Accenture Sales Transformation

Sales Competency, Behavior and Personality
An Integrated Approach to Improving Sales Force Performance

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Organizations of all kinds face numerous performance challenges today: understand and respond to changing customer needs, support growth, improve profitability. Leading organizations address these challenges by transforming the performance of their sales teams through a combination of art and science. In mastering the “art” of sales—competency, behavior and personality that define high performance—“science” still plays a role, in the form of sales analytics.

Sales Transformation
As companies refocus their attention on growth, many find they are held back by the very thing that should be propelling them forward: their sales force. For too many organizations, this critical function is hampered by ineffective sales people and with the expensive drag of turnover. It’s a problem that has held the attention of executives for many years—but one that also has gone largely unsolved.

The challenge has been creating a model that establishes what makes some people better at sales than others—and then supports the replication of those characteristics across the entire sales force. While many models have been developed over the years, most have focused on personality, skills or behavior. The common shortcoming of these models has been their failure to integrate all three dimensions into one holistic model. A model broad enough to capture everything a good sales person thinks and does, yet still focused enough to apply to specific business environments or even explain the differences between sales roles.

Through a combination of research and practical experience, Accenture has developed such a model—what we believe to be a novel approach to integrating the sales competencies, personality traits and behaviors of a specific organization’s top performers into a usable model that can improve the effectiveness of every member of the sales team. The foundation of our approach is a proprietary instrument that characterizes a company’s highest sales performers, assesses the entire sales force against that “gold standard,” and enables the company to close the gaps through targeted improvement programs.
Increasing sales effectiveness is a top concern for chief sales officers, especially as organizations prepare for growth in the post-recession world. However, recent research shows that many companies struggle to achieve this goal. In 2009, research sponsored by Accenture with the firm CSO Insights identified that increasing sales force effectiveness was the single most important objective for chief sales officers, besting such goals as increasing revenue, building market share and improving margins.¹

Yet significant gaps exist between sales leaders’ goals and their actual achievements to date. For instance, only six percent of these executives say their companies’ ability to hire top-notch sales people exceeded their own expectations. In contrast, nearly 40 percent said this capability needed improvement. What does this suggest?

- One, many sales people aren’t pulling their weight: On average, the top 20 percent of the sales force generates 62 percent of a company’s revenue, and 51 percent of sales people failed to meet their quotas in 2009.
- Two, sales force turnover is too high, with nearly one in four sales people having left their employers last year either voluntarily or involuntarily. This level of attrition is enormously expensive to companies: The total cost of turnover averages between three and four times the fully loaded headcount cost, so the cost of turnover for a rep making $250,000 per year is $750,000–$1,000,000. Making matters worse is that, on average, it takes more than eight months for that person to become proficient—during which time revenue from affected accounts can dip to just 30 percent of their overall potential, with associated impacts to customer satisfaction and loyalty.

Research also reveals that efforts to improve sales force effectiveness often fail. For instance, consider the ongoing rise of variable pay: More than 60 percent of Chief Sales Officers...
formulated pay packages in 2009 in which more than one-quarter of salary was variable, a notable increase from 2008. However, further research shows that the proportion of variable pay has virtually no effect on the achievement of sales quotas. In short, without knowing which levers to pull to make their sales forces more effective, today’s companies are wasting time, effort and money—not growing revenue.

While these findings underscore the current level of urgency, boosting sales effectiveness is not a new challenge. For more than a century business people and experts have tried to understand why some people are more effective at sales. Many models and approaches have been proposed for raising the performance of less effective sales people—from frameworks that emphasize personality, to others focusing on skills, to still others identifying the specific behaviors that set high performers apart. However, none have substantially helped companies replicate the critical characteristics of top sales performers. We believe this is because they have failed to integrate all three legs of the sales force performance stool: competencies, behaviors and personality.

For example, methods that focus on competency development often do not address the key personality traits that enable successful sales people. Likewise, focusing on behavior fails to change the underlying personality traits and skills required to cement long-term behavior change. And while personality is critical, it is also a difficult trait to manage and optimize in isolation from key skills and behaviors.

Besides these limitations, many sales performance models are hobbled by their reliance on external benchmarks and frameworks—i.e., the top skills required for sales people in any given context—and as such fail to deliver substantial improvements within a specific organization.
Recognizing the limitations of such initiatives, the authors of this report became interested in finding a better way to address sales force performance. We began by conducting a comprehensive review of existing research on the topic. This review resulted in an extensive list of all the attributes that researchers believed differentiated strong sales performers from others.

Through our own primary research, workshops with leading CSOs and intensive analysis, we refined this list to the more than 200 key competencies, personality traits and behaviors that truly explain, differentiate and predict superior sales performance.

The resulting approach is similar to others in that it is based on understanding what distinguishes top sales people. However, our approach differs from other models in three critical ways.

