

A Case for Diagnosis

Using a Behavioral Skills Diagnostic Instrument to Accelerate Institutionalization of Trained Sales Management Skills

Introduction

That training budgets are slashed during economic downturns is hardly news to anyone. During the recession that the US experienced in the early 2000's, even companies that traditionally place a high priority on investment in human capital were forced to re-examine their strategies.

Chief Learning Officers and HR Executives were challenged to apply greater financial and analytical rigor to staff development investments – to make sure the investments actually fit the organization's business needs and delivered optimal ROI in much the same way that a CIO must justify investment in IT infrastructure.

We began to hear operational executives, generally VP's and SVP's of large sales organizations demand more and better data from which to make investment decisions for staff development. The word most often used was "assessment" to describe what these executives thought they needed.

Early reconnaissance into the training tools marketplace yielded a wide selection of assessment products with strength in two areas: 1) trait-based predictive job fit; and 2) knowledge management platforms for fact testing of product and technical knowledge. But at a time when almost every industry was migrating towards "consultative selling", the issues, and the investment decisions, were really around upgrading of management skills to support the transformation of sales teams. Developmental Sales Coaching is the cornerstone of these kinds of transformations, yet this was an area where we found no behavioral diagnostic to fit the needs of our clients.

Diagnostic Instruments

First off, both trait-based and knowledge-based assessments fit uniquely into the critical path that any company must take to field a best-in-class sales organization. Trait-based diagnostics are predictive instruments designed to insure that newly hired sales professionals "fit" the job before the company invests tens of thousands of dollars in training to properly field them.

However, trait-based assessments are a poor fit when the organization has adopted as its mission: across-the-board improvement of its in-place, perhaps highly tenured, sales force. A quick look at the graphic below describes a key difference between a trait-based predictor and a behavior-based performance diagnostic. The key difference manifests itself in the "what do I do with the results?" question.

The Trait-based predictive instrument will point out a deficit in some personal attribute, such as "inquisitiveness", which by definition (of an attribute), is an innate personality characteristic rather than a learned behavior.

Compare this to a Behavior-based diagnostic which uncovers gaps in learned skills and behaviors that we know are directly linked to business results. Once these gaps are identified, a personalized training intervention can produce significant, near term impact on the manifestation of the skill as a behavior once it is learned and reinforced.

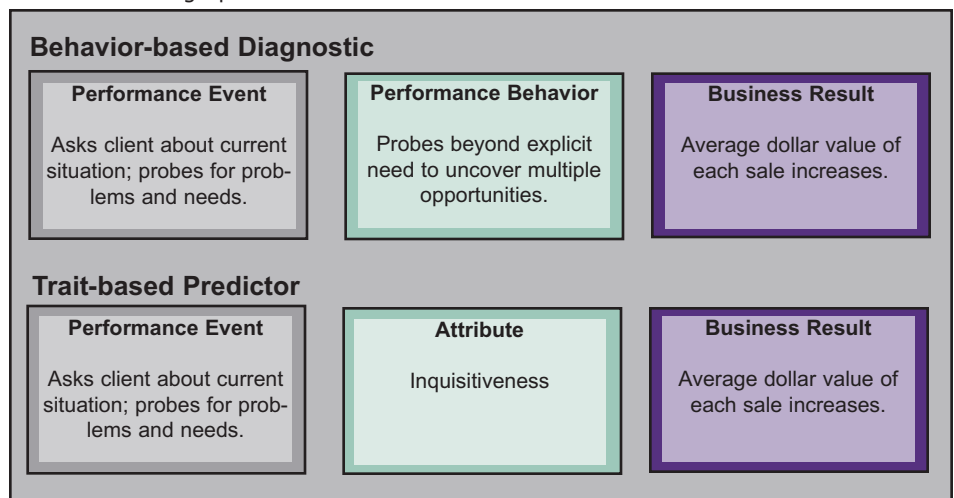
And of course knowledge of management fundamentals, policies and procedures are critical foundations of any successful sales organization. All but a few companies we have worked with over the last 15 years have developed and continue to sharpen testing and training of the knowledge domains critical for success in their target markets. These companies have realized however, that possession of the knowledge of the job doesn't necessarily translate into high performance.

The difference between absolute technical knowledge of the job and the ability of a manager to consistently and skillfully apply that knowledge can be the difference between a marginally performing sales team and a high performing sales team.

