

# (UNCHANGING) SALES FORCE DEMOGRAPHICS:

**Thoughts and Questions About the  
Future of the Carrier Industry**







## EXECUTIVE SUMMARY

As today's tenured carrier sales executives and technology experts inch toward retirement, the question of who will replace them and how to transfer their accumulated knowledge to the next generation of sales executives is coming into focus.

It appears there are stark differences in how the international carrier community is preparing to ensure the continuity of knowledge and business relationships versus the ways U.S. carriers are managing this transition.

This white paper explores several observations about what international carriers are doing to source and retain new talent. The intent of this white paper is to start a conversation among U.S. carriers regarding this phenomenon.



## FAMILIAR FACES IN ALL THE SAME PLACES

### An Exclusive Fraternity with Few Pledges

Have you thought about what the U.S. telecom carrier space might look like ten, fifteen, or twenty years from now when most of today's top sales executives and technology experts are retired? True, it might not be your problem by then, but the industry may look very different than it does today. From a legacy perspective, we'd all like to think we made a positive impact; contributing in some small way to the collective knowledge base and leaving the industry a little better than we found it. But what if no one is there to take over for us when we leave?

### BEEN THERE, DONE THAT

We've all been there, over and over again. A few times each year we gather at major industry events like International Telecoms Week (ITW) and Pacific Telecommunications Council (PTC) conferences. There we see familiar faces, colleagues, and competitors, renew old friendships, and grow our personal networks. After attending in some capacity for decades, perhaps moving up the corporate ladder at the same company or wearing name badges with different logos along

the way, we have watched each other grow as well as each other's children grow. We have survived the same industry highs and lows, shared technological triumphs and panel discussion stages, and lived through countless mergers and acquisitions. We've worked for, with, and against each other. We're a family.

Over the years we have established a certain way of doing business in the carrier space. It's like an exclusive fraternity with its own language and nomenclature. We casually toss around terms like dark fiber, long haul, backhaul, splice point, and acronyms such as DWDM, OTN, FOC, ROE, and expect everyone in the conversation to follow along. We have a working knowledge of most competitors' network capabilities and limitations before a conversation even begins, so we know the right partners to approach to complement a customer's existing services or deliver connectivity to new markets. Anybody can learn about wavelengths. But understanding



who built what and who bought whom brings tribal knowledge and a human element to the table that cannot be replaced by software or computers. We've developed acceptable norms for interacting with each other—the result of years of relationship building—to get deals done. U.S. telecoms created this industry, evolving from simple analog telephone service providers lines into regional and global carriers of wireless voice and video data over fiber at 5G speeds. And soon, many of us will be looking forward to retirement. But something is missing. Look deeper into the people staffing the U.S. carrier booths and attending the cocktail hours at these trade shows and there's not a lot of fresh faces in the crowd...there's no one here to take our place.

### THE (GREY) ELEPHANT IN THE ROOM

The greying of the telecom sales force is an unspoken truth in the U.S. carrier industry. Nobody is openly discussing it, (we're hoping this is a start), but you're not the only one who's noticed. The vast majority of industry knowledge and expertise lies in executives nearing the end of their careers. The issue extends beyond network technology and architecture knowledge to encompass things like interpersonal relationships and maintaining contacts with key customers and competitors, understanding and employing best sales practices, knowing whom to ask when questions arise, and which players are the best fit for the team. There doesn't seem to be a next generation of educated carrier sales executives waiting to take over when we leave. Who is going to step up? How do U.S. carriers meet the challenge of brain drain, of not passing on the knowledge as older executives retire?

Part of the problem is self-inflicted. There's not a lot of time or budget allocated to get new carrier sales reps up to speed. Open sales spots are so precious that they are usually filled by more experienced individuals who can hit the ground running, perhaps someone poached from a competitor. The company cannot afford to have less seasoned people in the role, so where does that leave us with regard to continuity?

For the few slots filled by junior sales representatives or recent college graduates, they are usually sent to a few weeks of new hire sales training before being given a quota and told to hit the streets. They have little or no industry background and cannot participate in the banter of seasoned reps' technical conversations. They may be classically trained in how to sell, but they are marketing products and services for an infrastructure that already exists. Freshmen sales reps may not know how or why the network was designed a certain way, or the best carriers to partner with for a specific customer or to reach a specific market. They need access to senior people who built the network to absorb their knowledge as well as to teach them how to work the room at the next ITW or PTC conference. But there is so much pressure to make the numbers that little time is left for mentoring.

