



The Cutting **EDGE**

*Where the Next
Generation of Sales
Talent Meets Today's
Industry Needs*

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The financial services industry has experienced tremendous change over the past several years. The economic crisis has forced organizations to rethink and retool their business models. At the same time, they are redefining what will attract the next generation of sales talent in an era when modern technology is integral to success. Individuals are also redefining themselves — stepping back and rethinking their careers and opportunities in the new economic environment. Identifying that place where new talent meets industry needs will define the cutting edge and the successful sales force of the future.

A new generation of entrepreneurs is emerging — the “eEntrepreneurs” — who approach business differently, interact with markets differently, and rely on different resources than their predecessors. Many of tomorrow’s financial services representatives will be recruited from Generation Next¹ (Generations X and Y), with varied backgrounds and experiences that add yet another layer of complexity to the new dynamic.

¹ This report uses the term “Gen Next” to refer to potential candidates born between 1964 and 1992.

We are the true drivers of the economy and the ones who will take the doom and gloom we hear from so-called economic “experts” every day on the news, and turn it around. We’re the ones who either don’t pay any attention to the media and others claiming everything is so, so terrible; or, hear them out then do our thing anyway. . . Collectively we will keep our economy driving forward.²

— Gen Next, Potential Job Changer

Certain industries are faring better than others in building an appealing value proposition for Gen Next. Technology and pharmaceutical companies compete for some of the same sales talent as the financial services industry. Many of those companies have balanced and adjusted their company goals and strategies to better suit the needs of the next sales generation. Companies like Google and Cisco attract Gen Next by making work/life balance a priority.

Financial services companies need to adapt their practices to appeal to Gen Next, and to compete with other industries for the best candidates. That said, being an entrepreneur in the financial services industry — and in the insurance industry in particular — has its unique limitations, making it even more challenging for them to compete with other industries.

Most financial services companies have stringent guidelines on how sales representatives can get the job done. Compliance issues restrain business practices even further. The new eEntrepreneurs will have a lot to contend with. Being an entrepreneur in this business isn’t a typical

entrepreneurial experience. “Being your own boss” — as many financial services company recruiters position the career — actually comes with some lengthy strings attached. Convincing a Gen Nexter that those strings mean *support* rather than restraint is challenging.

Are financial services organizations being left behind? Some are. However, while financial services companies and Gen Next seem to have different priorities, a financial services sales position actually meets many of their criteria for a job.

Gen Nexters want to:

- Network in multiple ways
- Play an integral role on a team
- Make a difference in people’s lives
- Access dependable company support systems
- Gain long-term financial success

It’s up to the financial services industry not only to provide what Gen Next values; but also to reach Gen Next with more effective messages and communication.

² “Did You Celebrate National Entrepreneurs’ Day This Year?” *Blogtrepreneur.com* <<http://www.blogtrepreneur.com>> [Accessed 14 March 2011]

Definitions of Terms

Baby Boomers

Born between 1946 and 1964

Generation Y

Also known as Millennials, born between 1980 and 1992

Generation X

Born between 1964 and 1979

Generation Next

Gen X and Gen Y combined

Recent College Graduate

Graduated from 4-year college in 2010

Potential Job/Career Changer

Employed as of 2010, or unemployed for no longer than 3 months; seriously considering a job change to a professional sales career. Some potential job changers held professional sales positions already, and were considering a company change. Most were in their late 20s or early 30s.

This report explores how financial services companies can build an appealing value proposition for the next generation of sales talent. LIMRA spoke with potential job changers, college graduating seniors, industry recruiters, and industry leaders to get their insights on today's environment and the challenges they each face. Some of the key questions addressed include:

- What are current job hunters — tomorrow's sales representatives — seeking from a professional sales career?
- What are industry recruiters doing differently to reach new sales talent?
- How can organizations position their sales representative opportunities to attract the next generation?

Today's Job Candidate

Despite the general malaise in the economic environment, young adults are hopeful about the future, more so than the Baby Boomers. According to Gallup, 31 percent of 18- to 29-year-olds are satisfied with the direction of the country, compared with only 15 percent of those over age 46, as of December 2010.³

LIMRA research in 2010 confirmed that young people considering a professional sales career remain hopeful for success. However, because of the economic decline, they recognize that success may take longer. In turn,

some companies are altering their strategies to reach out, attract, and retain the next generation of talent. Industry recruiters are feeling the effects of the zeitgeist; and 62 percent agree that while the pool of talent is deeper, there are fewer quality candidates.

³ "Baby Boomers Approach Age 65 - Glumly," Pew Research Center Publications Online, <<http://pewresearch.org/pubs/1834/baby-boomers-old-age-downbeat-pessimism>> [Accessed 05 January 2011]



What Is a Sales Career?

How do today's job candidates view a professional sales career? Gen Nexters described the attributes of an appealing sales career by creating a "mind map" — a graphic depiction capturing what came to mind when they thought about the career (Figure 1).

A compilation of the results shows four common themes emerging:

- Stability
- Variety
- Connection
- Influence

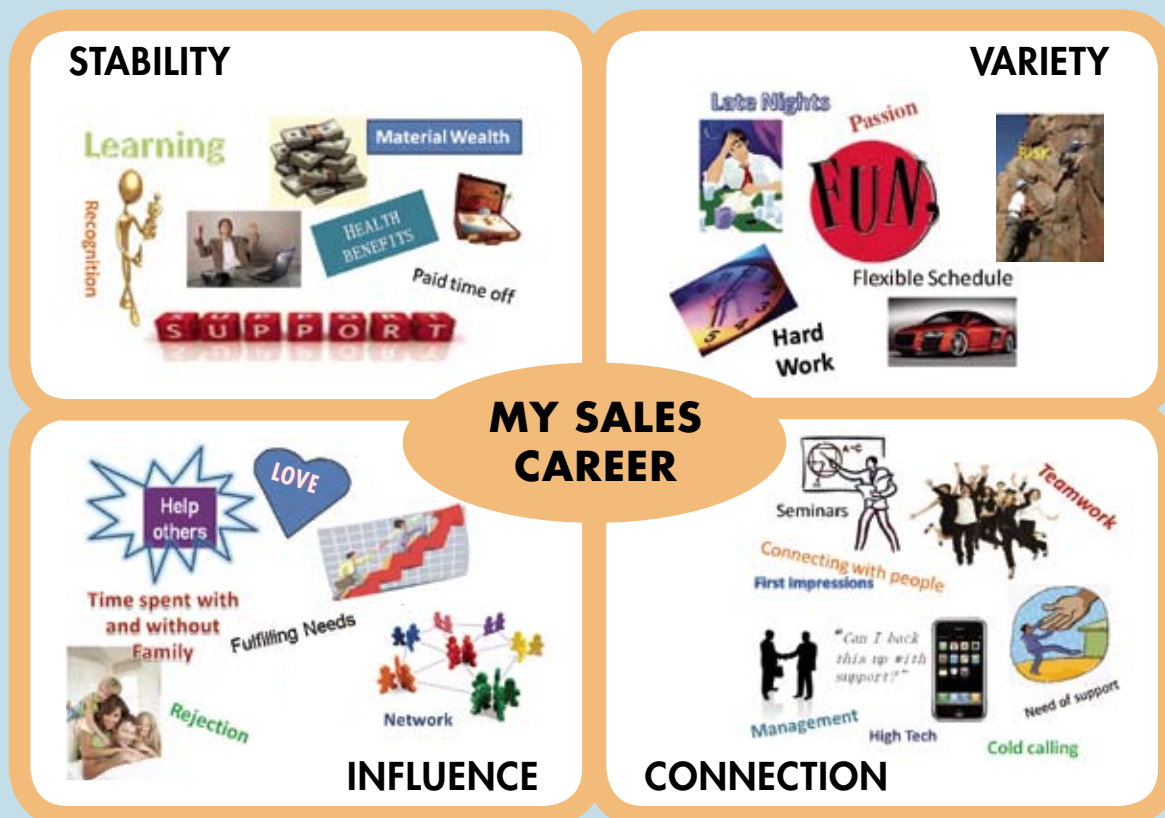
Though they place varying degrees of importance on each job attribute, Gen Nexters clearly know what they want. The quality they mention more than any

other is **stability** in the form of "a salary and benefits." Many talk about having **variety** in their day-to-day activities — not sitting behind a desk all day — a quality expected for someone pursuing a sales career.

Another key attribute is a **connection** with other people, virtually. Today's relationships have a digital dimension. The Internet has radically reshaped our lives. These trends powerfully affect how companies and organizations design, sell, and market their products and services with a growing emphasis on relationships and personalization.⁴ As one industry strategist says, "Gen Next doesn't **go** online, they **are** online."

FIGURE 1

Gen Next Mind Map of a Sales Career



⁴ Brown, Arnold, "Relationships, Community, and Identity in the New Virtual Society," *The Futurist*, March-April 2011.

FIGURE 2

The Amplified Voice of Gen Next



Companies that rely on cutting-edge technology for their business will attract the next sales generation. Gen Nexters want to affiliate with financial services organizations that invest in modern technology to streamline their business practices — from recruiting to networking to writing and servicing business. They know the advantages that modern technology brings:

Anytime a company can give me more time to spend with a client, I'm going to be better off. I got into this business to be with people, not to sit behind a desk pushing paper.

— Young Financial Representative

Consequently, the next sales generation expects companies to provide 24/7 connections, enabling them to have an “amplified voice.”⁵ Essentially, Gen Next has many tools at their disposal for communication, although they understand that nothing can replace face-to-face contact (Figure 2). These tools simply enhance — or amplify — their one-on-one interactions.

The ability to connect allows for their final sought-after job characteristic — **influence**. “I want to know what I’m doing is having an impact on the people around me,” says one recent college graduate. They want to have an impact on their organization. They want to make a difference in the lives of their clients.

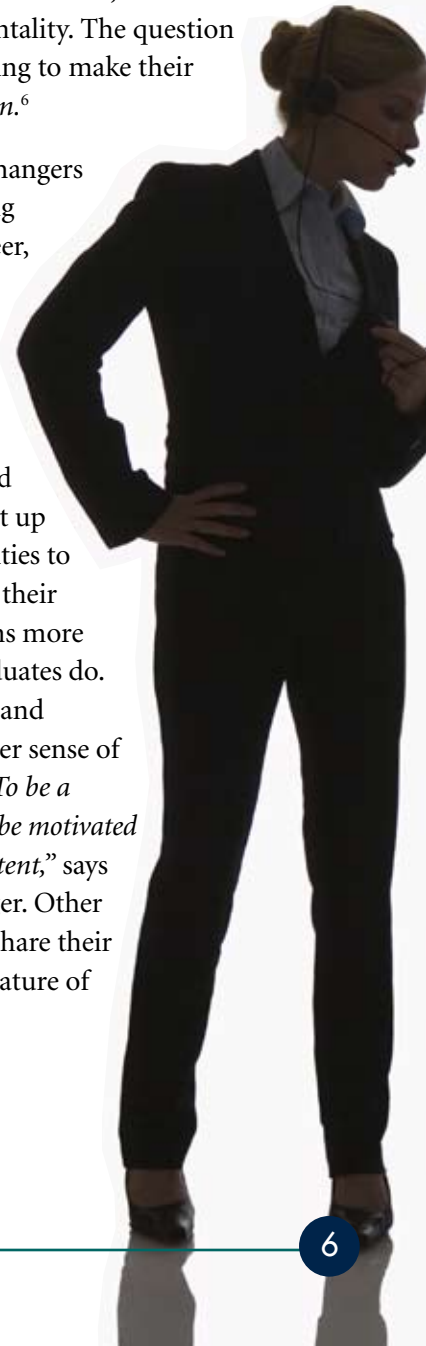
⁵ Adapted from: McEwen, Laura, *The Dynamics of Influence L2: Generation Next Forum*, 2010.

