



AUSTRALIAN
**FOOD &
GROCERY**
COUNCIL

Sales

Attraction, Development and Retention Report

*Sustaining
Australia*

Over 300,000 people work in the fast moving consumer goods (FMCG) industry within Australia – an industry worth over \$108billion.

The Sales function within companies is complex and diverse. It can encompass a range of skills including strategists, brand experts, general managers, account managers, marketers, creative thinkers and collaborators.

Sales functions offer individuals a range of diverse career opportunities both locally and globally. However concern has been expressed about the capability to meet the demands of the industry in the face of constantly changing market requirements.

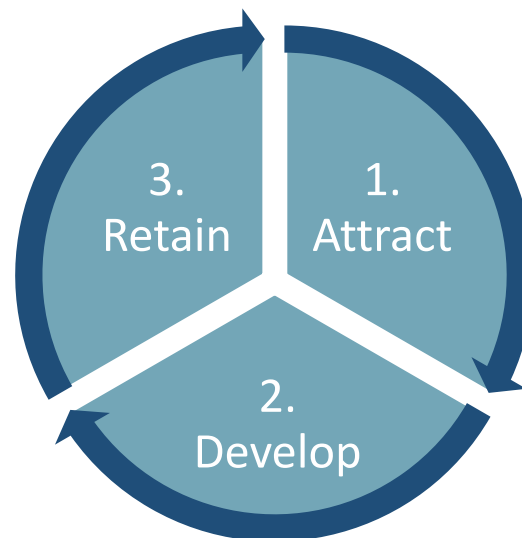
People working in FMCG Sales functions have great opportunities to gain strong business skills and an understanding of wider business issues and challenges facing the industry. They contribute to a company's success as Sales excellence drives competitive advantage, creates value, and boosts sales and profit.

Attracting, developing and retaining Sales talent is one of the major challenges facing FMCG businesses in Australia. Changing consumer behaviour and demographics, growing importance of shopper data analytics, longer planning horizons, and greater product interdependencies are all leading toward a need for new skills and stronger sales talent.

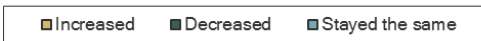
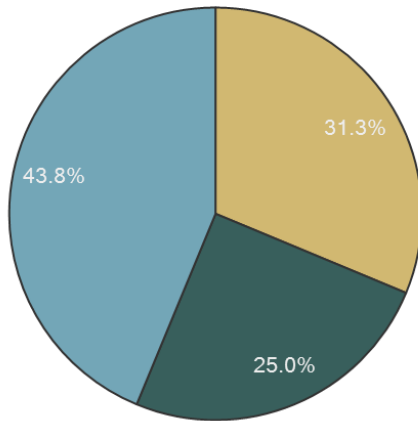
A significant concern for senior Sales Executives within the FMCG industry has been identified as a shortage of personnel with specific specialised sales skills and knowledge.

Within the FMCG industry, anecdotal evidence suggests that the attraction, development and retention of talented sales personnel is increasingly seen as a critical issue, given the pace of change within the sector.

As such the AFGC undertook a survey of members to understand the issues pertaining to the attraction, development and retention of Sales personnel within the Australian FMCG marketplace. The survey is seen as the first phase of work, providing insights into the issues influencing the talent management lifecycle of Sales personnel. The following lifecycle model was used as the basis for the questionnaire and the subsequent report.



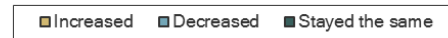
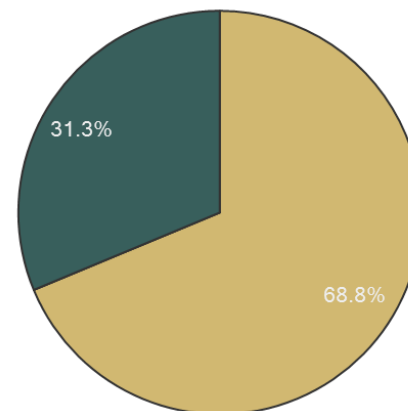
Retention over the last two years has:



Three out of 5 respondents consider the rate of sales retention over the past two years has decreased or stayed the same.

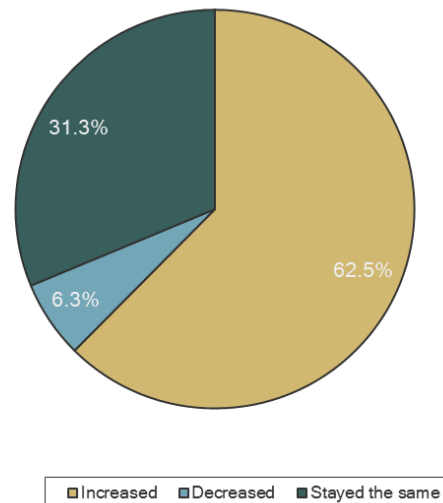
BUT industry reports an increased urgency to identify and employ qualified Sales talent over the same period.

