

Case Study: Pharmaceutical Company

BUSINESS PAIN

A major pharmaceutical company was concerned about the variability in sales results between districts and regions. They had some regions that consistently exceeded quota and some that consistently fell short, even though the quotas took into account the differences in the major payer policies, different physician populations and different patient demographics. They believed that the sales reps simply needed to make more calls or to more closely follow the scripted sales messages developed by marketing.

ACTUAL BUSINESS REQUEST

The VP Sales asked for an evaluation of the sales training curriculum to determine what should be added or changed to improve the area's ability to accurately forecast sales and achieve quota. After discussion, the VP Sales agreed to step back and evaluate the performance differences between the best areas and regions and those not performing well. The project outcome was then defined as a list of specific, actionable steps that could be taken to improve the performance of the average sales reps.

PROJECT RESPONSE

A Performance Analysis comparing 2 top performing areas and 2 average regions. The regions were chosen by the VP Sales based on 2 key metrics:

- Consistently meeting quota
- Consistently achieving sales close to those forecast

The 2 person project team spent 2 weeks interviewing and doing ride-alongs with sales reps and area business managers from each of the 4 chosen areas. The team conducted stakeholder interviews with the VP Sales, VP Marketing and the Director of Sales Training. The team also evaluated the current training curriculum, sales reports, and the sales model.

KEY FINDINGS

The project team found that top-performing reps essentially were focusing on a different list of outcomes than average performing reps. They thought about their work and measured their progress differently. For example, the sales process focused on a total office call. However, average reps considered this task achieved when they simply spoke to or acknowledged each person in the office. Top performing sales reps instead sought to develop what they termed "office advocates." An office advocate was someone who acted as a proxy for the sales rep in between visits including noting particular conversations,

objections, and concerns that the rep should hear about and handle during their next visit.

In total, 7 specific job outcomes were identified that directly contributed to sales rep success in both achieving and being able to accurately forecast sales results. Top performers typically achieved 6 of them consistently; average performers typically achieved 3 of those outcomes.

RECOMMENDATIONS

Training: The new hire and follow-on training courses were re-organized to emphasize the 7 job outcomes.

Coaching: Performance-oriented coaching guides were developed to help the area managers "coach for success."

Metrics: Sales activity reports were revised to reflect achieving the 7 outcomes.

The underlying premise of the recommendations was to have a consistent approach to training, developing and measuring those job outcomes that were most predictive of success.

AT A GLANCE:

Direct results:

- Product sales in average territories increased by 12%.
- Product sales in top performing territories also improved, but only by 3 %.
- Forecast accuracy improved to within the tolerance desired by the VP Sales and VP Marketing.

Other benefits:

- The time required for a newly hired to begin consistently achieving quota was reduced by 3 months.
- Sales rep turnover was reduced. Surveys with both sales reps and area managers indicated this was a result of higher job satisfaction from reps and managers being more aligned

FOR MORE INFORMATION

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