⁶ *Competing for Sales Talent*, LIMRA, 2007

What Does Success Look Like?

Gen Next defines success differently than their predecessors did. The days of “Greed is good,” made famous by the 1980s movie *Wall Street*, have given way to more modest aspirations. In the words of the next generation, “success” entails “work/life balance,” a company culture that “feels like home,” a place where “I can learn about myself,” and a job that provides “stable income and benefits I can depend on.” This fundamental shift in perspective only occurred recently. Just prior to the financial crisis, job hunters were more confident, with a certain entitlement mentality. The question was not *if* they were going to make their first million, it was *when*.⁶

Though potential job changers mention other appealing attributes of a sales career, they speak more clearly and certainly about their expectations for income and commission-based sales positions. Their maturity and life experience have built up confidence in their abilities to sell. Job changers know their strengths and limitations more than recent college graduates do. They have clearer goals and expectations, and a better sense of their own self-worth. “*To be a salesperson, you have to be motivated by money to a certain extent*,” says one potential job changer. Other potential job changers share their views on the complex nature of sales compensation:



Companies want to know you want to make money. In a nice, professional way, they want to know that and then they'll know you're a go-getter. Otherwise, they won't necessarily think you're ambitious enough to fill a quota. Quotas are there for a reason.

— Potential Job Changer

They want to hear that you have a mortgage. 'I have a mortgage.' 'Great. What else do you have?' 'I have two kids.' 'That's awesome. So, you're telling me you have to make money?' 'Yep, that's what I'm telling you right now. I have to make six figures every single year.' And they say, 'Perfect. That's what we want to hear.' They want to hear that you need to make money.

— Potential Job Changer

The commission thing definitely scares a lot of people off. You definitely have nights where you sweat it out; but I think overall, if some people could have a salary, even if it was low, and then have commission, more people would be able to orient themselves in a sales career, gradually working toward working off straight commissions.

— Potential Job Changer

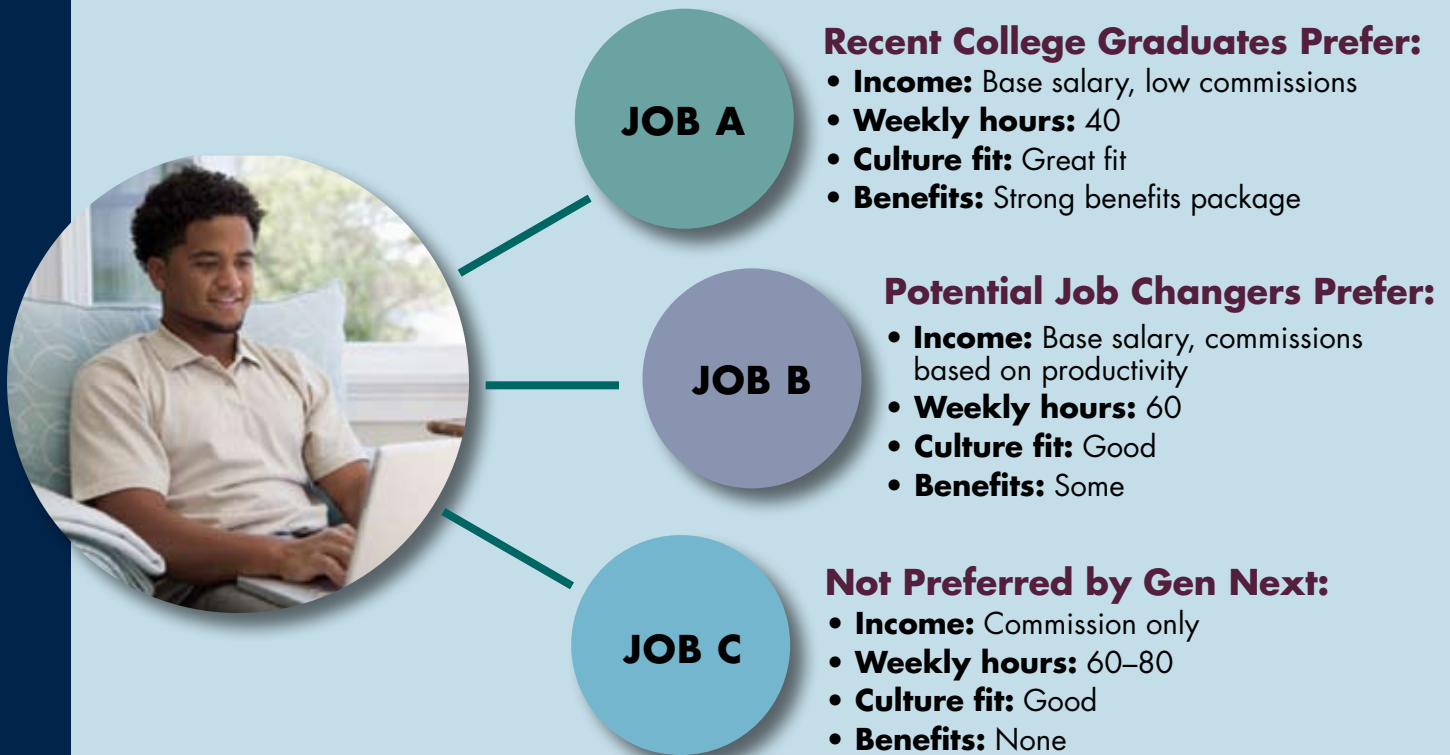
On the other hand, recent college graduates are more reluctant to take risks. For them, money is not a driving force; rather, it comes as a result of other job

attributes. Many other college graduates agree, "Money is important, but it's definitely not everything." According to The National Association of Colleges and Employers (NACE), among the graduating class of 2010, 40 percent of college graduates rejected job offers they received upon graduating. To them, a high starting salary level is important overall, but is not as critical as the opportunity for advancement or job security.⁷ Many are holding out for the job that can provide that.

