GPStrategies®

Role Excellence Profile™
Driving Business Results Through Role Excellence

Selling Power recently published an article (<u>Winning Formula</u>, by Barry Winer and Gerhard Gschwandtner) based on research from the Sales Executive Council (SEC), discussing how to "shift the performance curve" in sales organizations. The article described the topic as "a decidedly new lens" for focusing our time and investment to improve sales results.

The purpose of this article is to outline a structured approach to implementing this new lens and to illustrate sample business results that have been achieved in the field.

The essential core of the approach advocated by the SEC is to determine what stars do that makes them stars. What are the "exportable" things that stars do that average, or core performers, can replicate?

As Winer and Gschwandtner state:

> …modeling high performer behavior as a blueprint for improving the core proves challenging for three reasons
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> First, top performers are often unaware of the behaviors that lead to their success.
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> …Second, it is a difficult and time-consuming task to isolate true success drivers.
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> …Finally, even if the disciplines identified are correct, transferring them meaningfully requires a very different take on improving skills and sales process than exists in most companies.

This article addresses each of these challenges with a practical approach to overcoming them. The goal, of course, is to enable business leaders and executives to achieve dramatic improvement in business results, whether the focus is on sales or operations.

Before addressing these three challenges, it is first necessary to address one challenge left unspoken, namely, identifying the stars in the first place. While it may seem obvious who the stars are, it's never as easy as it first seems. In our work with various organizations in multiple industries and across product and service lines, this question has often proven difficult. Is it those individuals who exceed quota by the largest percentage? Those who have the most predictable success in their role? Those who have the most valuable breadth of experience? Those who are the most sought after for advice? Those with the highest customer satisfaction?

All of those are possible candidates and leads to the first step in the process: Stakeholder Analysis.

Stakeholder Analysis is simply going first to the various stakeholders affected by people in the role and eliciting from them what measures matter most to them and the rest of the business. In other words, clearly define what performance should be replicated. GP Strategies® has been involved in projects where the answers were not as obvious as we initially thought. For example, the stakeholders of one global strategic sales group, when pushed, told us that what they really wanted to replicate was sales teams who could accurately forecast exactly which deals would close when. Their core issue was market share predictability. Another wanted sales reps who had broad coverage of all possible customers in their territory rather than those who exceeded quota with just a handful of deep relationships.

Once you're clear on what star performance looks like, then you can select those individuals or teams that are most consistently producing those desired results. This brings up a complication.

Rarely is there a single star consistently producing all of the desired results. Often, one person has the best customer relationships, another team has the best close rate, another achieved the fastest new product penetration, etc. So we are usually looking for a composite star "performer." At one catalog-based telesales firm, there were 10 people who together achieved all desired metrics.

Once the selection process is complete, then Performer Analysis starts. Performer Analysis is a structured combination of interviews, observations, and analyses of people and teams.

The first challenge mentioned above is that stars are unaware of what makes them stars. Exactly. One of the defining characteristics of expertise is that it's usually unconscious.

The key to unlocking that hidden expertise is to focus on what accomplishments, or outputs of value, most contribute to the success of the star. Most stars can't tell what they do, but they can, through interviews and observations, discuss what accomplishments they try to produce. Uncovering those accomplishments is the key to understanding star performance. They often use different metrics than the ones management provides, that is, management's metrics are seen by stars as lagging indicators. For example, quota may be a lagging indicator for developing internal customer advocates for your product or service.

As an example of this "unconscious expertise," the star team in one organization used a unique template to negotiate success criteria for pilot installations of their product. The star team thought what they were doing was so obvious that they were unaware that other teams had not developed the same criteria. But during the interviews, they talked about the resulting success criteria agreement as a significant accomplishment. And it was. Their success rate with pilot installations was substantially better than other teams.

Once those key accomplishments are defined, the processes and tasks that produce those accomplishments are mapped. Then it is time to determine those factors, such as skills, knowledge, motivation, and information, that most influence individual performers consistently producing those accomplishments with exceptional results.

