

Sales Performance Measurement – Essential for Sales Effectiveness

Dave Stein, CEO, ES Research

Al Case, Senior Fellow, ES Research

Tom Roth, President, Wilson Learning Americas

Steve Callender, Sr Consultant, Wilson Learning Americas



Purpose – Process – Payoff

- Purpose – Review research on sales effectiveness & performance measurement, and a case study
- Process
 - ES Research - measuring sales performance improvement
 - Case study – Avnet
 - Q&A / Discussion
- Payoff – Know at least one good way to measure sales performance improvement

You might be wondering...



- Who are these guys?
- How complicated is sales performance measurement?
- How might sales performance measurement work in *my* world?
- Will this be an hour well-spent?

Who are these guys?



Dave Stein, CEO and Founder of ES Research, has consulted across the field of sales effectiveness and raised the need for performance measurement as the primary issue of 2007



Tom Roth, President, Wilson Learning, sets measuring performance improvement as a strategic priority



Al Case, Sr Fellow at ES Research, conducted the survey on performance measurement and wrote the new process standard for measuring sales performance



Steve Callender, Sr Consultant for Impact Evaluation, has led Wilson Learning Americas' efforts at measuring performance improvement in client organizations for several years

ES Research Group, Inc.

Dave Stein, CEO and Founder
&
Al Case, Principal Analyst & Research Fellow

www.ESResearch.com

ES Research Group, Inc.

- Independent research and advisory firm that covers the sales performance improvement industry.
- We found that sales lags other functions within corporations with regard to process and measurement.
- Many companies (and sales training providers) have been unable to attach an ROI to sales performance improvement initiatives or other interventions.
- ESR proves that measurement approaches used for investments in IT and other areas work in sales.
- ESR establishes certification program for sales performance improvement providers.

ESR's Research on Sales Performance Measurement

- Combination of surveys and in-depth interviews
- Respondents:
 - Sales Operations
 - Sales Training Managers
 - CSOs
- Results:
 - 99% do something (including smile-sheets)
 - Only 40% have some kind of formal measurement method resulting from an intervention

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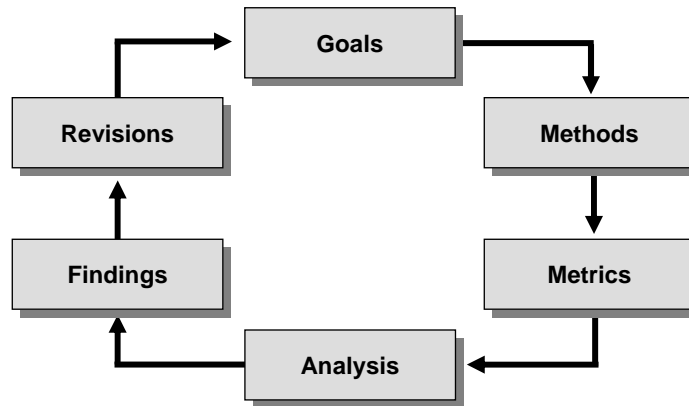
Implications of Research for Sales Effectiveness

- "You cannot manage what you cannot measure."
 - Peter Drucker
- Cannot measure if too complex!
- "The Hawthorne Effect"
 - Sticky performance improvement
- "Miller's Magic Number"

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ESR Approach



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Avnet Case Study – Integrated Sales Performance Improvement

- Avnet – Early work
- Sales Performance Improvement efforts – not just sales training
 - Needs assessment => Customization
 - Field Managers as Coaches
 - Avnet Reinforcement Guide
 - Tools
 - Advocates
 - Implemented widely, with support and tools
 - Managers accountable for coaching
- Measurement requested after wide implementation

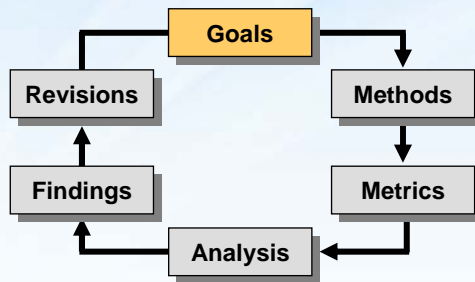
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ESR Approach and Wilson Learning Approach — consistency and simplicity



Translating the process

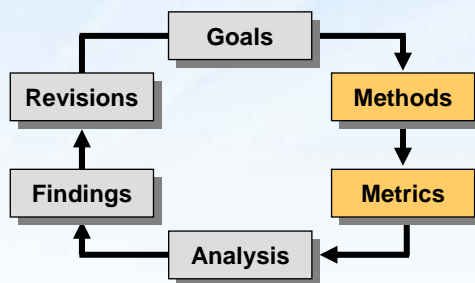


- Clarify
- Identify
- Document
- Evaluate
- Report

ESR Approach and Wilson Learning Approach — consistency and simplicity



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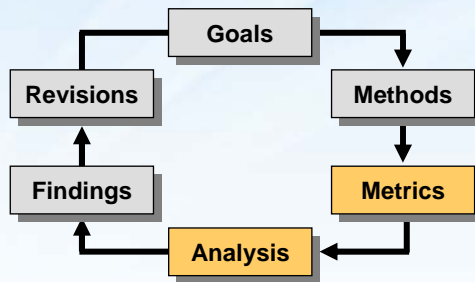


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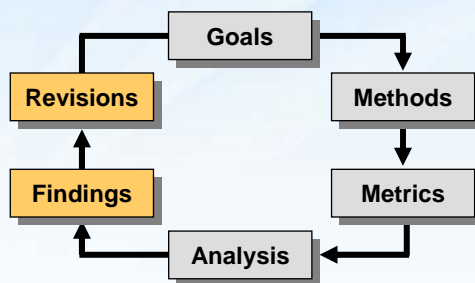


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ESR Approach and Wilson Learning Approach — consistency and simplicity



Translating the process



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Measuring Avnet Sales Performance Improvement C I D E R



- **Clarify** - Looking for
 - Sales using approach
 - Gaps in implementation
- **Identify**
 - Salespeople report on one sale, use of approach
 - Managers reported what they saw
- **Document**
 - Salespeople identified one sale
 - % Attributable to approach versus *all other* factors
 - Salespeople identified which skills used
 - Managers identified which they'd observed in use

Measuring Avnet Sales Performance Improvement C I D E R



- Clarify
- Identify
- Document
- **Evaluate**
 - Web-based, 3-minute Surveys for Reps & Managers
 - Response rate >50%, >300 reps reporting
 - Processing rule – conservative!!
 - Lowest possible attribution
 - Lowest possible dollar amounts
 - Both set to zero if ambiguous

Measuring Avnet Sales Performance Improvement C I D E R



- Clarify
- Identify
- Document
- Evaluate

- Report
 - Kept Avnet updated as results came in (pre-report)
 - Final report identified:
 - Spectrum of attribution, sales amounts
 - Skills most used – and those *under-used*
 - ROI of 3.1 to 1
 - Based conservatively on one reported sale
 - Based on nominal margin, not gross revenue

So What? How did they *use* this?



- Based on results, they
 - Re-emphasized use of planners, protocols, other tools
 - Focused a refresher session for managers on coaching to increase value
 - Re-committed to implement the approach
 - Initiated “Phase 2” program for strategic account teams
 - Continued measuring to ensure continuing results

Thank you for attending!



- Contact info
- ES Research www.ESResearch.com
- Wilson Learning www.wilsonlearning.com
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