⁷ *Moving On. . . Job Market for the College Class of 2010*, National Association of Colleges and Employers (NACE), 2010. Results based on 12, 933 graduating seniors across the country.

FIGURE 3

Job Preferences



How important is money? It's difficult to get a straight answer because income never stands alone. It is one of many job attributes under consideration. When our participants thought about money in relation to what they would risk in order to earn more, the results were clear. We asked participants to choose among three “generic” sales positions with varying degrees of risk/reward. Overwhelmingly, they chose the position with a relatively low, dependable income over a high-risk position with the possibility of earning unlimited income. In all our discussions, only one participant chose the high-risk/high-income job. Potential career changers were willing to take on a little more risk in the hopes of earning more money in return; but when push came to shove, they too were more concerned with stability than unlimited earning potential (Figure 3).

Financial services organizations should take notice. How do they position income and job security? What about culture? Despite what Gen Nexters say they want, many recruiters continue to focus their approach on the aging message that money dominates the appeal of the career.

A New Reality

With the fierce job competition, Gen Nexters are looking at positions they might not otherwise have considered. Many find working as a financial advisor appealing; others suggest they would consider life insurance sales. *“I’d think about it. It’s not first on my list, but why not? It’s important especially if you’ve got kids.”* Multi-line insurance sales are also something a Gen Nexter would consider. *“Everybody needs car insurance,”* says one, and others agree. They also find selling employee benefits appealing, though some admit they didn’t know that particular job existed. Despite the high-risk proposition in the early years of a financial representative’s career, the long-term stability ultimately pays off. Sixty percent of insurance sales representatives with over 5 years of experience believe that the profession has better job stability than other professions.⁸

⁸ *Choosing Careers They Love*, LIMRA, 2011.

While Gen Nexters understand at a high level the distinctions among the various positions within the industry, they struggle with the subtleties. They express confusion about what a financial services sales professional does. The industry's challenge is to communicate the opportunities and differences, since many Gen Nexters have limited exposure to the field of financial services.

Attracting Gen Next

The financial services industry, particularly the insurance industry, has a long history of past success in adapting to the demands of the time. Despite this proud history the industry struggles to attract and retain sales talent. In the average agency-building company, for every 100 agents recruited today, only 13 will remain after four years. Multiple-line exclusive agent (MLEA) companies fare better, but fewer than half of MLEAs stay in the position for more than four years (Figure 4).

To improve retention, carriers must address the four key attributes candidates look for: stability, variety, influence, and connection. There are strong indicators that the financial services industry and Gen Next are made for each other—they just don't know it yet.⁹ The task to bridge that divide falls mainly on the financial services organizations. Carriers and recruiters must position their message to better align the opportunity they present to today's candidates.

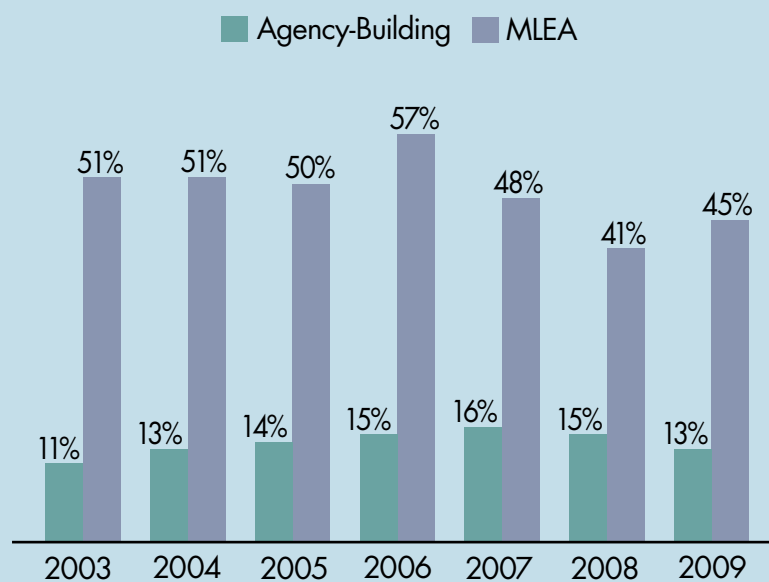
The Sales Representatives of the Future: Experienced or Inexperienced?

Whether a candidate is fresh out of college or a more mature, potential career changer, there are marked skills and qualities that industry recruiters identify as indicators of future success. The successful candidate embodies certain

characteristics — independent thinking, self-discipline, emotional intelligence, high risk tolerance, and a healthy amount of cash reserves on hand to get through the lean financial times.

Perhaps it's the last requirement that eliminates most recent college graduates from the recruiting pool. *Inexperience* may be equally detrimental. Many recruiters today decline to hire college graduates who have not had an internship at their company. According to one recruiter, "I don't know of anyone who stayed with their first job their entire career, unless they were with the insurance industry, having done an internship. . . ." Another recruiter responds, "Let someone else train them! I can't afford that."

FIGURE 4
Four-Year Agent Retention



Source: *U.S. Agent Production and Retention*, LIMRA, 2010.

⁹ *Choosing the Jobs They Love*, LIMRA, 2011.

