

Sales Performance

Lessons Learned from the Boardroom to the Street— Fireside Chat Series; Part II

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Part I of this series, published in the September/October issue, discussed key elements to create and sustain a high-performing sales force. Part II continues the discussion with the challenges and pitfalls of ramping up for commercialization and managing expansion.

Q: What are the challenges to creating or expanding a sales force during ramp up to commercialization?

Ginger Graham: *Having launched two first-in-class products in the second quarter of 2005, we certainly wanted to be mindful of several things. We had a small existing sales force and one of the many challenges of rapid expansion is to retain the quality. In periods of high growth, it is tempting to want to fill territories, when in fact, the more important challenge is retaining the quality and the consistency of your staff.*

There's also an element that is beyond quality that has to do with the culture of the enterprise. An important element in

healthcare is retaining the level of ethics and integrity, professionalism, presence, and competence that your firm has determined represents the enterprise appropriately. If you're not careful, you can end up with two cultures: The existing culture from reps who have been here and the new culture from reps just joining the organization. There is potentially a conflict, and if the values are not made consistent between the two groups, you can end up with dysfunctional communications or relationships in the organization.

You manage it by allowing your existing team to participate in defining the needs and the requirements of the future, so that they co-own the success of the new employees with the management team. I think this is often overlooked, and it's presumed that the existing and new sales forces will seamlessly merge.

Craig Eberhard: *We focused on two key areas. One, what types of people do we want to attract? Two, why should they leave*

their present employer and work here? Naturally, everyone is looking for the same people in terms of competencies, experience, and performance. That said, what "geno-type" did we want to attract? What "face" did we want to introduce our new company and products. Sales management, human resources, and our current field force spent time talking about who we wanted on our team. We knew the timing was right to attract people who were tired of working where the "shoes were just a little too tight." People understand that "yesterday's" pharma jobs no longer exist. That said, why do they have to work in multiple sales force layers promoting the same products? Why do they have to deliver a presentation written 2,000 miles away? It works for many companies and people, but it doesn't have to apply to every company or person. We wanted that person. In fact, we had more than 18,000 people apply for 350+ positions.

Ginger Graham: *Often, growth is associated with a number of stresses in the organization anyway. If you are expanding, you have the normal challenges. People say, "Well, I don't know anybody anymore," or "This is not who I came to work for." "It doesn't feel like it used to around here," or "The new guy is really not up to standard." So you run the risk of not only reducing your overall quality, but eroding the soul and the commitment of the entire organization. The standards are broad; they are about hiring people who believe, who want to sign up for the same mission, are willing to uphold the values of the organization, and are serious minded enough. You want them to know the history of the company and represent the organization appropriately. Part of*

their assignment is an obligation to accurately carry forward the work that's gone before them. That is not something that you ascertain from a resume or a set of experiences.

Jean Male: Your use of "the soul and commitment" is the humanistic aspect that great leaders nurture and protect, especially during expansion. Growth is such a precarious undertaking, and keeping a keen eye to the values that made the company successful may be common sense, but surely isn't common practice. I've heard exactly as Ginger described from the mouths of employees whose companies literally changed out from under them. Expansion often calls for more systems and hierarchy to manage the larger organization. Without attention to the organizational values, this needed change can stifle or even punish the small Specialty Pharma company's entrepreneurial spirit that employees were initially drawn to, hired for, and motivated by. The result: Employees who find themselves miscast in their own organization. When this happens, they quit or worse, quit and stay. I see this frequently in performance consulting. In one case, a performance assessment of why a company's previously high performers were no longer selling had little to do with the territory realignment, systems, and contract changes originally suspected. Although each was a potential