Once we had come to these conclusions we sought to develop a behavior-based skills diagnostic instrument that could be applied to in-place, tenured, and generally successful sales management populations to identify performance gaps. While historically focusing on developing instruments that directly related to specific client's performance measures in defined skill areas, the strategic alliance between SkillMeasure™ and Richardson has helped leverage practices across many industries to create best-of-breed models to support the development of new diagnostics.

Through Richardson's 27 years of research and observation of top performers in thousands of organizations world-wide, a wide body of evidence has been documented that shows that certain key skills consistently relate to success in the jobs of sales professionals and sales managers. This body of knowledge is the basis for creation of Developmental Coaching and Consultative Selling Skills Diagnostic instruments.

The following case study is an overview of the application of the Developmental Sales Coaching Diagnostic Instrument developed by Richardson and SkillMeasure.



Case Study - TechCo

The client is a \$25 Billion US-based manufacturer of sophisticated communication infrastructure technology (we'll refer to them as TechCo). The target group for this project includes over 400 front-line sales managers across the North American organization. Although TechCo maintains a market leadership position in terms of share, brand recognition and market capitalization, its market is under pressure to reduce acquisition costs of TechCo's core offerings and make better (and longer) use of its products which are relatively durable.

TechCo's response to this increased pressure on pricing and profits is innovative in its focus on equipping its people with better tools to fight the fight. Contrast this with the conventional wisdom many of its peers and competitors practice which is to emphasize structural cost reductions even at the expense of staff development.

The client embarked on a program sponsored at the highest level of sales operations to develop and deploy a best-in-class skills development program aimed at the one group of people with the greatest potential to effect wholesale organizational change, its front-line sales management population.

Not only does this group of front line sales managers cast a wide leadership shadow in the organization, but it offers the opportunity to act as a force multiplier through its span of control of 7 - 10 direct sales and channel sales professionals.

TechCo's high level evaluation of the improvement of skills and knowledge required to drive the desired change in the organization resulted in a multi-vendor integration effort to develop an intense leadership "boot-camp" type approach to training for the skills that were required.

Once the framework had been established for content of the boot-camp program, the executives responsible for the program began to focus on ways to insure the knowledge, skills and behaviors taught to this group of managers would be used consistently and durably. The team sought ways to personalize the experience in order to make it intensely relevant, and to transfer ownership of the experience from those responsible for delivery to the manager-participants themselves.

In response to TechCo's requirements for personalization and participant

accountability, the Richardson team proposed, for the Developmental Coaching aspect of the boot-camp, an approach based on an initial, individual, skill gap diagnostic administered to each manager in a 180° format. The key elements of this approach included pre-delivery messaging to elevate awareness, a multi-rater feedback instrument that was relevant to TechCo's culture and effective delivery of results to drive engagement of the managers. And, throughout the process, a key guiding principle is the desire to assimilate desired state behaviors into newly institutionalized systems.

Tailoring the Approach to the Culture and Business Needs of the Client

TechCo leverages its cultural anchors of open communication and empowerment to insure the skills taught in the boot-camp sessions become part of each managers' daily routines.

Communication is not only open, but is pervasive in this project. In addition to the initial messaging, senior management offered consistent reinforcement of the need for active participation by the target audience in every aspect of the process.

Messaging

Any assessment or diagnostic instrument will be met with initial feelings of fear and resistance by the group it is intended to help the most. Their greatest fear is that the results of the assessment will be used against them in future performance reviews or job advancement considerations.

Successful messaging begins with cultural acceptance by the organization of some basic tenets that may seem unnatural, but are critical to achieving the desired results. The first requirement is the commitment on the

part of senior management that each individual's results will be completely confidential and will be seen only by that individual.