FIGURE 5

Recruiting Focus

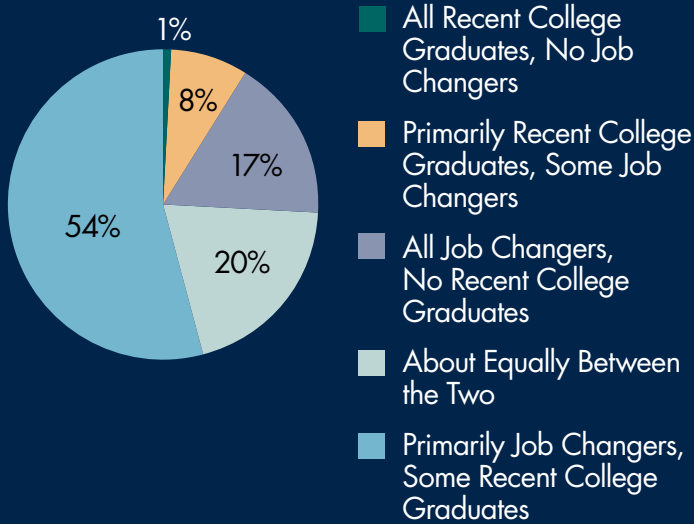
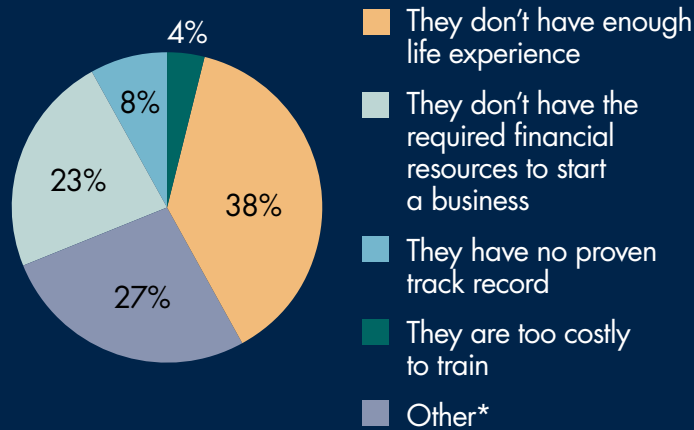


FIGURE 6

Reasons for Not Hiring Recent College Graduates



*Other includes: Low success rates; Grads don't have a network; Grads want benefits; Combination of reasons listed

As a result, most recruiters focus their efforts on potential career changers (Figures 5 and 6). And, though recent college graduates still appeal to industry recruiters, company internship programs tend to be the main source for young talent straight out of school.

I do very little sourcing of college graduates right now. They just don't have the tools. They have debt; they don't have experience; they don't have life experience. They're just not there...though you might find an exception occasionally. Personally, we only do interns.

Another recruiter takes a similar approach:

College grads have a 4 percent retention rate. I can get college graduates all day long because there's plenty of them out there and they have no other place to work; they're at home, they have no expenses; but they also don't have a market. Alternatively, an intern, who in the course of their college years tries out our program, has a modicum of success — we will offer them a contract moving forward.

Few recent college graduates come to the table with a built-in market, but is that reason enough not to hire them? Many recruiters want nothing to do with college grads because they aren't seasoned and/or don't know enough people to build a network — a necessity for business in the eyes of company recruiters. Perhaps it's time to ask: *Is there a way to build a business model that fosters success such that more inexperienced people can qualify for and succeed in the job?* Is there an environment that can successfully launch a new sales representative by leveraging job attributes that appeal to the new eEntrepreneurs? There are direct correlations between organizations providing maximum support

(including sales training, marketing support, and collaborative sales models) and more profitable outcomes, compared with organizations that rely on more traditional sales models.¹⁰

We do hear from the field that new grads require more time, energy, patience, and direction from the managers than a career-changer.

— Home Office Executive

¹⁰ *Embrace Success: Leverage, Collaboration, and the New Sales Environment*, LIMRA, 2010.



Cultivating Entrepreneurial Thinking

Identifying and reaching quality candidates remains a challenging task. Hiring them and retaining them is another. Most companies rely on a combination of warm- and cold-source recruiting techniques to reach potential candidates — assessment tools to identify quality candidates, pre-contracting arrangements to cultivate talent — all culminating with signing a full contract. One top recruiter launches each interview with a candidate by asking three questions:

- *How do you feel about working on a team?*
- *How do you feel about starting your own business?*
- *How do you feel about working solely for commissions?*

“If they don’t respond positively to each of those questions, we don’t have much to talk about,” says the recruiter. Gen Nexters agree. They want to talk more about generous pre-contract financing programs than commissions. Enhancing those financing programs may lessen the undesirable risk and make the industry more appealing to a new recruit.

Job Security?

The importance of job stability during these uncertain times has changed the recruiting conversation. According to one recruiter,

The investment side has lost some of its sexiness. . . People are coming to my office now talking about success in different ways. It’s not all about investments. There is more talk of life insurance and traditional products as opposed to investment products.

The reality of today’s economic climate is that no company in any industry can offer absolute job security, and Gen Next is fully aware of that. “Loyalty doesn’t exist anymore. Why should I be loyal to a company if they’re not loyal to me?” says one recent college grad. Has company loyalty become a thing of the past? Some companies believe short-term needs are driven by long-term business practices; but others believe that investing in young recruits early will ultimately lead to long-term retention. Many insurance organizations in particular invest heavily (some as much as \$100K in a recruit’s first 3 years¹¹) in the hopes of building the next generation of sales talent. The net returns prove to be well worth the investment.

¹¹ *Investing in New Agents*, LIMRA, 2010.

FIGURE 7

Recruiter Mind Map of Sales Career



Recruiters who operate in the insurance space say that part of their challenge in finding sales talent is overcoming the “employee mentality” many potential candidates have about working today.

I’m having to sell the opportunity to the candidate more than ever before. Many young people think of me as a headhunter. I’m not a headhunter. Headhunters have jobs to fill. I’m a recruiter. I have a dynasty to build. My business is finding people who want to build a business and leave a legacy. The headhunter is looking for someone who wants to get a paycheck and go home on Friday.