Urgency to identify/employ talent over the last two years has:



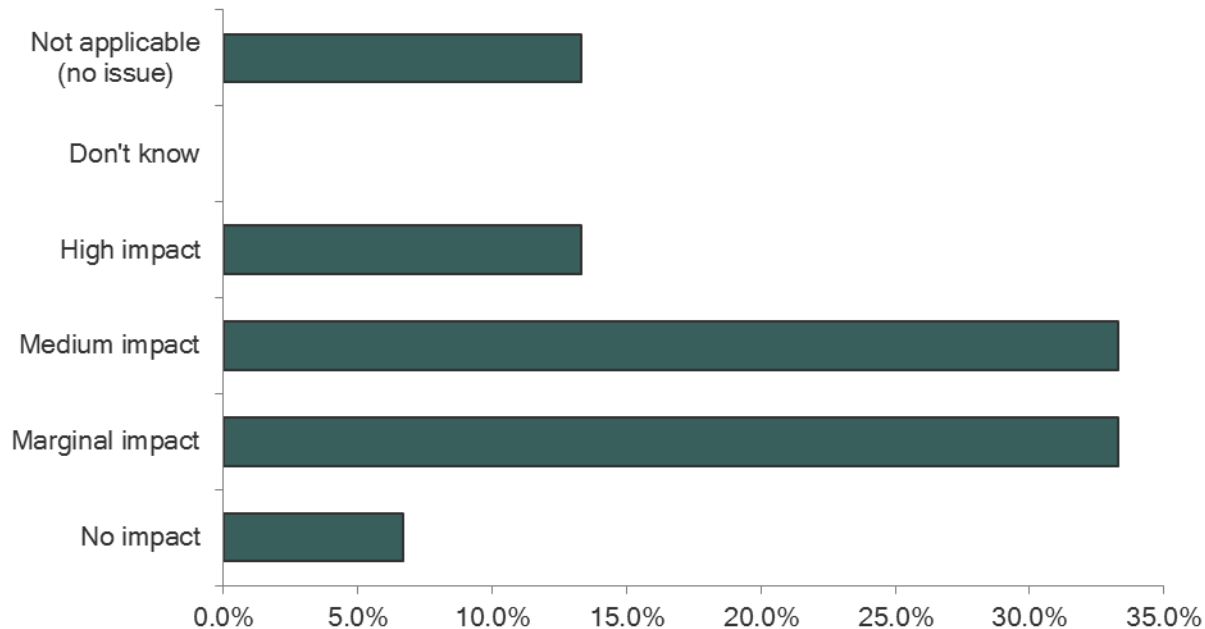
AND the level of difficulty to source and recruit suitably qualified Sales talent over the same period of time had increased with 62.5% of respondents reporting and increase in the level of difficulty.

Level of difficulty to source and recruit over the last two years has:



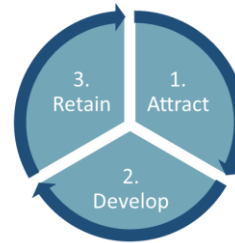
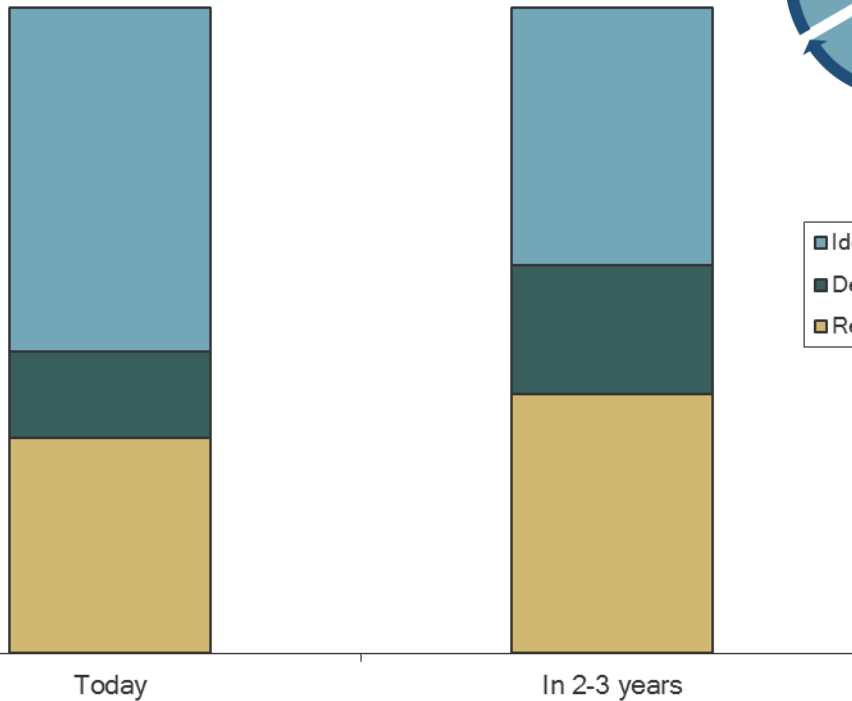
The impact of the talent shortage is influencing how businesses meet the needs of their customers. Almost 15% reported a high impact on business as a result of the talent shortage, over 60% indicating a marginal to medium impact, and only 6% reporting no impact.