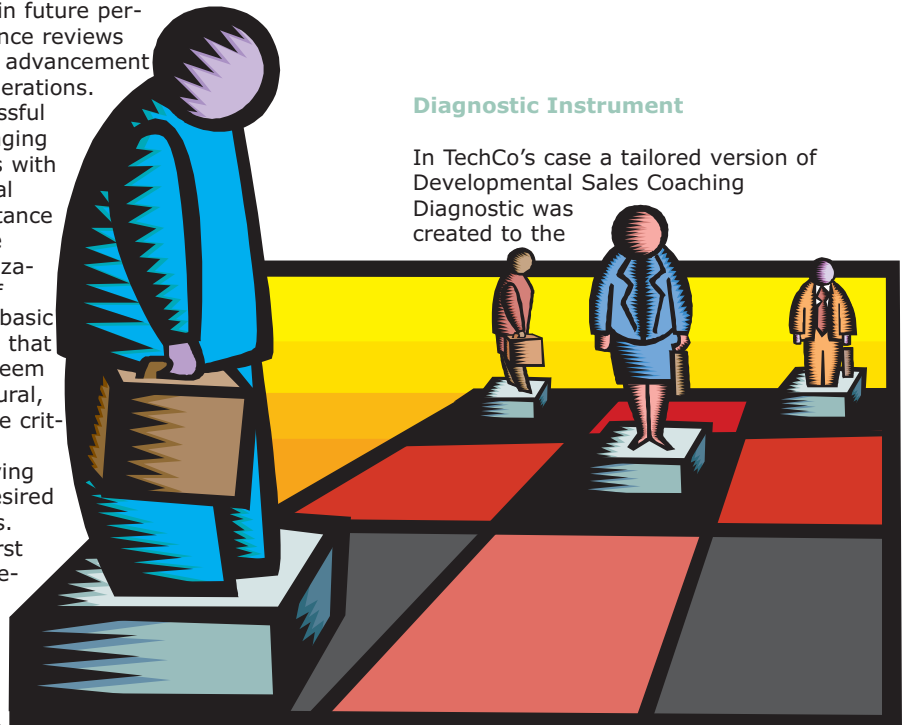
Confidentiality of results has sometimes seemed contradictory to the greater purpose of the exercise to some senior managers we've worked with - until they understand how much more powerful it can be if used by the individual instead of the individual's manager. And, quite honestly, the more typical scenario sees the individual freely sharing the results of the diagnostic with his manager as a basis for what otherwise had become a rather stale activity of scheduled performance reviews.

The second requirement is that senior management is fully engaged in the process, accepts it, and demands participation for the right reasons. A well-worded and heartfelt statement from the SVP of Sales of a company like TechCo commands the attention that not only drives required participation levels, but positions the entire process as a real investment in one's self, rather than a process designed to feed some sort of senior management data collection requirement.

The final requirement of pre-delivery messaging is a combination of good planning and thoughtful design. It is critical to set expectations and to communicate respect for the participants through a communication schedule that is frequent enough to create visibility while being sensitive to the business critical priorities they deal with daily.

Diagnostic Instrument

In TechCo's case a tailored version of Developmental Sales Coaching Diagnostic was created to the



few performance measures that were unique to their culture through a series of pilot, alpha and beta events designed to verify the entire boot-camp process prior to deployment.

While there was never an issue with the scalability of the technology behind the diagnostic instrument, the scope of the full deployment of the boot-camp concept by TechCo caused us to initially stage the deployment to correspond to a rolling class schedule.

Once this process passed its milestone tests, the instrument was cascaded to more than 300 managers and 2,500 of their direct reports simultaneously.

Overall user satisfaction with the process was high due to careful planning, good messaging, and solid communication. The 24/7 support was rarely required but was available to help occasionally as virtually all of the participants were remote and accessing the host servers through a variety of means.

We've learned that another dimension of user satisfaction is the required duration, or "seat time" necessary to complete the diagnostic. Our goal is 30 minutes or less based on feedback from thousands of participants. At TechCo we achieved an average seat time of 27 minutes per participant. And while the diagnostic contains a limited number of questions in order to achieve the target seat time, the behavioral nature of the questions and answers causes the participant to evaluate six discrete situations prior to answering each question.

The feedback loops were also designed to embed the learned skills into the institution. First, the 180 degree design of the Coaching Diagnostic encouraged all of each manager's direct reports to contribute feedback, in both structured design (multiple choice behavioral/situational questions) as well as unstructured design (confidential free form comments and recommendations). Second, the confidential handling of all data collection, results tabulation and reporting by an independent third party contributed to a high degree of honesty in the responses by all participants, vastly improving quality of data versus internally handled surveys. This honesty yielded true reflections, sometimes very eye-opening, of the individual managers' skill profiles in coaching their sales teams.

