9 Metrics for Measuring Sales Force Effectiveness

WHITE PAPER

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9

Metrics for Measuring Sales Force Effectiveness

Introduction

Sales Executive Council research has proven that organizations can increase their revenue by 19% if they focus on improving how their salespeople interact with prospects and customers. Most companies struggle to effectively coach their salespeople on how to handle these interactions. Specifically, senior sales leaders find it difficult to define, capture, report on, and therefore use the powerful data that can be obtained using sales coaching metrics. Hence, in many instances those coaching metrics are bolted on as an afterthought or overlooked altogether.

As a result, these executives have no way of:
- Knowing what coaches ought to be teaching and what salespeople ought to be learning.
- Tracking what coaches are teaching and what salespeople are learning.
- Measuring the results of coaching and identifying who is advancing and who is not.
- Knowing which training initiatives to invest more in.

This lack of information keeps the 19% boost in revenue out of reach.

This white paper helps senior sales leaders examine the impact sales coaching metrics can have on revenue and how certain IT tools can help them utilize those metrics. In the end, you will leave with a clear, bottom-line understanding of why sales coaching metrics must be used within your organization and cannot be an afterthought.

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Is There Really a Pot of Gold at the End of the Rainbow?

As world-acclaimed sales force effectiveness and best practice experts, the Sales Executive Council has proven that a 19% increase in sales is possible by improving your field force's interactions with customers.

This figure is rarely questioned. It was derived from a market survey of many leading companies and their sales employees. It leaves you prone to believe that somebody, somewhere actually achieved a 19% increase (and maybe on multiple occasions).

For the disbelievers among you, I can say this number is accurate. I have witnessed this level of improvement. It doesn't happen by accident, fluke, or some creative accounting method. And it doesn't happen by coaching alone.

From our experiences, a 19% improvement in sales through better customer interactions happens when the organization follows a clear, concise, and proven tracking and monitoring methodology that is completely integrated into their new coaching initiative.

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Why Coaching Has Earned the Right to Be Taken Seriously

Over the last decade, organizations have quite rightly devoted time and resources into core-process control systems such as Siebel and SAP-powered CRMs and financials. These monitoring and controls were obviously a key priority as they provided savings of millions if not billions of dollars. Meanwhile, the science of coaching languished in the shadows, an acknowledged, but in the main, neglected relative of its peers.

The current economic downturn and subsequent downsizing have prompted sales leaders to search for new ways to reach increasing sales targets with shrinking field forces. Their attention has turned to coaching.

With success stories of increased performance abounding - specifically attributed to the better coaching of employees—coaching has lost the mantle of "poor relative" and finally come of age.

If we are to increase our sales through improved coaching, we have specific work to do.
We need to:

- Separate and identify the elements of sales force coaching that make a tangible difference.
- Track and monitor each step of the coaching process to observe it in full detail, especially to see where we fall short.

Overall, we need to define the process and then transform that process into a science. With science comes metrics. With metrics comes greater understanding. And eventually the mists start to clear, and our decisions become so much easier.

9

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9 Crucial Coaching Metrics that You Need to Know

Let's get specific about the metrics at your organization. Carefully and honestly answer the following questions if you can. They will help you see the gap between how much you currently know about your sales coaching program's performance and how much you could know.

Metric 1

Are managers correctly using and implementing the organization's coaching and/or sales model on every call?

Benefit: You would be surprised at how soon all the training around the new model is lost in the field without constant re-enforcement and follow-up.

Metric 2

What are the top three skills currently being coached in the field this month?

Benefit: Are the skills that are being coached on really the ones that make a difference?

Metric 3

What are the three weakest skills currently exhibited by representatives across teams, and nationally?

Benefit: Once this metric is clear, training spend can be better targeted to the appropriate areas.

Metric 4

How is improvement tracked, measured, and communicated, and how regularly?

Benefit: Take the industry standard metric of “manager days in the field” to the next level by looking at progression and quality of coaching given during those days.

Metric 5

How is the consistency of coaching tracked across time?

Benefit: Inconsistency in coaching is one of the key reasons for lack of development. The representative becomes confused and de-motivated.

9 Metrics for Measuring Sales Force Effectiveness

Metric 6

How much time is taken between the field ride and the final documenting of the coaching report and development plan?