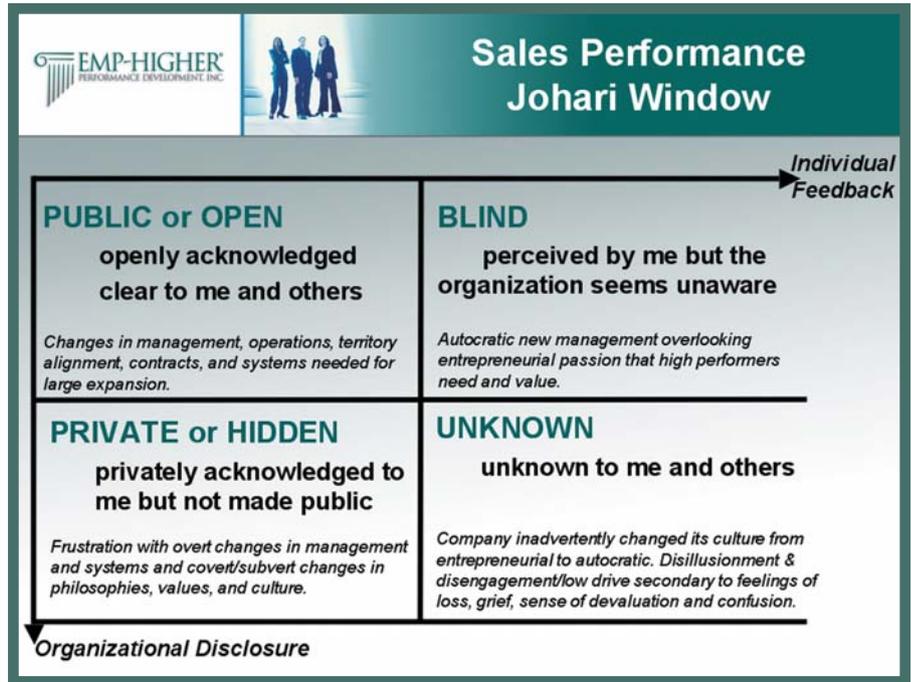


Figure 1

contributor to a sales shortfall, the reality was that none of them prohibited the high performers from meeting sales expectations. An oversimplification to the variables of performance analysis starts by asking, "If their lives depended upon it, could they do the job?" If the answer is, "No," you probably have a resource or training issue. If the answer is, "Yes," then it's likely a performance issue. If so, what

are the causative factors? In this case, the performance analysis revealed that the previously high performers had become demoralized by the newly autocratic culture. The Sales Performance Johari Window (Figure 1) gives us a look into what was, in essence, unknown. The company and sales force had unwittingly, but literally changed the rules of engagement. The organization's expansion inadvertently changed the culture and the high performers who normally would have endured the growing pains and gone the extra mile, became disillusioned and disengaged.

Q: What are the must-dos, and what pitfalls can you warn others to avoid?

Matthew Witte: It is critical to avoid the tendency for growing companies with multiple sales forces to devolve into sales "silos." The company needs to break this cycle by bringing all field sales management together for routine planning meetings and include opportunities for group discussions around common challenges and best practices. An annual national POA



that includes the entire organization (including home office staff and senior management) and creates opportunities for cross-divisional interaction can also be valuable.

Craig Eberhard: One of the “must dos” I think is to build properly balanced field forces between your sales, managed care, and medical affairs teams. To have a 500-person sales force and then a skeleton MC and/or Medical Affairs field team doesn’t create the balance you are going to need with the various customers in the market place. In addition, it’s important to build these teams at the same time. Because the sales force is likely the largest in terms of the number of people to recruit and hire, it makes sense to begin to get your managed care and med affairs teams on board before the sales force. Pre-approval education can begin with these field forces before the actual product approval.

One additional comment: We all know a lot of people who are great at what they do, or in many cases, what they used to do (retired). Use them. They come up to speed quickly, appreciate the challenge, and have one goal: To help you and your team be successful — quickly.

Matthew Witte: I don’t know if this is a pitfall or not, but communicating clear career laddering in sales organizations that may have progressive primary care to specialty sales teams is an area that sales management needs to address. Sales representatives need to have delineated career pathways of progressive promotional opportunities within their sales division as well as opportunity to move and grow in other parts of the sales organization.

Jean Male: To Matt’s comments about field advancement, I would add another common pitfall that seems magnified during expansion. I have always been shocked by the short memory and relative disdain of those that move from field sales to corporate marketing. There tends to be an immediate dismissal of reality to rely far more on market research. Indeed, market research is vital for validating or invalidating field intelligence, identifying new opportunities, and much more. However, a healthy balance recognizes

that research is only as good as the design, instrument, researchers, and subjects, yet it is typically given far more weight than input from those who truly know the business, are closest to the market and product, and have a vested interest in success. Perhaps we can do a better job of teaching the field how to provide feedback, recommendations, and needs, but even when delivered professionally, the feedback is often heard as a cacophony of whiners called the Sales Force.

Ginger Graham: I get very irritated when people look at the sales force as whiners because, in fact, one of the great tragedies in corporations is losing direct feedback from the customer. The sales rep speaks based on customer feedback. The manager tones it down. The director packages it with something else. The vice president averages it out across the country, and by the time it gets to the president, maybe what you get is some statement like, “Well, we have a few issues in the south.” If the president had traveled with that rep, what she would have heard was, “The company is totally disrespected. The customers are leaving, and we’re our own worst enemy.” Instead, the president heard, “We have a few issues in the south.” It’s a total disregard of not

only the fact, but the amplitude of the delivery. I believe this is what actually distances corporations from their field organizations and ultimately from their customers.