— Top Recruiter

Other recruiters, particularly for insurance sales positions, agree. Seventy-five percent believe candidates are more interested in a base salary today than they were 3 years ago. Not surprisingly, very few companies have significantly changed their compensation strategies to meet this desire. They say the reality of the situation is

that financial services sales are commission-based. Organizations are, however, placing more emphasis on other aspects of the career to better appeal to the next generation of sales talent.

As part of our research, we asked recruiters from MLEA and career agent insurance organizations to participate in the same exercise as the college seniors and potential career changers. They created a graphic “mind map” of what a sales career looks like (Figure 7).

Four common themes emerge:

- Money
- Risk and reward
- Entrepreneurship
- Networking

This emphasizes some telling differences in the perceptions of a successful sales career between the recruiters and their potential candidates.

Money: Is the Emphasis Changing?

We are 100 percent commission. That's the first interview question. If people aren't on board with that. . . it's a slow dance for sure. But that's one of those things if they don't understand it's a commission-compensated career, there's no other reason to talk further. . . Commission is not a bad word. Commission to me is a great opportunity; but, again, the candidate has to be right for it. This is what we're trying to determine early on.

This recruiter from one of the largest career insurance organizations states what many in the industry experience. Often recruiters “lead with money” when they talk about their outreach efforts. Fifty-eight percent of recruiters position earnings as a top recruiting message. But, are candidates receiving the right message? Probably not. Gen Next continues to say: “I don’t trust those companies that talk about all the money you can make. ‘You’re going to make so much money.’ It sounds like a scam.” While potential job changers say money is a real driver, they too admit that it’s only one of many important factors in their livelihoods.

Some organizations have responded to Gen Next by saying, “We do not offer a salary...A stable base salary is not in the discussion...No salary and no

company benefits.” However, others are changing their tunes. While the position may be commission-based, they highlight other attributes during the discussion. “We put a low emphasis on the financial rewards and focus more on the intrinsic and personal fulfillment rewards.” These companies highlight the other areas of support (some financial) they offer, like new agent financing, education, technology, and training — to make up for the insecurity some candidates feel about commissions. Gen Next wants these support systems. That’s not to say that the potential to

*We've changed
our recruitment
strategy away from
money and more
towards people.*

— Top Industry Recruiter

earn a good income isn’t appealing. “It’s not politically correct to talk about money with these kids coming out of college. They want to earn money,

but it’s a subtler message.” Companies can respond by looking at how to present their compensation arrangements to appeal more to Gen Next.



In fact, finding candidates who will work on commissions is not a top concern among recruiters. It is finding quality candidates who are motivated (Table 1).

Risk and Reward: New Perspectives

Because of their definition of entitlement, it excuses their personal definition of risk. I don't think they truly understand risk in the traditional sense of business. So when they come in with the bravado and a little bit of that swagger, the reality is they don't want to take the risk. They want The Company to take the risk. That's why you see so much more desire for stability even though they're telling you, 'Oh yeah, I'm an entrepreneur, I'm a risk-taker.' I don't think they really understand what that means.

— Recruiter for Large MLEA Company

“Overheard” in the online LinkedIn Recruiter Roundtable Chat Room — Recruiters chat about money and Gen Next:

Recruiter 1: Need for recognition is high for sales folks!

Recruiter 2: Agree but also find different people like different forms of recognition.

Recruiter 1: Agree

Recruiter 3: Money IS a major driver; people just don't want to say it is

Recruiter 2: You are Right! That pays the bills 😊

Recruiter 3: Exactly! And buys the shoes!

Recruiter 1: Yes!

Recruiter 4: Agreed.

Recruiter 5: You are funny – I agree though!

Recruiter 2: I love the Gen Yrs because they WANT the shoes!

Recruiter 6: Yes

Moderator: You are right about the money – but for many it is about what money represents; security v. self esteem

TABLE 1

Greatest Recruiting Challenges

Percent of Recruiters

Finding quality* candidates who are motivated	42%
Finding candidates who will work on commission	13%
Finding time to weed out best prospects	10%
Appealing to candidates	8%
Sourcing candidates	7%
Finding candidates who will make a long-term commitment despite short-term challenges	6%
Combination of all reasons given	5%
Candidates lack of credit or lack of capital	5%
Other	4%

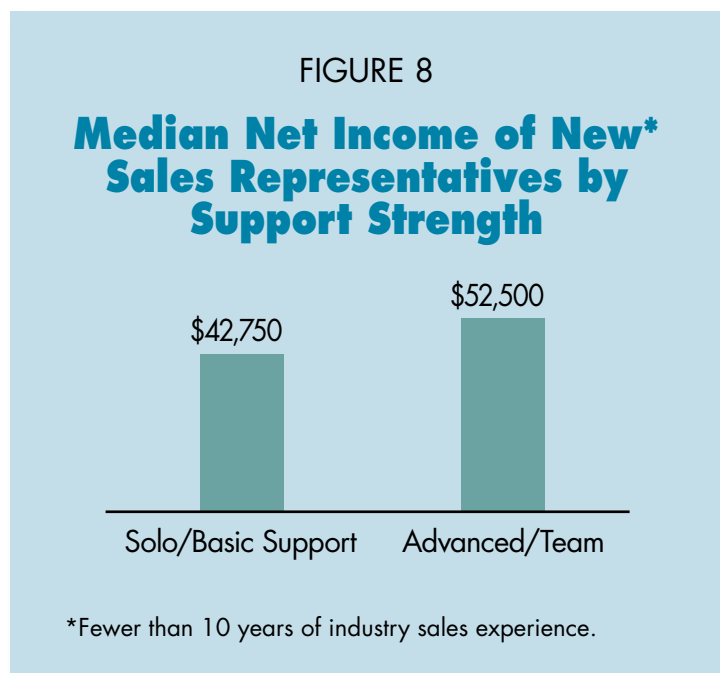
*Quality most often listed as “motivated” and/or “qualified”

Is the message of entrepreneurship a help or a hindrance in the new environment? The role of an entrepreneur requires taking on a certain degree of risk. Risk is a hot potato these days — no one can bear to hold on to it for very long. Recent college graduates appear particularly risk-averse, though there are exceptions. Recruiting messages that promise great rewards for great risk fall flat with Gen Next. Even so, the time may be ripe for job seekers to consider selling life insurance and related financial services. According to one recruiter, “*There are more people open to taking the risk of an entrepreneur than [in] years past due to the difficulty in traditional employee openings.*”

Entrepreneurship: Be Your Own Boss?