Benefit: For maximum effectiveness the feedback and resulting development plan need to be delivered and captured for both parties as near on the day or very soon after.

Metric 7

What are the three strongest skills being exhibited by representatives across teams, and nationally?

Benefit: Trend identification may require further analysis when unexpected patterns emerge leading to greater understanding of developmental needs in particular teams or regions.

Metric 8

How many representatives have had zero coaching input for the last two months?

Benefit: The development plan for the representative is only of any use if both manager and representative are referring to it consistently and regularly to implement the agreed plan.

Metric 9

How is the representative's self-perception in their mastery of key skills compared to their manager's?

Benefit: By tracking rep self-assessments the manager can prepare better for the day and be ready for difficult conversations at the end of the field ride when rep and manager perceptions are not aligned.

(If you don't already know the answers to these questions, it's okay. It would be unusual for most organizations to have all of these answers even after a week of data compiling - let alone at the push of a button. These questions are here to cast a light on how much more you could know.)

9

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The Power of Metrics

The most commonly tracked metric (if any) is the number of days a manager normally spends in the field "coaching" against a recommended or mandatory percentage of working time. Focusing on that number alone is woefully insufficient and will not go far towards achieving the sought after 20% sales uplift.

Einstein stated the definition of insanity is, "Doing the same thing over and over again and expecting different results." Einstein had it wrong. The real definition of insanity is, "Doing something new, watching it fail miserably, and being unable to retrace the steps to find and correct the cause of the failure." In other words, we need to measure all aspects of our implementation as the new shoots of our coaching culture start to peer from the earth. Along the way, we may need to add supports, nutrients, and sometimes even prune heavily here and there to keep it growing healthily in the right direction.

For a real change to take place you need to capture all of the data relevant to the questions listed in this section. You need the ability to track this data simply and easily as it's created (in the field) as well as the ability to retrieve this information in a summarized and logical format at will.

Then and only then will you begin to gain full visibility of the facts you need to make the necessary, impactful, and knowledgeable adjustments to your sales coaching regimen.

9

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5 Common Barriers to Implementing Coaching Metrics

Barrier 1 - "Ratings are too subjective; every manager has their own view."
You can minimize subjectivity through continued peer reviews and base lining at regional meetings and clear interpretation of the ratings and their underlying components.

Barrier 2 - "Our managers are too busy to do more work."
Our feedback to date from successful managers in the field states that the new process and tool makes their job easier. Obviously there will always be the handful that have had an easy life doing coaching "their" way who will see metrics as yet another "big brother" methodology, but these too will be convinced once they see the positive results.

Barrier 3 - "I don't want to argue with my representative over being a "2" or a "3" in a particular skill due to semantics."
Every rating level for each of the assessed skills need to be defined in a clear and understandable way so that behavioral progression from one level to the next is visible and demonstrable and free from ambiguity.

Barrier 4 - "Skill ratings will conflict with performance reviews."
Align coaching and performance review rating scales as much as possible. Provide your managers with clear training to communicate the goals of their coaching efforts. They should be able to explain to the representative exactly how the ratings they give in field visits contribute to reps overall annual performance reviews. This is particularly important when you consider that most annual reviews are based solely on meeting sales targets.

Barrier 5 - "We cannot decide on the coaching skills that we want to rate against."
There are many ways of doing this, ranging from adapting existing in-house materials to enlisting the assistance of industrial psychologists to interviewing your top performers. Better to assess against a skill base that is not yet 100% accurate, but can be adapted over time, than to do nothing.

9

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Rubbish In, Rubbish Out

An organization cannot simply develop trustworthy metrics. It needs a foundation of detailed, consistent, and accurate data to pull from. Where is the benefit in knowing that all your managers are hitting their 65%-per-month target of time spent in the field coaching without being able to define how they are coaching and what skills they are coaching on?

Without more meat on the bone, the metrics waste time and money and paint a sliver of the full picture. The reports they produce actually cloud the vision necessary to create solid action plans.