Craig Eberhard: Another caution is to avoid a mindset for wholesale reproduction of previous success because then all you’re doing is building mini-X company from wherever you came from. Also, any time you’re doing something for the first time somewhere else, it always takes longer. So you just have to increase your cycle time for planning because it’s never a slam-dunk when you’re building something for the first time, even though you might have done it somewhere else.

Jean Male: To both Matt and Craig’s points, not only is it important to have career paths and resist the desire to copy and paste success in previous companies, but it’s vital to intentionally build your field “brand.” Generic surveys of what top sales performers do, and tying those behaviors to a performance system, cannot adequately address the variables of high performance in any given company. Generic behaviors miss the opportunity to maximize revenue while moving employees



along a development continuum. There is tremendous utility and mutual benefit to creating tiered performance standards that describe the expected behaviors to move from new hire to veteran representative and so on. Once identified, you know what you need to hire, train, measure, and reward. Measurable success factors and milestones by job and tenure not only map success but articulate clear expectations for what is needed to execute the marketing and sales plans as well as for advancement to sales or marketing management roles.

Matthew Witte: For closer communication and mutual respect with field sales forces, the proper use of sales advisory groups can help to channel important feedback into all areas of commercial operations. To make this work effectively, they need to be supported by senior management to assure active participation by all relevant departments. Representatives also need to show commitment to the process as well. Rotating memberships, routine elections, representative-designed by-laws, etc. are techniques that help facilitate participation and buy-in. Ultimately, management has to actively listen to the issues, react to address the issues they can, and tell sales representatives “no” when appropriate.

Q: What other precautions or pitfalls would you add?

Ginger Graham: Only organizations that actually hear not just the content, but the emotion behind the content from the sales force and respond to it; only those companies will actually be responsive and clearly connected to their customer, even when they disagree with their customer. I think it takes courage to listen to the feedback and still execute your strategy. If you bury the feedback, you never have a metric for your strategy until it's too late.

Jean Male: I can't amplify or underscore what you are saying enough. So many create an organization where they either “shoot the messenger” or encourage the “Emperor's New Clothes” feedback. When management models avoid or punish negative feedback, they begin to create a toxic environment. Moreover, the culture

reinforces sales representatives' inherent tendency to not want to hear or even squelch customers' objections; a critical sales incident responsible for significant lost opportunity costs. Contemporary companies welcome the good, the bad, and the ugly as fodder for healthy discourse and troubleshooting whether talking with management or customers.

Matthew Witte: Customer-focused organizations include everyone in selling opportunities from the CEO, CFO, technical operations, clinical, product research and development, medical affairs and senior sales management. These opportunities may or may not include the typical physician-representative sales call, but go a long way to create mutual understanding and respect for each person's professional perspective. Typical opportunities to “blend” sales teams include managed care, supply channel, trade show, and KOL/institution sales presentations.

Ginger Graham: The sales force needs to see leadership speak, and own the truth, even if they can't change it. It's liberating for the sales force to see that management understands their challenges and what their life is like. I've never known a sales force that wanted everything fixed for them, but they all want people to appreciate and understand them. No glossy, four-color brochures, please. Only the truth. It's the most powerful thing management has in managing the sales force.

Jean Male: Honest, open, two-way communication, management discretion, values preservation, and creating a support system for performance success yields trust, builds mutual respect, and is increasingly demanded by today's high-performing specialty reps. Delivering on this promise to field representatives increases the ability to attract, leverage, and retain the highest performing sales talent and is key to delivering the ROI demanded by investors and stockholders. ■



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Ms. Jean Male's more than 20 years in biopharmaceutical sales, management, marketing, business development, and training brings unparalleled first-person understanding of the business drivers and needs of all stakeholders for creating sales performance. Since 1989, as a specialty biopharma Sales Training Director, Ms. Male's initial sales performance initiatives were widely acknowledged for the company's achievement of revenue projections for the first time in its history. She quickly became a worldwide consultant whose protocols and programs became the international benchmark for over 30 affiliate countries. For nearly a decade, as President & CEO of Emp-Higher, she has been helping other companies mirror and exceed those results through performance consulting and measurement, keynote speaking, and training. To date, the company has developed a content powerhouse of more than 30 sales performance-based training programs, including Territory CEO™ sales performance certification. Ms. Male's expertise is acknowledged by more than 20 interviews and published articles in global sales and industry journals, including Specialty Pharma, Pharmaceutical Executive, Selling Power Magazine, Pharmaceutical Representative, PharmaVoice, Selling Power Online, MedAd News, and others. Ms. Male is a past President of the Society of Pharmaceutical and Biotech Trainers (SPBT), and serves on the Board of the Healthcare Women's Association (HBA). She may be reached at (856)-787-1107 or www.emphigher.com.