

Top Talent: A Top Priority



“ Our ability to recruit and retain highly qualified young people [Millennials] has evolved. It took time to learn what makes the younger generation tick, and therefore how to recruit them, manage them and keep them with our company. We are sharing some of our learning with the industry at large so others can better understand how to work with this key group and help ensure that CPG sales remains a vital career for the next generation. **”**

Drew Wintenberg

Executive Vice President,
Time Warner Retail

The Boomers are ready to retire. Are you ready for them to go?

The Baby Boomer generation is rapidly approaching retirement. And like everything else they've done, the Boomers will do that in a big way as well. When they leave, they'll leave a lot of jobs – more than their Generation X successors can fill. And they'll take more than their pensions. They'll take their expertise, their knowledge, their relationships and the business instincts that their companies have depended on for decades.

For many CPG companies, the prospect of losing high-performing sales talent is unnerving. Leadership of key accounts will have to be turned over, and new people brought up to speed. But first, those new people have to be recruited. Once recruited, they have to be trained and developed... and then retained. And it all has to happen now, while the Boomers are still in the workforce.

Fortunately, there is a large talent pool out there... the Boomers' children, alternately referred to as "Echo Boomers", "Generation Y" and, most colloquially, "Millennials". But it's not going to be easy. Like every generation, Millennials bring a new mind-set to the workplace, reflective of their ubiquitous connectivity and their experiences.

They have different expectations than their Boomer and Gen-X predecessors, and for the best and the brightest among them – the ones CPG companies really need – paying dues carrying a bag isn't among them. Nor is staying with one company all their lives. Indeed, according to the U.S. Bureau of Labor Statistics, the average new hire lasts only 16 months... barely enough time for a meaningful orientation, and not enough time to recover the time and expense required to recruit and train them.

That leads CPG Sales executives to consider three critical questions:

- How do we get the top talent among Millennials into CPG Sales?
- How do we keep them at our companies?
- How do we need to change to make those things happen?

How will the challenges of a bad economy impact the challenges of a good one?

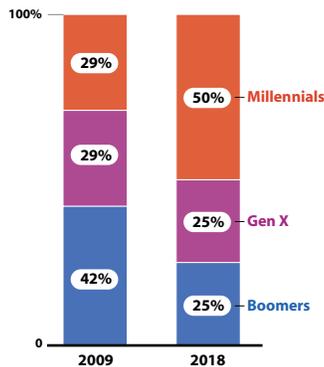
Before the economic crisis of 2008-2009, the challenge for CPG Sales recruiters was to attract the best talent at a time when CPG Sales positions did not seem to offer the same promise of sudden riches (realistic or not) or cache as marquee fields such as finance, healthcare or technology.

The challenge was compounded by the way the CPG sales landscape has evolved. Retail consolidation has led to more centralized buying, and entry-level field sales positions have become more about inventory and display space than product sales.

At the same time, many CPG companies have assigned retail coverage and their smaller regional accounts to third party sales agencies, eliminating many entry-level sales positions altogether.

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Millennial Majority Coming



The Millennial generation, roughly 80 million people born between 1980 and 2000, represents the fastest growing demographic in the work force and the largest demographic group since the Baby Boomers. Millennials represent less than a third of the workforce today, but will constitute half of it by 2018 as Baby Boomers retire. Gen X-ers, the Millennials' predecessors, will not be available in sufficient numbers to fill all of the Boomers' jobs, so Millennials will be needed to fill that gap.

Source: Bureau of Labor Statistics

“Today, a career in CPG Sales is much different than in the past. Sales people must not only build strong relationships with their customers, but they need to be complete business managers with strong analytical, strategic, tactical and planning skills. From the work the share group has done it is clear that to be successful with an increasingly sophisticated customer base, companies need to find new ways to attract and retain the best and the brightest among the Millennials.”

Lee Nichols

President, Dechert-Hampe Consulting

At higher levels, of course, the CPG Sales function has become more strategic and consultative. It increasingly requires people with analytic skills and imagination as well as the communication skills and entrepreneurial spirit that characterize great sales people in today's CPG environment. That pits CPG Sales organizations in head-to-head competition with other industries and even with other functions within their own companies for the best and the brightest talent.

In this difficult economy, many Millennials are accepting job offers they might not have in better times. With few jobs to be had, it's hard to turn down any serious offer. However, it remains to be seen how this dynamic will change as the economy improves. When it inevitably does, CPG Sales will face new challenges.

How well do we know the Millennials? Better than before.

Much has been written about the Millennials. There have been many studies of their demographics, their attitudes about life and work and the way technology has shaped them. Some Millennials have even made careers out of advising companies on the differences between their generation and the ones that came before. But there has been very little research specifically related to high-potential Millennials and CPG Sales. To address that knowledge gap, the Sales Executive Share Group (SESG), a group of the highest-level sales executives at major CPG companies, initiated a series of initiatives to learn more about Millennials' attitudes about CPG Sales.

The SESG, in conjunction with Dechert-Hampe Consulting, conducted a focus group of high-potential Millennial sales associates and asked them about their priorities and what they thought was the wide perception among Millennials of the CPG industry in general and of CPG Sales in particular.

The researchers asked the sales associates what they're looking for from their careers – what motivated them to get into CPG Sales. They also asked them about what would cause the Millennials to leave their companies, and what would get them to stay.

For additional perspective, they also conducted group discussions with sales managers to see how well they understood the Millennials.

Based on the focus group results, the SESG and Dechert-Hampe conducted a more comprehensive survey of Millennial-age sales associates at major CPG companies. This time, the survey also included Gen X and Baby Boomer sales associates, in order to compare the Millennials' responses to those of other generations. And again, sales managers were included in order to compare their assumptions about Millennials' actual responses.