The key elements in the foundations for trustworthy metrics are:

1. **Benchmark the current weaknesses in your sales process and sales skills profiles.**
2. **Gain executive sponsorship with a detailed business case for change.**
3. **Identify the specific selling skills and activities that separate high performers from average performers.**
4. **Provide sales training to build the skills required in today's market place.**
5. **Empower line managers to be effective and objective coaches.**
6. **Ensure user-friendly, automated, data-capture and reporting tools are in place for field usage.**
7. **Take remedial action based on monthly Key Performance Indicator (KPI) reports (now that you have a complete picture of your field coaching effectiveness).**

These steps are sequential. Clearly define and apply each step before moving on to the next. Problems will arise if the steps are rushed, modified, or missed. Gaps or holes in the process will lead to sketchy outcomes, unreliable data, and unpredictable sales uplift at best.

9

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12 Months to Somewhere... or Nowhere?

Let's take a more detailed look at all this through an example of two similar companies with identical goals but varying implementations and IT tools...

Company A and Company B both have approximately 600 field representatives and 60 managers. Their sales training departments have worked on introducing a new coaching program for the last nine months. They have worked on identifying psychographics, creating new content, plotting workshop agendas, reviewing coaching and sales models, and designing training.

Monday is the "Go Live" day. Everything looks great.

You may think all this makes the right recipe for success. However, there is one fundamental difference: Company B decided to track their new program using existing technology from internal IT. They had been assured it would be very robust and the field team would have no new, steep learning curves utilizing MS Excel and Word.

Company A, on the other hand, had gone down a more rigorous evaluation of automated solutions and had opted for an IT solution that would allow their Field Force to seamlessly share data and metrics both off- and on-line. Plus, it would provide rolled-up reporting at all levels of the organization.

Let's see how they both fared...

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Month 1

Company A - The Right Way

On the last day of each month reports were auto-generated from the coaching system and e-mailed to relevant managers, directors, and senior leadership.
Reports showed rolled-up data for 1st line and 2nd line managers and senior leadership, including;

- Reps progression over time
- Skills coached by rep
- Individual reps ratings vs. team ratings
- Time spent in field by managers
- Team vs. team ratings and progression
- Lowest and weakest skill areas
- Coaching time by 1st & 2nd line managers
- Strengths and weaknesses by region

Company B - The Wrong Way

Pat is an Excel worksheet extraordinaire who the senior sales team tasked with compiling all new field data from the coaching spreadsheets.

Month 3

Company A - The Right Way

Company B - The Wrong Way

Pat requested all 60 managers submit spreadsheets of coaching reports for each of their 10-representative teams for the last 3 months. Pat received 1800+ spreadsheets.

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Month 4

Company A - The Right Way

Trends start to appear and it was noted that most managers were coaching on "Product Knowledge." However, across the board, it was agreed that "Closing" should be the focus for the forthcoming three months. A clear directive went out from the head of sales to change the coaching focus.

The data showed that 25% of managers had not truly understood the new coaching model (despite hitting "coaching days"). As a result, additional training was scheduled.

Company B - The Wrong Way

Pat finally tackled the spreadsheets and calculated that 48 were missing and that there was a total average-coaching-day figure of 32 days per month for 15 managers.

Senior leadership was notified but, so much time had passed since the request was made, that it was not a current priority and was left unaddressed.

Month 5

Company A - The Right Way

Managers' "Days in Field" initially took a drop as in the old system managers had been able to enter days on a "trust" basis or log two days when coaching two reps on a one day visit. After the anomaly was identified, the rules of "days in field" were clearly communicated and a steady rise ensued that each day could be clearly traced back to a representative and the actions of that day were easily viewable.

Company B - The Wrong Way

Pat becomes the nominated compiler of the coaching form data and commits to doing it that month... A senior leader stands up and presents Pat’s compiled data at a sales conference and, embarrassingly, is told publicly that the figures do not add up... The managers get irritated with Pat's monthly requests and ignore them if possible.

9

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Month 6

Company A - The Right Way

Metrics showed that the Field Ride reports were not being finalized for an average of three weeks. This gap is too long to prove effective and reliable, and a "24-hour after-ride" rule was implemented.

Managers and senior leadership saw the power of the new metrics and began to utilize them more.

Company B - The Wrong Way

Mid-year figures are released without a noticeable sales improvement. Senior leaders are confused with the lack of the promised sales increase and ask why the promised results are not transpiring...