Gen Nexters want to work in supportive environments. They value working within a team. They thrive on feedback and support. Consequently, when recruiters tell Gen Nexters that they can “be on their own, and be their own boss,” the response may not be enthusiastic. “Being a team player” is part of what defines Gen Next, and young candidates believe they will thrive in an environment that nurtures the group while supporting the individual. Gen Nexters look for continuous learning opportunities, which is a key advantage of team-based business models. If everyone shares the burden and the risk, then the appeal is greater for Gen Next. While this may seem contrary to the traditional definition of entrepreneur, the evolution of the next sales generation is changing that definition.

Research shows that team-based business models drive success, particularly among new sales representatives. New insurance sales representatives who are placed in collaborative or team-based sales models earn 23 percent more than those working as solo practitioners or with only basic support (Figure 8).¹²



Networking 2.0

When recruiters and Gen Nexters talk about networking, their conversations differ greatly. It’s Networking 1.0 compared with Networking 2.0. Perhaps because they are often divided by a generation, recruiters’ approaches to networking and connecting may prevent them from reaching Gen Nexters. The days of relying solely on face-to-face meetings have become fewer, paving the way for video-conferencing and texting to make business arrangements. Gen Nexters understand the value of face-to-face meetings — they just recognize more options for communication.

¹² *Embrace Success*, LIMRA, 2010.

Why Is Social Media So Important?

Whether the goal is to track down new clients, advance the flow of sales, or market a company's latest products, the next generation of sales talent will use social media to move their business.

According to a 2010 survey by Microsoft, 75 percent of U.S. recruiters and HR professionals are required to do online research about candidates, and many use a range of sites when scrutinizing applicants — including search engines, social network sites, photo- and video-sharing sites, personal websites, blogs, and online-gaming sites. Seventy percent of U.S. recruiters have rejected candidates because of information found online, like photos and discussion-board conversations and membership in controversial groups.¹³

As you read this, you may be thinking of ways you and/or your company can improve your online strategies for recruiting and selection. What you probably haven't considered yet is that potential recruits are using those same tools to find out about *you* and your company. It works both ways. The Internet allows recruiters and candidates to operate on an even playing field. Many young people today are suspicious of anyone who *isn't* using social media. Like it or not, we are all a part of the "Reputation Economy."¹⁴

Alternatively, only 20 percent of industry recruiters are "very comfortable" using social media; over half say they are either "not very" or "somewhat comfortable" (Figure 9). This is what Gen Nexters live and breathe; they expect top companies to seamlessly integrate social media into their day-to-day business practices.

Though they also recognize the compliance issues, many recruiters realize that their inexperience with advanced communication technologies may prevent them from reaching the best candidates. Their reactions range from, "I have no idea how to use them" to "I'm starting, but I need to put in the time to learn." However, it is only a matter of time before the luxury of learning fades into necessity.

"Not on LinkedIn? No picture? What do you have to hide?" one potential candidate asks.

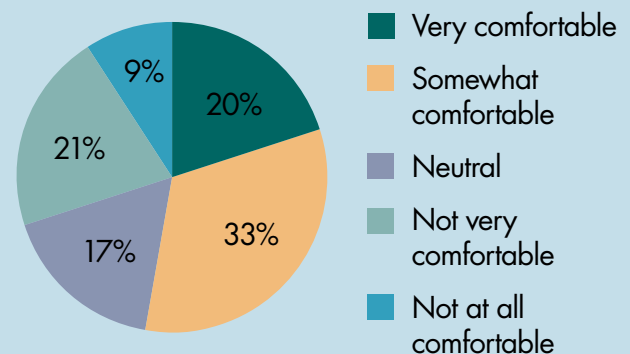
Candidates and recruiters alike can scope out reputations online in a matter of clicks. In the near future, Internet searches for images are likely to be combined with social-network-aggregator search engines — including political contributions, blog posts, YouTube videos, Web comments, real estate listings, and photo albums. Increasingly these sites will rank people's public and private reputations, like the website Unvarnished, a reputation marketplace where people can write anonymous reviews about anyone. In Web 3.0, people will be rated, assessed, and scored based not on their creditworthiness but on their trustworthiness as good parents, good dates, good employees, good babysitters, or good insurance risks.¹⁵

The legal implications of the new reputation economy have yet to be fully understood; but scholars and practitioners are working fast and furiously to scope out what's possible in the age of transparency. It will cost the financial services industry millions if they get left behind.

FIGURE 9

Recruiter Comfort Level With Social Media

Percent of Recruiters



¹³ "The Web Means the End of Forgetting," *New York Times Magazine Online*, <http://www.nytimes.com/2010/07/25/magazine/25privacy-t2.html?_r=2&pagewanted=1&ref=magazine> [Accessed 20 January 2011]

¹⁴ "The See-Through CEO," *Wired Online*, <http://www.wired.com/wired/archive/15.04/wired40_ceo.html> [Accessed 14 February 2011]

¹⁵ Ibid

The Recruiter Dilemma – Mending the Disconnect

For almost three decades, Joanne Sujansky of the Pittsburgh-based consulting firm KEY Group studied employment trends. She concludes that many young people are turning their collective backs on traditional corporate careers, choosing to become entrepreneurs instead. One report in *The Boston Globe* indicated that between 30 and 40 percent of graduates from a selection of top schools (including Harvard and Carnegie-Mellon) are by-passing corporate America and starting their own businesses. Entrepreneurs aged 18 to 24 are starting businesses faster than their counterparts aged 35 to 44.

