Hiring the Right Salespeople Results in Improved Retention

The Rainsoft Company, located in Elk Grove Village, Illinois sells and installs water treatment systems through a network of approximately 200 independent dealerships throughout the United States and 24 countries. As the retail division of Aquion Water Treatment Products, Rainsoft generates annual revenues of over $200 million.

The Challenge: In 2005 Rainsoft found themselves at a crossroad. Founded in 1953, they had a desire to significantly grow the business but needed a financial partner to achieve this goal. Rainsoft chose to be acquired by Waud Capital Partners in an effort to make their vision a reality. One of the first initiatives of the newly formed company was to expand their existing "dealership" franchise model to include "company stores" that would be owned and managed by Rainsoft corporate. This change in strategy would allow Rainsoft to penetrate high potential markets where they had previously been unable to find an independent distributor.

> "I can't imagine running our company-owned dealerships without the Predictive Index. The results we have enjoyed would not have been possible."
>
> *Andrea Herran*
> *Director of Human Resources*

In embarking on this new business model, Rainsoft knew of one challenge that consistently plagued the independent dealers and would impact them as well—Turnover. This issue would carry a significant financial impact given Rainsoft's investment in on-boarding new employees. Prior to starting at a dealership, all new employees attended a 7 day product training course led by the General Managers and the corporate training staff. Too often the newly trained hires would leave within 30 to 60 days resulting in a loss of productivity, profitability and morale for both the dealership and the corporate training team.

The Process: When Andrea Herran, the new Director of HR at Rainsoft, learned of the retention issue in the stores, she knew there had to be a better way to find the right people for the key positions in the corporately owned stores. Andrea became aware of the behavioral assessment tool Predictive Index® and investigated its use to help with the challenges of hiring and retention. She contacted the local PI consultant to learn more.

Andrea immediately recognized the value of PI. To launch its use in Rainsoft, she and key members of her staff and the field team (recruiters and trainers) were trained to administer and interpret the Predictive Index survey. Together with their PI consultant, they developed PROs, the companion tool to the Predictive Index that profiles the behavioral requirements of the job, for each of the dealership positions.

Despite Andrea's team realizing the value of the Predictive Index, most had been with the company for over10 years, had been challenged by consistent turnover, and remained somewhat skeptical about PI's potential to address the issue. Andrea and Bob Ruhstorfer, President of Rainsoft, understood their reservations and decided to let the tool speak for itself. For the next six months, all potential new hires would take the PI prior to the interview. The results would be discussed with the hiring managers along with recommendations, but ultimately the managers would make the final hiring decision. All Andrea and Bob required was for the managers to keep track of which hires supported the PRO for their position and which ones did not.

Andrea offered an example. During that time, one Rainsoft recruiter wanted to hire a salesperson based on their professional experience and strong interview. Even though the candidate's PI results were not a strong fit for the sales position PRO, the recruiter felt strongly that the candidate was the right person for the job and hired him. Within a short period of time it was apparent that the employee was struggling and ultimately left the company. Andrea shares her view: "In this situation the results of the Predictive Index revealed this individual focused on a high level of detail which, in this type of business, translates into difficulty closing the sale."

The Results: Bob Ruhstorfer adds, "After tracking our results for several months every new hire whose PI was not a close fit to the PRO did not work out. Everyone now has 100% faith in PI. The hiring team will not move forward with a candidate without the insight from the Predictive Index." Andrea continues, "If the candidate is not a strong fit for the job, we do not hire them. It's not worth it. The people we hired in support of their PI results are still with us today. The other people left shortly after they were hired, many within 30 days. The biggest headache of running a dealership has gone away thanks to the use of the Predictive Index."

Rainsoft's improved hiring process and stronger retention has resulted in other benefits as well. The General Managers can now focus on managing their teams and growing their businesses instead of constantly recruiting and training new people.