• It relies on rigorous meta-analysis of more than a century of research on this topic, extending the best of these efforts with new primary research.
• It integrates all three of the critical determinants of sales success into one single model, tying together the competencies, personality traits and behaviors of top performers, and using those insights as the basis for improving sales force effectiveness.
• Rather than applying the same framework to all sales situations, the Accenture approach is designed to be tailored to specific situations and specific roles—while still permitting large-scale deployment—to accommodate company-specific drivers of success.
A core tenet of our approach is that the drivers of high performance can differ dramatically across sales roles, companies, geographies and even across business units or divisions of the same company, and that these differences must be considered when attempting to improve sales performance. So, instead of trying to boil down all of our research and past researchers' data into one, all-inclusive, "one-size fits all" model, we use it in combination with company- and role-specific data to understand what is needed to achieve high performance within that specific organization and within each of its sales roles.

For instance, not all organizations define "high-performance sales people" in the same way. Some may base their definition on profitability metrics, some on revenue, some on customer satisfaction or HR performance appraisals—and some on a combination of these and other key business measures. So, when working with clients we first confirm the principal metrics they use to define high performance in sales, and then gather and analyze several years of sales performance data to determine which specific sales people meet that definition. In many cases, we may also help companies redefine their definition as part of transitioning to a new model.

Another example of the need for a tailored approach: the substantial yet subtle differences between two different subsets of account managers at one company we worked with. At first glance, their similarities were striking. Both groups were confident, driven to achieve and committed to self-improvement; dominant, responsible and "masters of their own fate;" strong at developing proposals and closing business; and perceived by others to be effective, strong leaders and likeable.
However, the deeper analysis afforded by our approach revealed that one group was best described as sales people who excelled in cultivating business from existing accounts while the other was better at identifying and converting new customers. Moreover, the company needed people playing both roles to succeed. While the former group members were politically savvy, sociable and empathetic, the latter were socially savvy but not necessarily sociable. While those skilled in cultivating business from existing accounts were strong in team orchestration, the new-account finders were better at being assertive and competitive, with a higher propensity to control and command interactions and events. And while the first groups were adept at analysis and creativity, the second were committed to techniques that had worked well in the past (Fig 2).

Clearly, any attempt to develop these two different groups using the same approach would fall short. We found that our approach to sales force effectiveness enabled us to understand both the similarities and the differences among professionals in these roles, and subsequently design recruiting, training, coaching, management and sales operations programs that would optimize the performance of each.

The benefit of such an approach over the “one-size-fits-all” is far greater accuracy in understanding the combinations of personality, competency and behavior that correlate with and differentiate high performance in sales—and an improved ability to hire, promote, and develop sales people accordingly. The end result: An organization’s sales people reach their full potential more rapidly, building on their strengths and overcoming their weaknesses to drive revenue growth for the company.

Accenture recently conducted an exercise to prove the validity of this approach. In analyzing data on more than 6,000 sales people—covering 15 distinct sales roles—we found that there were approximately eight personality traits and eight competencies that appeared to be common across all people. (We found no behaviors that were consistently common across the database.)

However, despite having such a large sample and so much data, we subsequently found that these common attributes were not all that predictive of sales performance—predictability was around 55 percent, about the same as flipping a coin! On the other hand, when we incorporated company- and role-specific contexts into the analysis, we could identify attributes with as much as 92 percent predictive probability—meaning 92 percent of the time, we could be highly certain that a person would be a high or a core performer, based on the attributes he or she possesses, when viewed within the context of a specific company and specific role.

Figure 2: Account manager analysis

<table>
<thead>
<tr>
<th>Account Manager Group 1:</th>
<th>Account Manager Group 2:</th>
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Analytics-Based Insight into Sales Performance

The heart of our approach is a proprietary asset that enables us to measure the competencies, behaviors and personality traits of a company’s highest sales performers, and then assess the entire sales force against those standards to identify the gaps between the two groups. These insights then enable the company to design, prioritize, and implement targeted improvement programs to close the gaps.

The asset is highly scalable and easy to deploy across an organization, regardless of the number of sales people involved or where they work or reside. It features an intuitive Web-based interface, linked to a proprietary database, which gathers 360 degree input—as well as self-evaluations—on sales peoples’ competencies, behaviors and personality traits.

This level of analysis and reporting enables executives, managers and individual sales people to gain important and actionable insights into sales performance. For instance, top sales executives can run gap analyses on the function’s effectiveness focused on any role, product suite, business unit or geography. A company’s sales managers have access to detailed information on the competencies and behaviors of their teams and individual team members and how they compare with the high performers identified using the company’s metrics and definition. Individual sales people benefit as well, with access to a detailed depiction of their own personality traits, competencies and behavior (in relation to their role) and how they compare with high performers on those characteristics.

Organizations can subsequently use these insights to design and implement a range of workforce improvement initiatives across the sales organization. For instance, the tool provides hiring managers with personality/competency maps—informed by 46 different personality attributes and 72 sales competencies that predict success—that can be used to help screen and select new hires. After making a first pass focused on sales personality, we can then build the top ten to fifteen predictive skills into subsequent behavioral interviews.