Results Delivery

There is no better example of empowerment than the transfer of

accountability for learning that took place at the beginning of every Coaching module of the boot-camp training sessions. Imagine a group of managers seated in a traditional classroom setting, waiting for the "lecture" to begin. It is probably not hard to visualize since we've all been there either in the class or leading it. Only in this case, the facilitator distributes each manager's individual confidential Coaching Diagnostic report and leads them through a detailed orientation designed to help them understand it, and more importantly, use it, during the class.

Through this activity, the class instructors saw a true transformation. The "show me" attitude that many participants had brought to the class settings was replaced with a "show me how" desire to learn. The reports became roadmaps for improvement and the classes were the next step in gathering the tools to change behaviors and more effectively coach their teams.

After completion of their boot-camp sessions, each manager shared the results of their Coaching Diagnostic reports with their own Richardson coach in a series of 1:1 coaching interactions designed to reinforce the use of the learned skills, especially in areas where they and their teams had pointed out improvement opportunities.

In order to further institutionalize the new behaviors into the management culture, these Coaching Diagnostic reports are used by the majority of companies who commission them as a cornerstone of the performance management dialogue between line managers and their supervisors. The dialogue that takes place based on the objective measures and multi-rater inputs of these diagnostic tools makes for a meaningful and substantive planning session with clear beginning points for goal setting.

Feedback Mechanisms

Individual Reports

Individual reports contain three views of the data gathered through the 180o feedback process. Each manager's "self" scores are reported along with the aggregate average score from all direct reports on the manager's team. An "Organizational Norm" is also reported that provides comparison data for the manager to view him or herself against the average of peer scores. These three views are provided for each of 28 "performance measures" that make up successful developmental sales coaching at TechCo. Typically a manager will see 4 - 7 areas where his or her score indicates a deficiency either through a

self-score below a certain cut-off proficiency rating, or where the direct reports have rated the manager significantly below the "self" score (20 percentile points or more) in any single performance measure.

Organizational Reports

TechCo will complete its deployment of the Coaching Skills Diagnostic in early 1Q06, after which culturally adapted versions will pre-date leadership boot-camps in the Asia-Pacific rim and Europe. Upon completion of each Business Unit's boot-camp series, an organizational roll-up of data from the diagnostic will be reviewed by senior management and will form the baseline for measurement of the institutionalization of the learned skills. A follow-up version of the diagnostic will be deployed to the same audience in late 3Q06 - not only to be used as a post-training measurement of training effectiveness,



but as a true measure of organizational readiness.

We first saw the power of the consolidated view of the data gathered in these diagnostic instruments during a meeting with the CEO of the US division of a €4 billion European multi-national manufacturer. The Director of Human Resources, our sponsor in the project, had been given the consideration of a 30 minute meeting during which we were to jointly present the organizational findings from the administration of a Skills Diagnostic to 275 sales professionals in North America. Fifteen minutes into the meeting the CEO abruptly left the room to cancel his meetings for the remainder of the afternoon. We then spent the next three hours reviewing every aspect of the consolidated data in detail.

Upon reflection it became clear to us that the consolidated view of the information gathered in these Skills Diagnostics provides senior

management with nothing short of a strategic readiness inventory of the target group of participants. We find this to be especially true in companies that see Customer Intimacy as their strategic differentiator in the marketplace and who rely on their customer facing assets - sales professionals, sales managers and customer service representatives – to create value for their customers.

About Richardson

Richardson (www.richardson.com) is a leading sales training and consulting firm. We accelerate the productivity of sales people by ensuring they have the skills, strategies, and processes to achieve their objectives and implement their organization's strategy. Utilizing our comprehensive curriculum, coaching, and consulting, we help develop the critical skills sales organizations need to win. Our curriculum includes sales, sales management, strategy, negotiations, and service training delivered through seminars, one-on-one and team coaching, and interactive eLearning. Leveraging more than 25 years of seminar and consulting experience, Richardson now offers eLearning Richardson QuickSkills as a flexible, interactive, high-impact eLearning alternative to clients and individuals worldwide.

About SkillMeasure

SkillMeasure (www.skillmeasure.com) is a sales performance consulting firm that helps companies leverage market-facing assets to achieve revenue, profitability and market share objectives. While each client engagement is unique, we leverage a systematic approach to assessment and diagnostic analysis and a robust body of knowledge of best practices to help our clients achieve measurable results against their business objectives in time frames that make business sense. SkillMeasure, LLC is headquartered in Mount Dora (Metropolitan Orlando), Florida.