There is a new product launch. Pat makes three requests for spreadsheets and receives 20%.

Month 7

Company A - The Right Way

Mid-year sales figures are released and show medium growth in 3 out of 4 areas and extraordinary growth in the fourth region. The director in the fourth analyzes the coaching data in-depth for two hours with every manager at monthly meetings. A directive is sent that other regions should follow this example.

Sales people see actual improvement in their performance due to consistent feedback from their manager’s data.

Managers embrace the positive wave of change as the coaching metrics now start to become an integral conversation point in field meetings and it’s no longer just about the "sales" alone.

Company B - The Wrong Way

Due to the new product launch, managers have to focus on sales and Pat is told not to send any more reminders during this busy time.

Senior leadership receives a 20% data sample which shows decreases in field coaching time from last quarter’s report and some inexplicable figures.

The news goes from bad to worse.

9

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Month 9

Company A - The Right Way

Senior leadership looks forward to the monthly emails containing the concise information they need to manage the business.

The $300,000 originally planned for a national training program on "pre-call planning" was diverted to a "closing" course after reports showed that pre-call planning was already the most competent skill across the field force.

The head of sales sees that one region is ignoring the directive to focus on "closing" and calls a meeting to discover the source of the disconnect.

Company B - The Wrong Way

The senior leadership team got tired of asking for reports that would always be out of date, late, and inaccurate.

When they stopped asking for the reports, the regional directors stopped checking them too—heaven knows they had enough on their plates without more info to digest if they weren't to get a grilling over it.

Month 12

Company A - The Right Way

New-hire training is adjusted to focus more development on two recurring skills that seem to be consistently weak in all regions.

Additional workshops and training material is prepared for the existing teams.

Coaching metrics are now embedded in the organization and have become an integral part of the Field Force's key performance indicators.

Company B - The Wrong Way

A funny thing happened this month—nothing and nobody noticed!

9

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Summary

From this example, you can see the consequences of coaching without detailed metrics. It serves as your monitoring and warning mechanism. Without it, the entire objective of sales coaching can be totally trashed when all it may have needed was gentle massaging in specific areas based on clear, concise KPI data from a field-accessible, on-line data capture system.

As you have seen, two companies can either derive great or insignificant benefits from the same initial program. It just depends upon the availability, reliability, and integrity of the data and leadership's ability to understand and act on that data.

In our experience, a "business" sponsor will agree to throw hundreds of thousands of dollars at implementing a new coaching strategy and then append some simplistic and unwieldy tracking of the program as an afterthought.

Time and time again the question is asked, "Why did we spend all that money and not get the required results?" And time and time again a host of bemused faces blankly look at each other without a firm or fixed metric on which to hang any possible resolution, and, unfortunately, so the loop continues.

Remember all the work that you put into the creation and content of the program can fail utterly and without mercy upon implementation. You must put your hand firmly on the pulse until the new process becomes a natural and everyday occurrence.

Coaching programs fail during implementation for many reasons. The good news is that all of the reasons are extremely visible and curable if you apply the ultra-violet light of coaching metrics at an early stage and know how to read the results.

9 Metrics for Measuring Sales Force Effectiveness

About the Author:

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Overseeing offices in both the US and UK, Simon is recognised as a leading expert in Field Force Coaching and Cloud to mobile business application development and has over 20 years experience of implementing solutions for global corporations.

Simon works with Pharmaceutical, Biotech, Media, Technology, and Financial organizations and partners with leading authorities on Sales Coaching Models, Sales Training and Field Force Effectiveness. Simon has helped shape the sales and coaching strategy of major corporations and enabled organizations to manage the processes and programs which drive field force selection, promotion and advancement.

About Atomus

Atomus create software and mobile applications for businesses on the move. Atomus harness the power of "Cloud Technology" for their clients and use their unique in-house development skills to create and deliver business changing software. Atomus work with leading Pharmaceutical, Biotech, Media and Financial Organizations.

The "a:coach" field force coaching tool has been developed by Atomus over 10 years with input from leading experts and demanding global companies who understand the need to focus on improving customer interactions, deliver "on-brand" behaviors and enhance retention and pull through across their teams. a:coach is a powerful tool to launch, grow or re-invigorate a coaching culture.

Find out more about a:coach at www.acoach.net

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