Talent shortage impact on the ability to meet the needs of customers:



Recruitment and Retention are Challenging

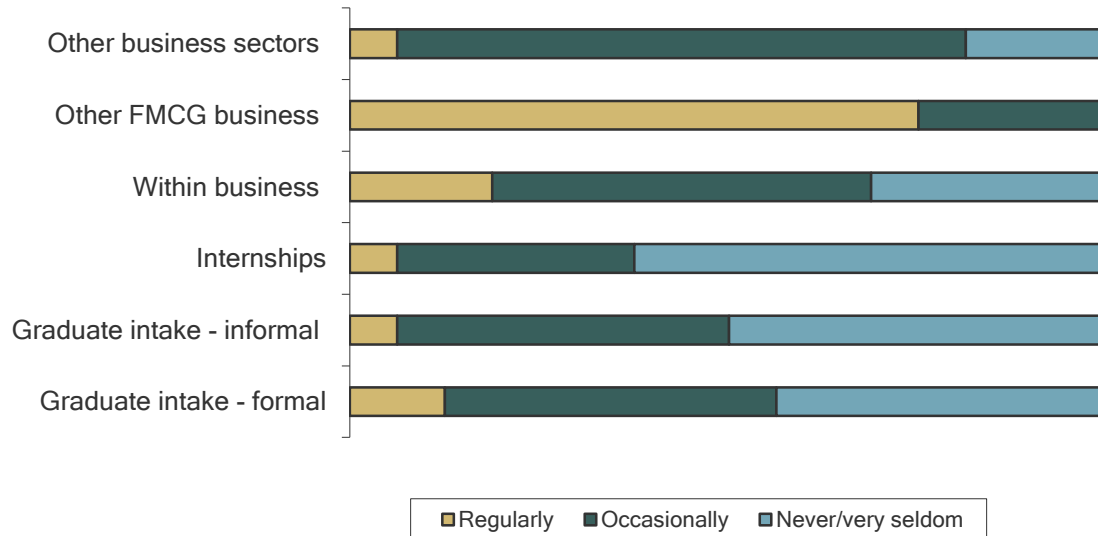
Challenging aspects of talent management life cycle



- Identify & attract
- Develop & deploy
- Retain

The areas of identifying and retaining Sales staff are seen as the most challenging. Interestingly respondents indicate an increase in retention challenges and a small increase in development of staff over the 2 to 3 year horizon.