By evaluating prospective hires against those personality traits during the interview process, a recruiter can quickly know to what degree that individual matches the high-performance model by role and, thus, has a high degree of potential to be successful in the company, or for another role that the person might better match than was initially being considered. Such maps, in our experience, are highly predictive: Managers who use them enjoy much greater certainty that their new hires will be high performers.

Companies also can draw on the insights the tool provides to build training curricula and coaching programs that address the most significant effectiveness gaps between high performers and the rest of the sales force. One company, for instance, was able to use the tool to identify and replicate the coaching capabilities of its best sales managers. Sales people who received regular coaching from these leading managers achieved average revenue increases of 17 percent—a level of performance the tool helped spread across the sales force. Insights like these are especially valuable given the typical variance we encounter between what companies think are critical sales force attributes and those that actually correlate with high performance. In fact, in our experience, as much as 50 percent of corporate training budgets can be expended on programs that have very little impact on sales performance.

Individuals themselves can gain valuable insights into how they stack up against high performers and begin to make relevant changes on their own as prescribed by a recommendation engine Accenture has developed. For example, if a person discovers he has a strong, dominating personality but high performers in his role tend to be lower-key and more consultative, the recommendation engine provides steps the person can take to bring his personality more in line with those of top performers. The same comparisons and relevant recommendations are given for competencies and behaviors as well, so each sales person has firsthand knowledge of steps he or she can take to become more effective.

In addition to addressing current gaps, companies also can tap into Accenture’s extensive database of best sales practices to identify new personality traits, competencies and behaviors their sales force will need to shift to new business or sales strategies—for example, to move from tactical sales to a solutions approach or to enter a new product or geographic market. In doing so, the company also can identify which of its sales people would be most successful in that new model (some of whom, in fact, may not be high performers in the existing model).
When working with an organization on a sales workforce improvement initiative, we typically follow a four-phase process. The first phase involves planning and enablement: We work with the company to assess its current state and sales activities, and define appropriate tiers of sales performance. We also build a plan to communicate with sales people regarding the goals of the initiative and how it can benefit them, and create a Web-based portal that will collect—and ultimately give sales people access to—appropriate sales performance and development insights.

In the second phase, we roll out our analytics tool across all target sales roles and collect and analyze financial and HR data, working closely with sales leadership to ensure that this data accurately reflects the company’s current state and/or desired future state. At the end of this phase, the company will have the performance of its sales force accurately mapped, and will have customized dashboards in place for sales people, managers and executives to access performance insights.

After these performance maps have been created, Accenture analyzes them to determine which personality traits, competencies and activities drive and predict sales success within that company for each of its individual sales roles. We then generate comprehensive, personalized reports for each sales person, manager and executive, which highlight key gaps between them and high performers, as well as pinpoint coaching and development programs that can help close those gaps. We also create an easy-to-use portal with which sales executives can generate their own customized reports—for example, to see the sales performance differences between geographies, markets and roles.

The fourth and final phase translates these gaps and programs into actionable recommendations and a detailed road map for the implementation of targeted improvement programs across the organization. While the specific activities of this final phase vary by company, they always include detailed development plans with robust business cases; coaching guides for managers to use with their direct reports and teams; and an online portal to support ongoing coaching and development, pre-hire and succession management, and the continual refinement of sales-related HR processes.

Following this approach, Accenture helped one company identify ways to generate a substantial improvement in sales performance. The company, with approximately $60 billion in revenue, has 12,000 sales representatives, 1,500 sales managers, and an average sales quota per representative of $5 million. We were able to identify a number of initiatives the company could take to generate substantial operational and financial benefits, including:

- Reducing annual involuntary attrition by 30 percent (from 10 percent to 7 percent), resulting in an annual savings of $80 million by year five.
- Increasing, by year five, the ratio of high performers in the company’s sales force from 10 percent to 12 percent and core performers from 65 percent to 70 percent—while reducing the ratio of low performers from 25 percent to 18 percent.
- Increasing, by year five, sales quota attainment among high performers from 110 percent to 120 percent; core performers from 80 percent to 90 percent; and low performers from 50 percent to 65 percent.

Overall, Accenture’s approach to improving the company’s sales force performance has an anticipated net present value of $1.2 billion, $840 million in margin uplift, and is expected to generate a revenue increase of approximately $3.2 billion within five years.
As recent research shows, companies overall continue to struggle to determine which levers to pull to improve the performance of their sales forces. Many companies struggle with hiring the right sales people, have a large percentage of sales people who do not make their quota, and experience significant attrition of sales people each year. Such performance, if it continues, will be a significant obstacle for companies that are looking to take advantage of growth opportunities as the economy begins to improve.

With our unique approach to sales force effectiveness, Accenture can help companies overcome these obstacles. We work with companies to deeply understand the precise combination of personality traits, competencies and behaviors their best sales people embody. We then translate those insights into targeted recruiting, coaching and development programs, sales force optimization initiatives and enterprise plans to infuse those characteristics across a greater percentage of their sales force. In doing so, we can enable a company to improve customer acquisition and retention, grow revenue and reduce the costs incurred by sales force attrition and money spent on activities that do not drive the top line.

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