logistics of recruiting candidates, will have access to much wider candidate pools, and will be able to flex quickly as your hiring needs surge or wane. Some can also help you onboard and train your new employees.

## The Costs

In the best of times, hiring new employees requires your team to take time and effort away from their regular tasks. In the current climate, hiring is even more time-consuming and expensive.

According to the Society for Human Resource Management (SHRM), the average cost for hiring an employee is **just over \$4,000 per person**. Glassdoor says time and money spent on paperwork is **one of the biggest costs** associated with hiring new employees, and that companies often spend \$12,500 a year or more paying for hours spent on new hire paperwork alone.

Aside from the paperwork, there's also the cost of advertising an open position, the time cost of conducting interviews, and the cost of additional screening like drug tests or background checks. Once you've moved past the initial hiring phase, training employees is estimated to cost an **average of \$1,286** per person, per year, as of 2019.

**\$4K+**  
average cost,  
per person,  
to hire

**\$12.5K**  
a year spent  
on new hire  
paperwork

**\$1.2K+**  
per person,  
per year, spent  
on training

# Outsourced Sales Staffing

You can also work with a professional staffing company rather than hiring employees directly. When you outsource the sales recruitment process, you get the benefits of faster hiring, more flexibility, and access to a larger pool of applicants, who tend to be higher quality candidates with a more specialized knowledge of your industry.

## The Process

Recruitment companies offer a more comprehensive approach to staffing, handling everything from recruiting to onboarding for clients. Innovative hiring agencies work closely with retailers and brands to understand the company's vision, and have the specialized recruitment teams on hand to find the candidates best suited to achieving that vision.

Sales staffing isn't just a short-term solution for meeting post-pandemic demand, it's a way to build strong sales teams that can help your company successfully move forward into the future.

Effective sales staff outsourcing involves the following processes:



From the beginning, you'll get the chance to explain your brand and company culture to the agency so they can get a better idea of your company and the goals you're trying to meet. What sales benchmarks are you looking to hit? How are you changing your message in relation to the pandemic?

From there, you work with the agency to **develop a solution** to help you reach that goal. Companies that are at the top of their game will offer detailed analytics and reporting to help track your recruitment campaigns to see what's working and what isn't. They'll also provide strategic sales support teams to help get you up and running, then expertly train your staff to continue where they left off.

In the event you need to hire new staff, outsourced recruitment agencies draw from a national talent network to bring on salespeople to fill those roles, taking care of the onboarding, orientation, and paperwork along the way. Top companies will also screen candidates for culture fit and make sure they're qualified, so you always end up with the right people to fill important sales roles and can be sure they'll stick around.

If you need to staff up quickly, going with an external company shifts the time and effort you'd normally spend hiring over to the experts, freeing you up to run your business.

## The Costs

Outsourcing your staffing to a specialized agency allows greater flexibility in employment costs. Hiring employees directly requires the liquid assets to pay employees bi-weekly right away. With a staffing agency, the responsibility of paying employees is shifted to the outsourcer. Depending on the agency's payment terms, you may have 30 or even 60 days to pay for your sales team's efforts.

You may also be able to save on overhead costs of staffing if you outsource to a staffing company. If you choose to hire employees through an agency, they aren't on your payroll because they work for that agency. As such, you aren't required to pay those employees benefits or pay rent on an office large enough to accommodate them. The cost of paying them to work becomes a variable cost—not a payroll cost—because you're paying the staffing company, and the company pays the employee.

## Considerations for Reopening

The White House has issued non-binding guidance to state governors on how to reopen their businesses, who may or may not choose to follow them. Local governments may add requirements unique to businesses in their area.

When reopening, you'll want to have a safety plan for your employees—and if you're a retailer, for your customers. In addition to FLSA compliance, you'll likely need to update provisions like sick leave to adhere to new laws put in place because of COVID-19.

Some of the current rules for **operating during this pandemic** include:

- Developing and implementing workplace safety procedures like wearing protective equipment, physical distancing, regular temperature checks, testing, contact tracing, and sanitization
- Monitoring your workplace for people who may be symptomatic
- Developing contact tracing procedures in the office should an employee test positive for COVID-19

Businesses should also consider whether to keep rehired workers operating from home until later phases of reopening. Jobs in sales are more able to make this shift than many other teams, as teams can stay in communication with one another and with prospects by phone, email, and group chat apps like Slack.

Though businesses are reopening across the country, it will be quite a while before things are back to the way we knew them. Make sure you're doing your part to get your business through this tough economic time by hiring smart and planning appropriately.

## Hiring Smart Moving Forward

As businesses start to reopen and bring on new staff, it's more important than ever to make sure you're hiring the right people. It's unclear how long the repercussions of COVID-19 will last. Businesses will likely be making adjustments for months and years to come to ensure public safety.



Aligning with a third-party partner when replenishing sales staff means access to a national network of top-quality talent and expert insight on finding the perfect fit. With an established pool of people already qualified for the job and waiting for an opening, finding the right candidate with a recruiting agency is faster and easier than trying to do so on your own.



Outsourcing your hiring efforts can also cut costs, not just in real terms, but in time spent on administrative tasks like new hire paperwork and combing through job applications. Right now, that time is better spent figuring out how to reopen safely, adapting your business model to changing customer behaviors, and creating a plan for the long term.



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