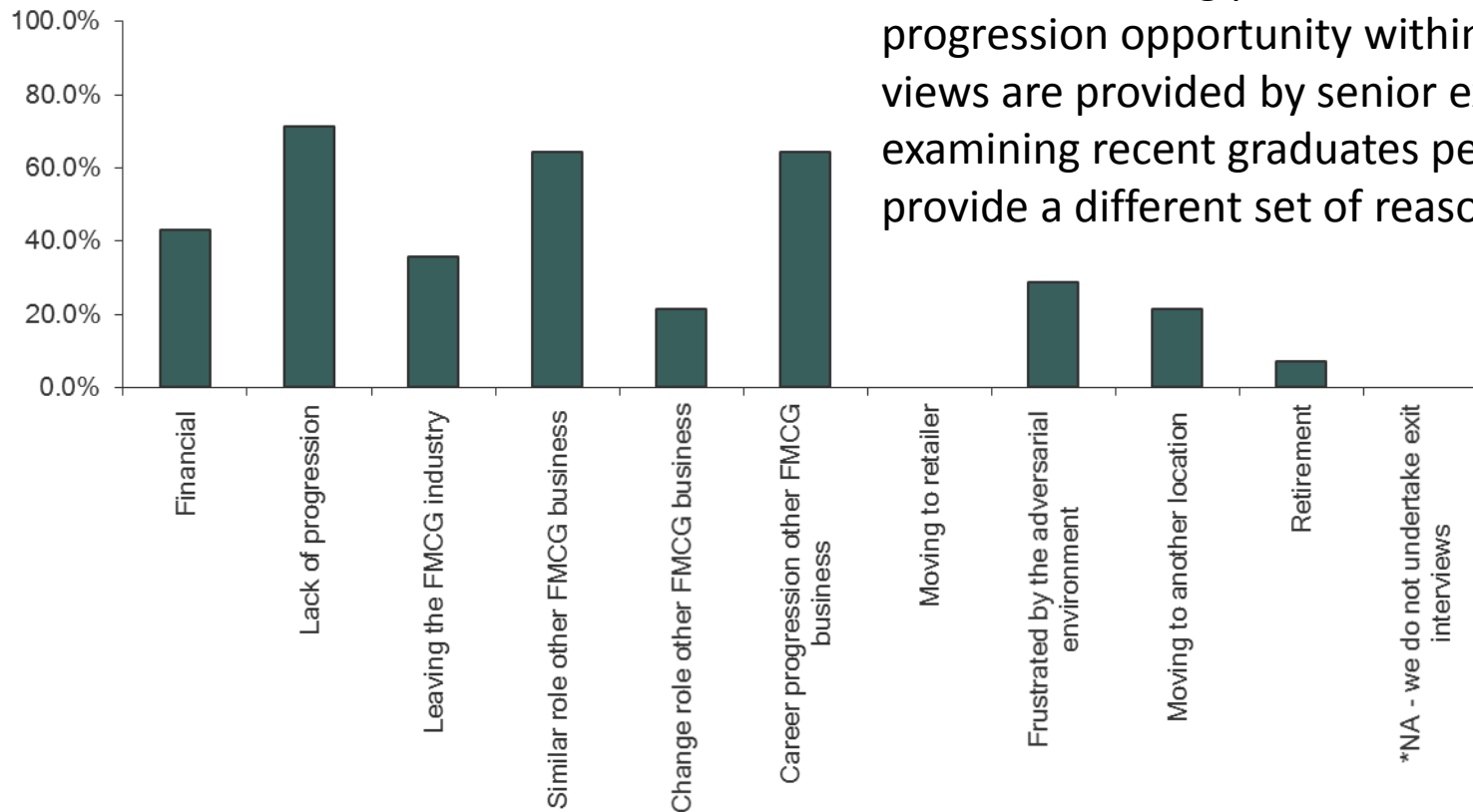
Avenues actively pursued when recruiting Sales personnel:



Recruitment becomes a vicious cycle with the majority of respondents recruiting from other FMCG businesses. This appears to be the primary source of quality staff for the majority of respondents who use this avenue regularly.

Graduate programs (formal and informal) are only occasionally used. Note: major supermarket chains have significantly increased their graduate programs over the past two years.

Reasons provided when leaving business:



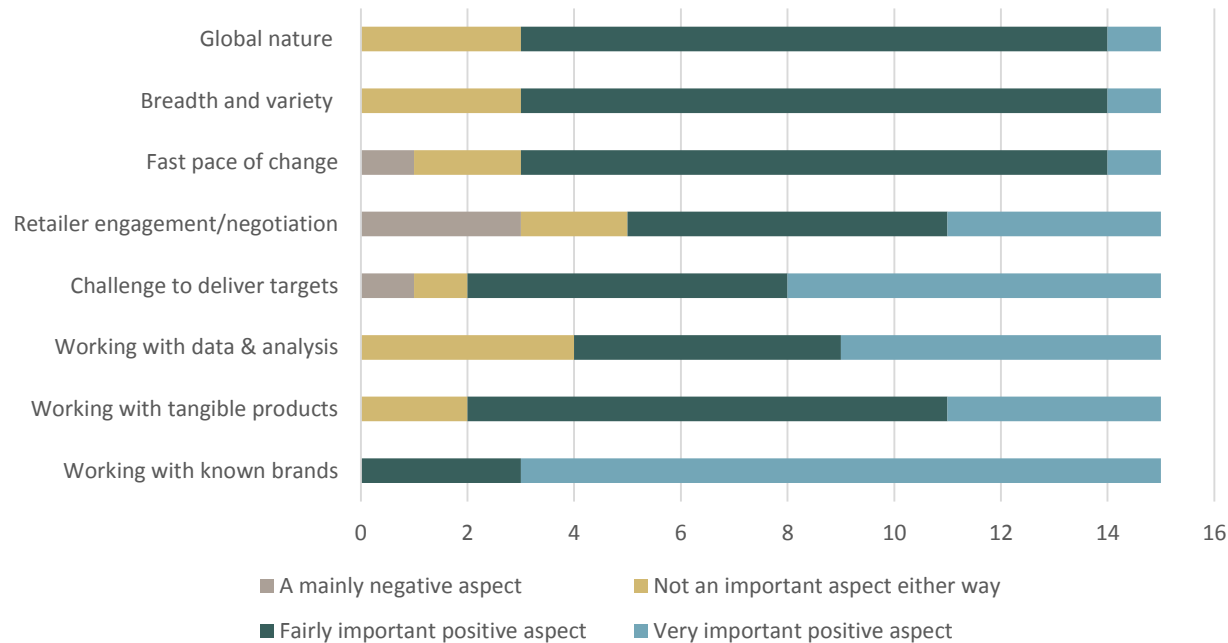
The primary reasons given at exit interviews for leaving a business include a lack of career development and progression, followed by finding a similar role in another FMCG business or being provided a career progression opportunity within FMCG. These views are provided by senior executives, examining recent graduates perspectives may provide a different set of reasons.

Issues preventing employment.



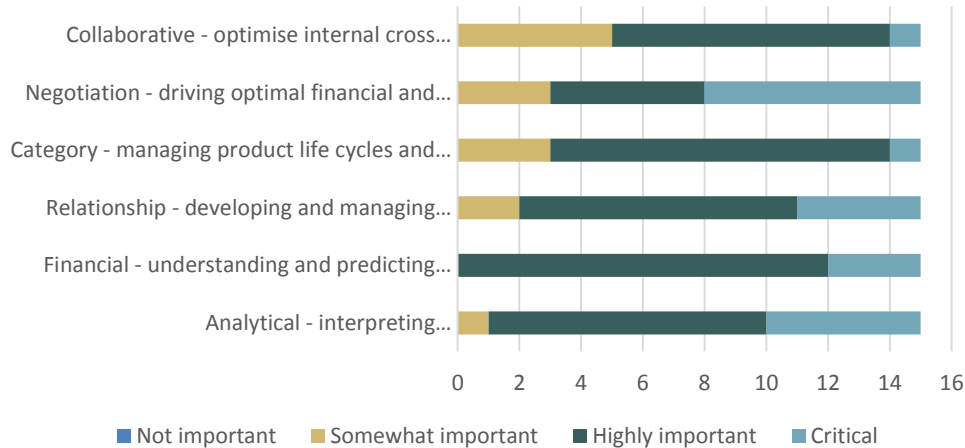
The challenging trading relationships and retailer dominance is the number one issues which may be stopping talented individuals from wanting to be employed in the FMCG Sales sector. Followed by the low growth of the sector and reduced sales of brands. Again the responses are primarily from senior executives.

Factors important when working in the sector

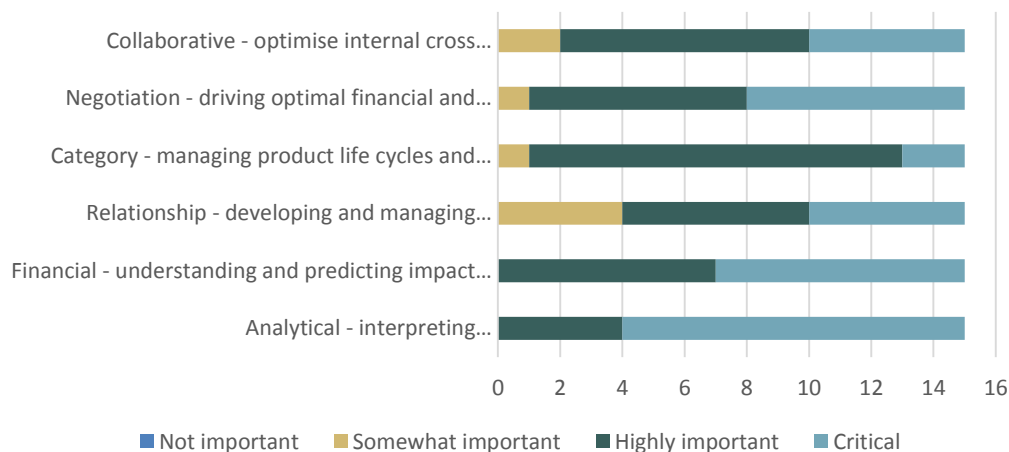


Working with brands and products were viewed as very important to this sector. Equally the challenge to deliver sales targets was seen as an important aspect. Retail engagement and ongoing negotiations were less positive and interestingly working with data and data analysis was not seen as important. This is a concern given the future skills set required to meet changing customer demands as outlined on the next page.