This resulting white paper discusses Millennials' attitudes and expectations related to recruitment and retention and how companies are performing against those attitudes and expectations. It then offers suggested action items to help companies attract and retain top-rated Millennials for CPG Sales positions.

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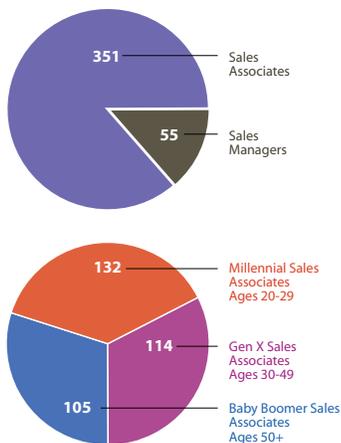
About the Survey

The survey was conducted across over 400 sales associates and managers at major CPG companies about their attitudes toward jobs, careers and their decision-making priorities. The participants included Millennials, Gen X-ers and Baby Boomers.

Participants were asked to respond to ranking and rating questions on a 1-5 scale, with 5 being best and 1 worst, as follows:

- Sales associates and managers were asked to rank the relative importance of 33 different factors in decisions about joining and staying with a company.
- Sales associates were also asked to rate their companies' performance against those factors.
- Managers were also asked to rank their companies' performance against what they believed to be the expectations of sales associates in the Millennial generation.

The researchers also followed up the survey by interviewing HR managers to help interpret the data and to gain insights into how CPG companies can address the challenges of attracting, retaining and managing Millennials in sales positions.



Respondent Breakdown

Highlights From the Study: Some Encouraging Surprises

Although the study confirmed much of the conventional wisdom about Millennials, there were also some surprising findings.

Regarding factors in deciding whether to join a company:

- The most significant differences between Millennials' job priorities and those of Gen X-ers and Baby Boomers are career and life stage-related, not generational.
- Some of the factors that are often assumed to be highest among Millennials' priorities are actually not as significant as expected.
- Working for a company they are proud of is significantly more important to Millennials than to other generations.
- Millennials are very concerned with financial stability... the companies' and, by extension, theirs.

Regarding factors in deciding whether to stay with a company:

- Although Millennials are widely thought to have less loyalty to their companies than previous generations, they are actually more willing to stay on board than some of the hype suggests, and they are clear about what companies can do to keep them on board over time.
- A structured work environment is very important to Millennials. They want flexibility in terms of when and where they work, but they also want structure and guidance in how to do their job. They want to move up quickly, and they see guidance and tangible success checkpoints as vital to that happening.
- Millennials rate companies higher in meeting their expectations compared to other generations. Managers are accurately gauging how well their companies perform against Millennials' expectations, but they remain well off the mark in knowing what's important to Millennials.

Millennials: A Work in Progress

This study aims to provide some guidelines to help CPG companies recruit, retain and manage Millennials for sales positions. It is narrowly focused on the ways Millennials differ from their Baby Boomer parents and Gen X predecessors. As with all generations, those differences reflect both these times and their parents' experiences.

The results also reflect the quality of the participants – high-performing and high-potential sales associates from some of the world's leading CPG companies. The results might be different if the study parameters were more broadly based and not focused on top tier sales associates and CPG companies.

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Millennials' Top 10 Factors in Taking a Job

	Millennials Top 10
Career Advancement Opportunity	4.81
Company Loyalty to Employees	4.65
Financial Stability	4.60
Base Pay	4.57
Company One Can Feel Loyal To	4.53
Career/Quality of Life Balance	4.53
Benefits Package	4.50
Personal Growth Opportunity	4.50
Proud of Company Association	4.46
Comfortable Work Environment	4.43

Statistical significance: +/- 0.2 difference

“ We are still learning what is important to Millennials. We correctly assumed that compensation was important, but we thought things like technology and lifestyle would be very important. While they are, we found that the younger generation values loyalty and growth opportunities much higher than we previously anticipated. ”

Tony Sarsam

President, Nestle DSD Division

Millennials are ready to work, but they want to work differently.

This study concludes that Millennials want to work, but don't want to allow their work to overwhelm their lives. They don't want to fear a boss. They don't want to be disproportionately vulnerable to downsizing.

Growing up in an age of constant connectivity, they want to work out their own schedules. They want to do work they consider meaningful, and have their ideas heard. They want structure, but they don't want chains. They want to control their own destiny in ways that their parents often could not.

This would all seem narcissistic and arrogant if it weren't possible in these times, and possibly a better way to do business. Technology has liberated workers from the rigid, paper-centric paradigms that have defined corporate life for so long. And some of the management practices that Millennials seek are best practices that companies should follow anyway.

As the workforce evolves, so must the workplace.

For sales people, an environment in which they are engaged, respected and trusted (within reasonable bounds) is liberating and motivating. This may be especially true for Millennials who, as highly social beings, do not accept the lonely, bag-carrying sales person as the image of their lives. And there is no recruiters' promise that can change that.

This is not necessarily bad news. To the contrary, it points to an opportunity to do a better job of not just attracting Millennials, but also of retaining them. Create a work paradigm that works for them, and your recruiters will have that to talk about. And by spotlighting high-performing Millennials who are already on their teams, CPG companies can validate that claim in a meaningful way.

In the end, it's not just about selling them into joining the company. Indeed, the kinds of people who are attracted to sales – aggressive, entrepreneurial people who want limitless opportunity – are the same among Millennials as among other generations. As with all generations, creating an environment where people will blossom and grow is the best way to help Millennials achieve their life and career goals.

And that's the surest path to achieving *your* goals.

[For the complete study: click here](#)