The Disconnect

<u>Gen Next</u>	<u>Recruiters</u>
Employee	Be the Boss
Networking 2.0	Networking 1.0
Continuous Learning	Train and Go
Part of a Team	On Your Own
Money Follows	Money Leads

Sujansky argues that for organizations to attract and retain talent, they should embrace Gen Next’s entrepreneurial qualities by making room for new ways of thinking about work and compensation. That might take the form of “virtual hires,” creative career ladders, or project-based employment. It can also mean nontraditional salary and benefit packages that are more clearly tied to performance and measurable outcomes. Employers need to fundamentally rethink the employer-employee relationship.

Scottrade: A Recruiting Success Story

Forward-thinking organizations build value propositions to recruit the best and the brightest. Their strategies focus on the four elements that appeal to Gen Next: stability, variety, connection, and influence.

Scottrade, the online brokerage company, embraces a culture rooted in five core values that guide how they interact with customers, and how they work with each other. Their “Connected Through Culture” program emphasizes connections through a team-based approach where sales associates are encouraged to influence their organizations. The ability of employees to share ideas and insights with senior management reflects Scottrade’s willingness to allow employees to *influence* the Scottrade organization. This fosters a “family” environment and a collaborative team-based approach: values that they present to potential recruits.

Scottrade’s employee benefits program is strongly emphasized as part of their overall compensation package which addresses the *stability* desired by today’s job candidates. Their internship program highlights other attributes attractive to Generation Next: a team-based business environment; innovative technologies; flexibility; *variety* and continuous learning; and the opportunity to participate in Scottrade’s social causes.

Scottrade’s core values of customer service, trust and integrity, individual development, open communication, and teamwork have laid the foundation of success for the company and continue to drive its culture today. Scottrade’s website “Grow Your Career” incorporates videos of its sales representatives and other employees endorsing the culture and sharing their experiences citing the benefits of being part of the Scottrade team in each of the four core values.

For the third consecutive year, Scottrade was ranked as one of *Fortune’s* 100 Best Companies to Work For, moving from 60th in 2009 to 12th in 2010.

Sources:
<http://www.scottrade.com/>

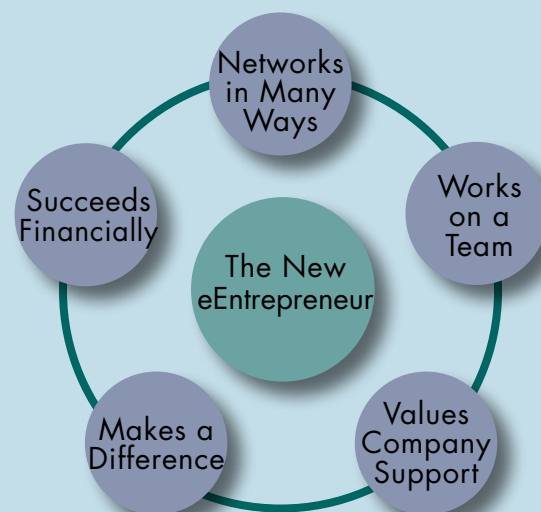
<http://money.cnn.com/magazines/fortune/bestcompanies/2011/index.html>



People need financial services. Life insurance ownership is at a 50-year low, paving the way for potential industry growth.¹⁶ Concurrently, the industry faces the challenge of sales capacity; there are not enough new representatives joining the industry to replace those retiring or leaving. If traditional financial services can adapt to the needs of the next generation of sales talent, they may be able to reverse this trend. If organizations are willing to support Gen Next, then the new recruits may be willing to take on more of the risk (Figure 10).

Whether it’s communication strategies for networking; training and development; establishing team models; acknowledging impact; or providing variety in the career, companies and Gen Nexters have the ability to connect. Together, they’ll have to bridge the divide that separates them in order to build new models for successful partnerships in the future.

FIGURE 10
**Profile of the
Next Sales Generation**



¹⁶ U.S. Life Ownership Study, LIMRA, 2010.

Overall, financial services organizations have much to offer Gen Next. In turn, these dynamic new eEntrepreneurs bring a fresh outlook to industry best practices.

For the financial services legacy to continue, companies and representatives must each bear the burden of risk. As eCommerce becomes the new way of doing business, the financial services industry and the next generation of sales talent have the potential and opportunity to come together and flourish. Together, they'll meet at the cutting edge.



Methodology

Research Tools

- Six in-person focus groups: three with college graduates, and three with potential job changers. All participants were considering or seriously considering pursuing a professional sales career. Total of 82 participants.
- Two online bulletin boards: one group each of college graduates and potential job changers. All participants were considering or seriously considering pursuing a professional sales career.
- The Recruiter Roundtable: 36 financial services industry field recruiters participated in a virtual, interactive roundtable to discuss issues in recruiting. They represented career, multi-line, and independent insurance and financial services providers.

- Survey of 272 field recruiters, representing approximately 76 career, multi-line, and independent companies.
- Personal interviews with industry recruiters

Other LIMRA Resources

Up Close, Remote, and Personal: The Next Sales Generation, LIMRA, 2010.

Embrace Success: Leverage, Collaboration, and the New Sales Environment, LIMRA, 2010.

Choosing Careers They Love, LIMRA, 2011.

Non-LIMRA Resources

Keeping The Millennials: Why Companies Are Losing Billions in Turnover to This Generation — and What to Do About It. John Wiley & Sons: Hoboken, 2009.

The Millennials, Pew Research Publications Online, 2010.

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008781-4/2011-(500/41-0/PY8)