Skills Important Today

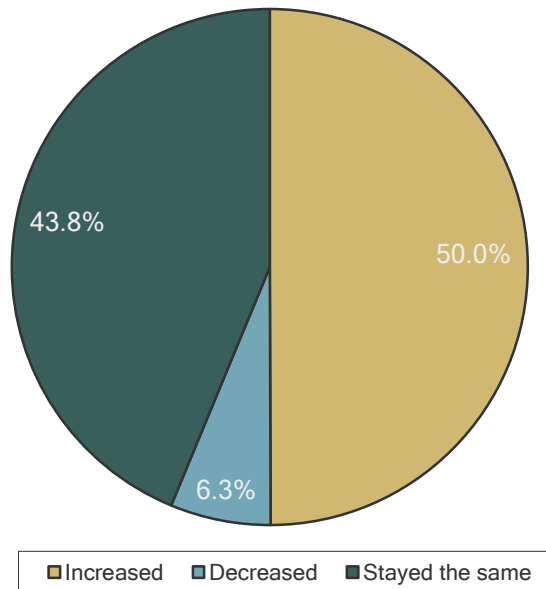


Skills Important in 2-3Yrs



Analytical, financial and collaboration skills are growing in importance. Financial, category and negotiation skills remain central. Interestingly relationship skills are split evenly across all levels of importance in the 2 to 3 year horizon.

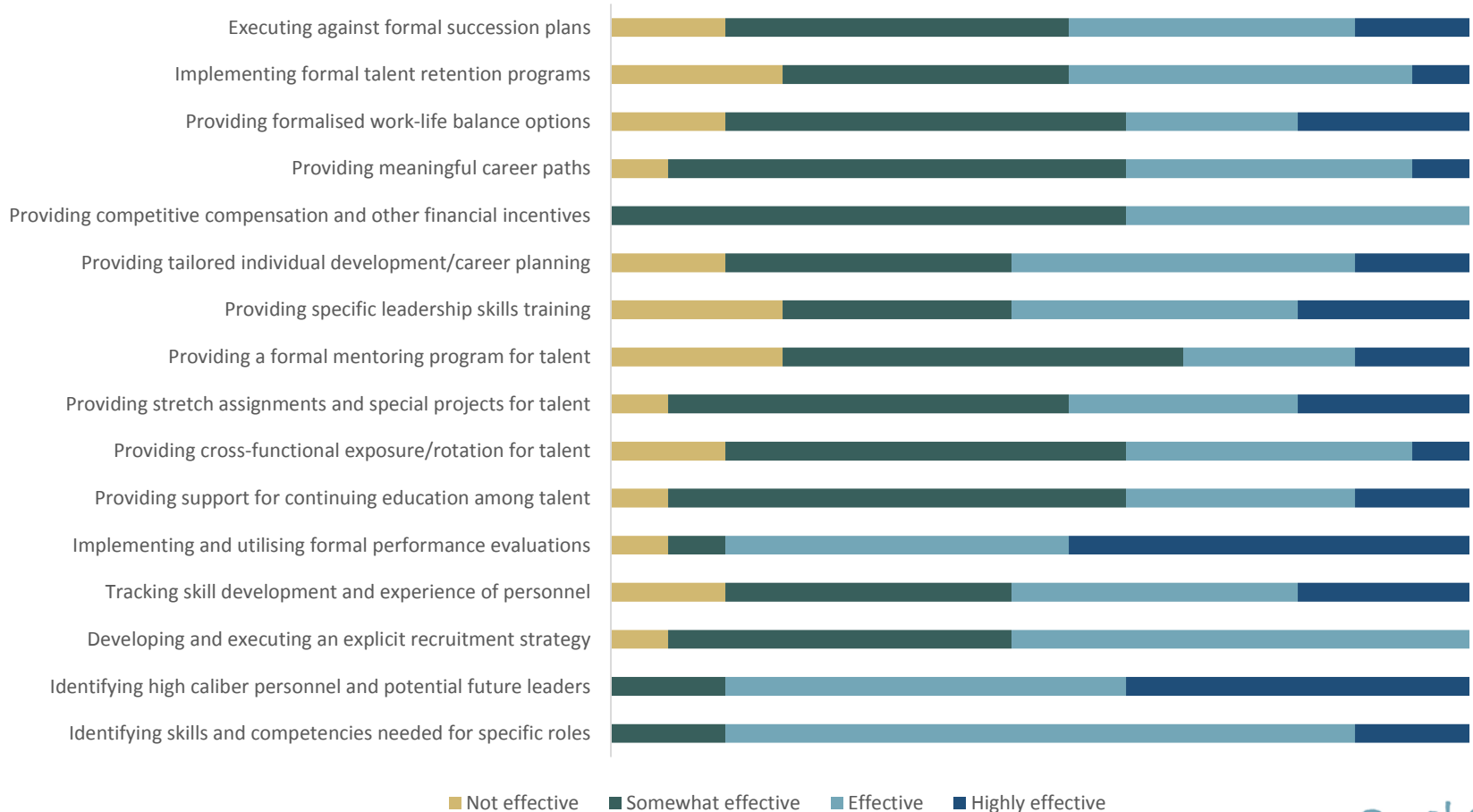
Investment in recruitment & development in last two years has:



There is an even split between those businesses that invest and those that have either decreased or in which investment has stayed the same.



Company's effectiveness against each activity





Businesses rated their most effective talent management activities as:

- =1. Identifying skills and competencies needed for specific roles.
- =1. Identifying high calibre personnel and potential future leaders
- =1. Implementing and utilising formal performance evaluations.

Business rated their least effective talent management activities as:

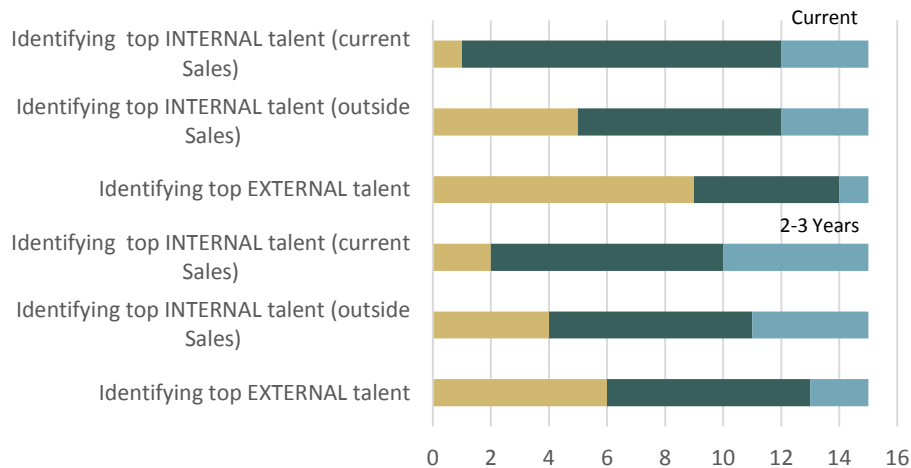
- 1. Providing formal mentoring programs for talent.
- =2. Providing formalised work-life balance.
- =2. Providing meaning careers paths.
- =2. Providing competitive compensation and other financial incentives.
- =2. Providing cross-functional exposure/rotation for talent.
- =2. Providing support for continuing education among talent.

Highly challenging

Moderately challenging

Not challenging

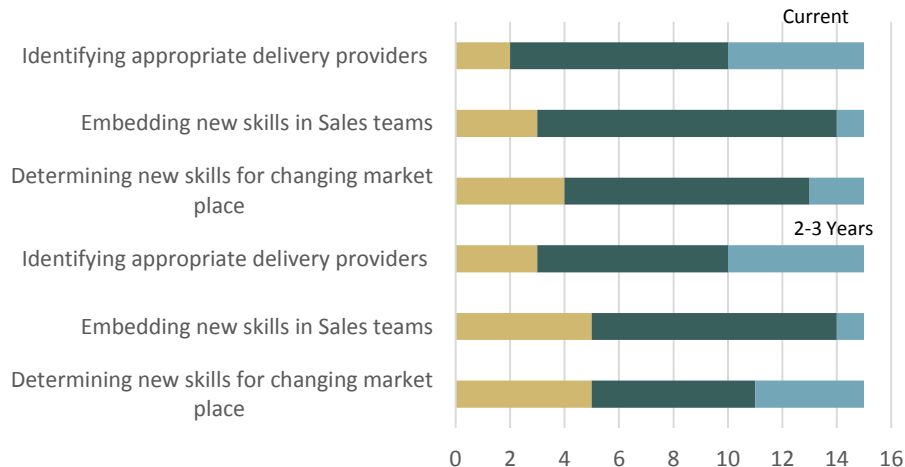
Talent Management Challenge - Identify



Identify

- Identifying internal talent will become moderately more challenging
- Identifying external talent will become less challenging.