This brings us to the second challenge: isolating the true success factors. Despite the mystery surrounding stars, people and teams perform at star levels because of specific, identifiable factors. Some of those factors might be personality characteristics, but most are attributable either to process differences or to individual tools and techniques.

A structured observation and interview process will uncover those factors.

Using a model pioneered by Thomas Gilbert (data: Harold Stolovitch and Erica Keeps), you can see that most of the underlying causes or factors that define star performance can be grouped into the following categories. Notice that training, the one solution most often used, is rarely the most important factor.

Environmental Factors	Information	Resources	Incentive/ Consequences
75%	35%	26%	14%
Individual Factors	Knowledge and Skills	Capacity	Motivation
25%	11%	8%	6%

INFORMATION:
Does the performer have ready access to all data needed to perform?
Is just the right amount of data provided in a usable manner?

RESOURCES:
Are the right tools, equipment, and supplies available?
Is adequate assistance from other team members or management provided when and where needed?

INCENTIVES:
Are employees rewarded for doing things that lead to better performance?
Is feedback provided relevant to the task at hand?

KNOWLEDGE:
Does the performer know how to perform the job?
Is training provided that matches the work?

CAPACITY:
Does the performer have the basic literacy, physical skills, or attributes needed to be successful?

MOTIVATION:
Are there things in the workplace that either motivate or demotivate the employee?
Are personal and corporate goals aligned?

The Bottom Line

The key to achieving significant performance improvement of an entire work group is to identify those factors most responsible for exceptional performance and then to design and implement appropriate process changes, skill improvements, tools, or other means of transferring those factors to the rest of the workgroup.

As to the third challenge, Winer and Gschwandtner noted some of the problems with implementing training to transfer skills from stars to the rest of the workforce. They are right on target. That's why a training-only approach rarely succeeds. Instead, we strongly advocate a holistic approach that considers all systemic factors that might impact performance. Training must be accompanied by changes in process, management practices, sales metrics, information, and tools. Each part must reinforce the whole in order to achieve the desired change in performance.

And what a powerful change it can be! At the firm mentioned in the example above, they achieved an over 20% increase in add-on sales coupled with a significant improvement in customer satisfaction. A recent high-tech client increased their close rate forecasting accuracy by 10 points.

To reinforce the potential business impact, let's look at a hypothetical example.

Let's take a 50-person sales force with each rep having a quota of $1.5M. Assume the usual distribution of 20% top performers (10) at 125% of quota, 20% lagging (10) at 50%, and the rest average (30) at 85%. You complete a performance-based improvement project as described and implement the key recommendations. The cost of the analysis was $75,000, and the cost of implementing the recommendations was $250,000. As a result, the top performers stay the same; the bottom performers stay the same (not realistic, but let's use it); but the average, or core performers, each improve on their quota performance by only 10% (again a conservative estimate). Here are the results:

	Before	After
Top performer sales	10 reps x $1.5M x 125% = $18,750,000	Same = $18,750,000
Average performer sales	30 reps x $1.5M x 85% = $38,250,000	30 reps x $1.5M x 95% = $42,750,000
Bottom performer sales	0 reps x $1.5M x 50% = $7,500,000	Same = $7,500,000
Total sales results	**$64,500,000**	**= $69,000,000**

So the payoff is $4,500,000 for an investment of under $400,000.

For Further Information

We look forward to discussing with you how our approach can help your organization improve your bottom line business results through focusing on your exemplary performers and teams.

About GP Strategies

GP Strategies is a leading workforce transformation partner—one of the few truly dedicated global providers in the marketplace providing custom solutions. We believe our transformation focus, when paired with deep listening, a customer-centric approach, and innovative expertise, enables our clients to routinely achieve superior business and operational results from our evidence-driven and technology agnostic recommendations.

Whether your business success requires a change in employee performance and mindsets, learning technologies, or critical processes, GP Strategies is the transformation partner you can trust.