

Mentor Group White Paper

Why it's critical to measure the impact of field force effectiveness

CSO Insights has shown that companies that have a mature and effective FFE department deliver significantly stronger sales performance than those that don't.

The benefits of implementing field force effectiveness (FFE) techniques has rarely been in doubt. For every \$1 spent on FFE, an impressive \$10.30 is generated in sales, according to recent research by technology giant IBM. Meanwhile, CSO Insights has shown that companies that have a mature and effective FFE department deliver significantly stronger sales performance than those that don't. So it's no surprise that FFE, which was pioneered in the pharmaceutical industry, is now prevalent across every business sector.

The introduction of sales productivity and enablement tools, such as salesforce.com and other customer relationship management platforms has further boosted the effectiveness of FFE and made it even more popular. But recently cracks have begun to appear in the FFE façade, which seem to be down to poor metrics. Shock statistics from the Aberdeen Group revealed that 65% of FFE projects fail due to the lack of a fully implemented measurement and monitoring programme. One of the areas identified by the report as having the biggest impact was segmentation and focus, with more than 30% of all sales activities focused on the wrong people.

That's a significant waste of resources, and the effects reducing this figure would have on sales performance levels are only too apparent.

The quantitative approach

Quantitative measurement has its place, but should be there to support the other findings, while the focus of FFE systems should more on measuring the selling behaviours and activities.

One factor that appears to be driving this behaviour is the improvement in organisations' ability to measure metrics through dashboards, reports or analytics by focusing attention on quantitative measurement. There is a big difference between knowing how many people made contact with a sales team and how many high quality contacts they received.

Quantitative measurement has its place, but should be there to support the other findings, while the focus of FFE systems should more on measuring the selling behaviours and activities. This, however, presents sales managers with a major challenge, as measuring quality has always been tough and is also, in many cases, in direct conflict with business goals.

For example, gross revenue, achieved goal percentage, sales growth rate and gross margin are all quantitative measurements, and it could be argued that all are the results of high-quality sales. However, drilling down into the quality of sales can help identify what is really driving revenue, and only once this is understood can it be replicated. But once it is, it can have a major impact on future sales.

The characteristics of companies that measure well

So what are the key metrics for measuring FFE effectively? Looking at the common characteristics of companies recognised as having high-performing sales teams, as researched by RMCI, provides a clue.

They understand demand – who their customer are, what they buy and when they buy it. These metrics aligned with a robust segmentation process deliver intelligence that allows companies to deploy their resources where they are need the most.

They master product knowledge – today's buyers are savvy, and sales teams need to know their products and show thought leadership, not simply be a trusted adviser.

They communicate business benefits – the impact the product or service has on a business or the function it serves.

They use account plans – as part of sales incentive plans (SIPs) to drive sales through effective reward and recognition.

They use differentiated metrics – recognition that 'one size does not fit all' from a metrics perspective, resulting in different approaches for each stakeholder or function, as well as measuring key items at various stages of the sales process.

Such an approach is very much customer focused and qualitative, rather than simply numbers based.

Quality time in front of customers and quality of the that interaction

From the 1,550 leading sales organisations studied by RMCI, it found that the following were the top metrics used by them to measure FFE success:

- Sales as a % goal
- Gross revenue
- Net margin
- Sales growth rate
- % salespeople meetings goals
- lead conversion rate

However, one key metric that's missing, and which fits in with the customer-focused qualitative approach, is 'quality' time in front of customers. All six metrics identified by RMCI's research are affected by time spent with customers, but the key here isn't simply how long, but the quality of the interaction. Improve this and the sales process becomes more efficient and effective. This can be measured using the following three methods:

% of target customers seen during the period

This is easy enough to monitor, especially with tools like salesforce.com where activities can be recorded. The vital element here is 'target' customers – those that are strategically important to the business. To measure this successfully a segmentation methodology, like RAD or 'Get, Grow, Keep', should be implemented to retain the necessary focus.

Combining this with an activity methodology, such as ARC, which records activities that resulted in Action, Recommendation or Commitment, it's possible to identify those factors that generate forward momentum. A matrix, like the one below, can be used by sales professionals to show sales managers how they are spending their time, and help them uncover any key gaps and trends. It can be used to record sales activities, either recording the number of calls or, more usefully, the time spent.

	Action	Recommendation	Commitment
Retain			
Acquire			
Develop			

Message leakage

This is a measurement of how much of the sales message is being retained by the customer. When incorporated into customer satisfaction surveys, it can reveal what information the customer is holding on to and can help develop a clearer message – and one that salespeople understand it and can articulate it effectively.

Coaching conversations

Research conducted by CSO Insights has shown that in businesses where a consistent sales process is aligned with coaching, the chances of the sales team hitting its targets rises from 55% to 86%. But the key is not simply equipping sales managers with coaching skills, but also monitoring the actual coaching conversations that take place with their team. This ensures managers recognise such conversations and that a coaching culture is being developed and implemented.

The key metrics

Summing up the analysis above, here are the key FFE metrics, related to each stakeholder in the process, along with recommended frequency of use.

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Stakeholder	Measurement	Frequency
Business/Sales Leaders	<ul style="list-style-type: none"> • Sales as % of goal • Gross revenue • Net margin • % reps meeting goal • Sales growth rate 	
Sales Manager	<ul style="list-style-type: none"> • % of target customers seen • Message leakage • Coaching conversations • Sales as % of goal • % account plans in place • % reps meeting goal 	
Sales Rep/Professional	<ul style="list-style-type: none"> • Sales as % of goal • Number of quality calls • Calls/meetings by segment • Calls/meetings by ARC 	

There is no doubt that FFE can significantly improve sales performance. But to maximise the impact of FFE, it is necessary to measure it accurately, to ensure that it is being applied effectively. The above provide a guide to accurately measuring the impact of FFE, and therefore hold the key to improving performance levels among a company's sales force.

About Mentor

Founded in 1996, Mentor Group is now recognised as a leading global people and performance company that focuses on Sales Transformation and Organisational Leadership.

We create integrated coaching programmes that use no-nonsense tools and metrics, incorporate outstanding technology and are delivered by over 200 instructors and coaches considered to be the best in their field.

We enjoy long-standing relationships with our clients and work with over 70 active businesses, including FTSE100 companies, such as BP, British Standards Institution, Cisco, Computacenter, Dell, IGT, Microsoft, Skype, Amazon, Vodafone and Aon. Currently, we are operating programmes in over 57 countries worldwide in 20 different languages. Over 20 years, we have retained 90% of our clients through continually developing their core competencies.

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