Talent Management Challenge - Develop



Develop

- Determining new skills for the changing market, Identifying delivery providers and embedding new skills are all likely to prove more challenging over the next 2 to 3 years.

Highly challenging

Moderately challenging

Not challenging

Talent Management Challenge - Retain



Retain

- Retaining talent in a highly competitive market is set to become less of an issue over the next 2 to 3 years.
- As is developing incentives, work life balance and development and advancement.

Talent Management Challenge - Other



Other

- Aligning talent and diversity at work are set to remain similar over the next 2 to 3 years.



AFGC

Strategies businesses have adopted

The following strategies have been adopted by business:

Identify	Develop	Retain
Development of company specific leadership capabilities and specific Sales technical capabilities to recruit against.	Leadership and development programme tailored to meet the requirements of identified capabilities.	Succession planning and talent identification specifically for High performers.
Specialist Sales staff e.g. export, grocery, route etc.	At review interviews identify where employee sees themselves in 2/3 years and cross reference to training / development requirements.	Clear and regular updates on individual and company performance.
Keep a talent pool active across the business.	Identify and fast track high potentials.	Financial incentives, reward for effort.
Referral process with financial rewards.	Formal development plans for all employees, including personal development plans.	Work life balance / flexible working environment.
Identify key personnel via word of mouth.	Regular mentoring and training sessions	Personal coaching for key individuals.
Scientific approach to recruitment including an in-house data base.		Share options.
		Highlight positives company benefits.

*Sustaining
Australia*

The failure to recruit and retain talented individuals could create two major challenges for companies:

- Business continuity – from a shortage of staff; and
- Limited improvement capability – if insufficient expertise is available to drive change.

This report identifies issues impacting the sector:

- Urgency to identify and recruit high quality sales personnel – to meet future demand,
- Potential negative impact on business – as a result of talent shortage,
- Competition for talent – from other businesses,
- Challenging trading relationship – viewed negatively and preventing new entrants,
- Image problems – lack of knowledge or misperceptions about the industry,
- Misalignment of skills – current skill set does not meet future needs.

There are various options to consider to reduce the risk presented by the talent attraction, development and retention issues:

Engaging with education providers.

- Suggesting ways to develop the education system
- Aligning education with required industry skills.

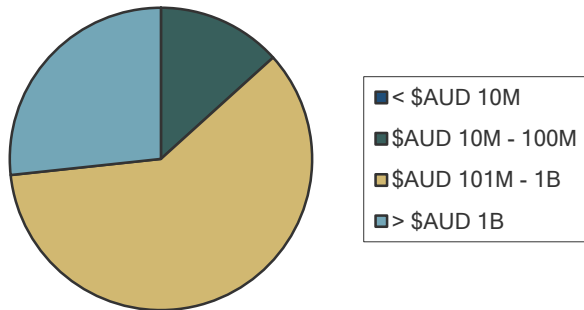
Greater emphasis on image building.

- Convincing recruits that FMCG offers an attractive career path.
- Raising awareness of the industry and the variety of roles available.

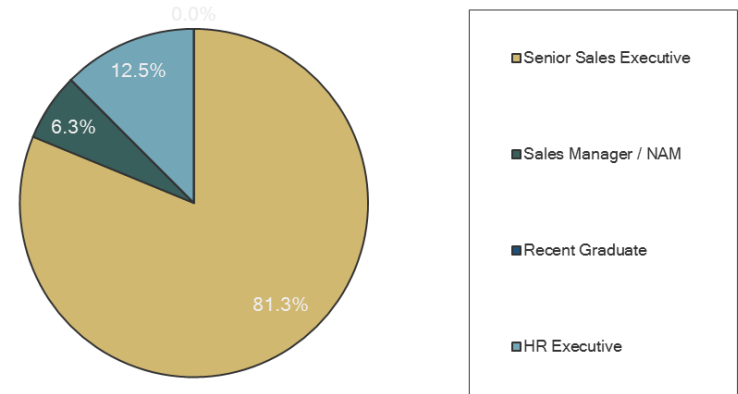
Assisting industry.

- Practices that assist in retention.
- Encourage personal development across the business.
- Identify current gaps in knowledge.

Size (\$AUD Turnover) of business.



Respondents role within business.



Core Categories