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### THE RACE TO ZERO

Another issue is compensation. We are increasingly selling larger and larger blocks of bandwidth and infinitely more powerful circuits at lower and lower costs. There was a time when a successful wholesale telecom sales rep could consistently make more money than a sales manager. However, as the race to zero (exponentially greater capacity and bandwidth at inversely lower cost) intensifies for what essentially has become a commodity product—connectivity—there is little incentive for candidates to join a high pressure, low reward industry. The deals have to be bigger to generate the commissions of yesterday. As a result, there are fewer graduates pledging our little fraternity as they opt instead for more glamorous positions at high profile cloud companies, yet we need fresh, energetic players on the team.

## MEANWHILE, ACROSS THE POND...

It appears by observation that international-based carriers are working hard today to ensure both technical knowledge and business relationship building skills are passed on to the executives who will take over tomorrow.

At these same trade shows, the stark contrast in approaches to continuity is obvious for the casual observer to see. Tenured executives have junior sales reps shadowing their every move, absorbing technical knowledge while soaking in the culture of their organization and learning about those of potential partner carriers and competitors.

During the day they staff trade show booths, sit in on sales meetings, assist with details, and observe best practices (and golf swings) of seasoned professionals. In the evening, they tag along at social events, make introductions, watch how to work the room at conference happy hours, and see first-hand how business gets done by their mentors.

While we cannot know the specifics of their compensation packages, it is apparent that international carriers are making long-term investments in next-generation personnel to ensure continuity not just in technology, but in human assets and expertise as well. They are treated more like project managers and incentivized with bonuses to take the focus off commissions. Somehow, they have found a way to relieve the pressure of making quota today in favor of a smoother transition to tomorrow. Perhaps it has something to do with the perception that international companies' long-term growth strategies look 25 or 50 years into the future, whereas American companies typically consider three to five years as a long-range planning window. In the U.S., the emphasis is always on “how do we sell more today?”

So, what is the U.S. telecom carrier space going to do about this phenomenon? How do we bridge the gap, protect what we have built, and ensure the integrity of the industry going forward?



While U.S. carriers may have home field advantage today, a shift in the source of expertise could change the balance of power and allow international carriers to win domestic customers starting five, ten or fifteen years from now. If future network management is virtual, or if the network itself is software-defined, geographic location of carrier operations becomes irrelevant, placing the emphasis on quality of service and personal relationships. This may put U.S. carriers staying the present course at a real disadvantage. Not investing in new talent to learn the carrier business before throwing them to the quota wolves is a strategy for long-term failure. Rather, U.S. carriers need to emulate the behavior of their international counterparts, developing mentorship programs that transfer years of knowledge and experience to the next generation of business leaders who will make the deals of tomorrow. Those who ignore this coming reality are courting peril.



## BUILDING THE NEXT PLEDGE CLASS

We have established that investing in fresh sales talent is imperative to ensure business continuity in the U.S. wholesale carrier space, not just in terms of passing along technical knowledge, but in building and maintaining critical business relationships. The question is, How?

It all boils down to the fact that most of us have been doing what we do for so long that for us, the technical side of the job is almost automatic. Today, it's all about relationships and we've got those down pat. We need to take the next generation under our collective wing, build the bridges, make the introductions, and manage the transitions that will keep those relationships going long after we're gone.

One possible answer is to shift the freshman rep's priority away from filling quotas in the short term. Perhaps for the first six to twelve months a junior sales rep is placed on salary and paired with a senior executive to learn the business in a mentoring program, or management temporarily allows teams

to roll up quotas and cover recent new hires. Here at Wave, our new Associate Program is designed to take the pressure off new team members while they learn the business. It's a start.

Where do these candidates come from? One idea is to draft top performers from the Enterprise or Small Business sales channels who have a baseline of industry experience and offer cross training to groom them for transition to carrier sales. Allow them to sit in on a few weekly internal sales team meetings or tag along at the next ITW to gauge interest.

Is there a way to change the way sales reps are incentivized, or modify the commission-driven compensation structure to make joining the carrier team more attractive? How can we entice new talent at major cloud players and data centers to migrate to the telecom space? We've got to find ways to draw new pledges to the fraternity, or we may risk losing customers to international carriers that are more committed to investing in the next generation of carrier sales talent.

## KEEP THE CONVERSATION GOING



At Wave, we're taking steps internally to maintain high quality service for our partners and customers well into the future, but we recognize the conversation is just beginning. As an industry, we need to begin looking at wholesale changes in how we recruit, compensate, and mentor upcoming talent to minimize turnover and ensure the long-term success of the U.S. carrier community. We can't kick this can down the road indefinitely; the clock is ticking. We certainly don't have all

the answers, but we do need to start talking about it openly. What other ideas do you have to solve for this problem? What programs have your company implemented to combat brain drain? We'd love to hear your suggestions for transferring and preserving the knowledge to help put U.S. carriers on equal footing. Send us a note at [carrier@wavebusiness.com](mailto:carrier@wavebusiness.com) to keep the conversation going.



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