

**What Really Drives
Sales Performance?**



Which first-line manager (FLM) attributes and behaviors align closest with overall sales performance?

In a review of 472 field coaching reports from five different sales teams, Echelon identified a strong correlation between managerial focus (i.e., FLM coaching to skills and behaviors associated with commercial strategy/ies) and overall coaching quality than with traditional FLM metrics.*

Our hypothesis:

Commercial leaders are better served tracking and leveraging leading performance indicators (e.g., managerial focus and coaching quality) than traditional metrics such as percentage of time spent in the field and/or duration of field visit

Background

Of the five sales teams in the study:

- Two focused primarily on specialty cardiovascular sites of care
- Two on oncology/hematology and
- One on endocrinology/diabetes, and

A total of 54 managers were identified as top performers by their respective organizations having achieved both of the following criteria:

1. Multiple national award (e.g., President's Club) winner, and
2. Top 10% of overall year-over-year sales growth in ≥ 2 consecutive years

Field coaching reports from these managers were reviewed for:

1. **Managerial focus.** Specifically, Echelon sought to determine what percentage of coaching and feedback captured in field coaching reports aligned to the specific skills and behaviors identified by commercial leadership as supportive of brand, sales, or leadership development strategy. As each manufacturer and brand established its own unique set of expectations, FCRs were reviewed through the lens of each team's unique criteria.
2. **Coaching quality.** Since 2006, Echelon has compiled a pharmaceutical/biotech industry benchmark for coaching quality inclusive of six criteria.



BASICS: The Echelon coaching quality criteria



For nearly 20 years, Echelon analysts have identified and refined the criteria associated with effective coaching. In that time, we have reviewed more than 30,000 coaching conversations and mapped the focus and quality of coaching to overall performance. Coaching quality is comprised of:

Balanced

Provides a contrast between the current and desired level of proficiency

Actionable

Facilitates a sense of ownership on the part of the “coachee”

Specific

FCR includes a detailed description of skills and behaviors

Impact

Includes feedback and coaching focused on the impact on customer decision making

Continuity

Creates momentum in the development process by providing ongoing coaching to a small number of skills or behaviors

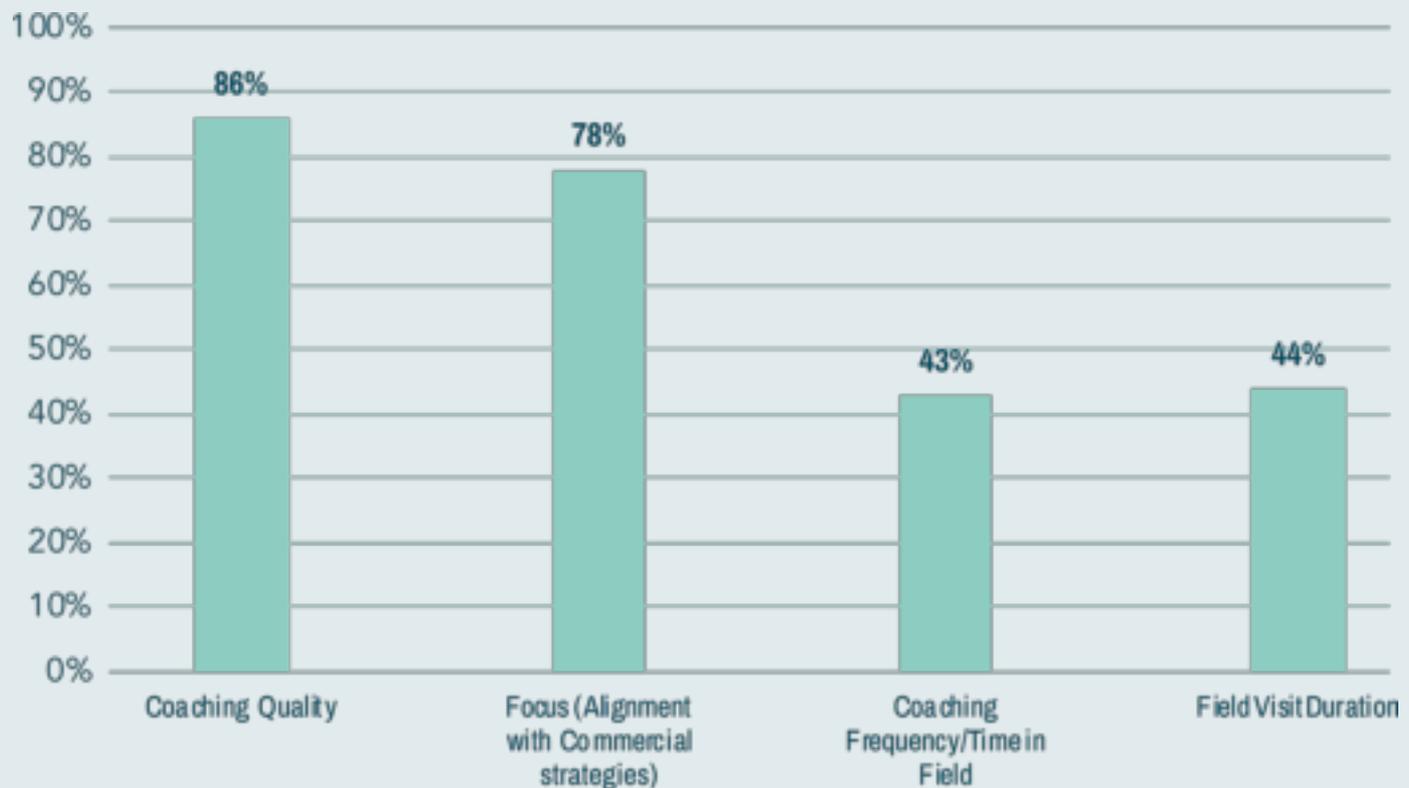
Supportive

Aligns to the individual employee’s development plan, goals and needs

Echelon researchers compared these criteria with two widely accepted attributes of high-performing FLMs:

- **Amount of time spent in the field per month.** According to the Health Strategies Group DME Monitor, top-performing FLMs spend more than 15 days per month in the field coaching.
- **Average duration of FLM field visit.** According to DME Monitor, 68% of top-performing FLMs spend an average of ≥ 2 days per field visit.

Our analysis shows a significantly greater correlation between the focus of FLM feedback and coaching quality than traditionally held attributes.



Analysis

In this analysis:

- 86% of FCRs completed by top-performing managers reflected a strong correlation with the quality coaching (BASICS).
- On average, FCRs from top-performing FLMs met ≥ 4.5 ($\geq 75\%$) of the six criteria.
- 78% of FCRs reflected coaching and feedback focused on skills and behaviors identified by commercial leadership as integral to execution of commercial strategy.
 - As noted, these criteria varied by manufacturer, but included certain commonalities such as components of brand strategy (e.g., messaging, use of approved resources), specific selling skills (e.g., closing), knowledge of market access, and the ability of a sales representative to articulate the profile of an appropriate patient.
- Traditional attributes were seen as less indicative of top performance than the leading indicators outlined above. Specifically, 44% of FCRs completed by top-performing FLMs met the industry standard for average field visit duration. Of the 472 FCRs reviewed in this analysis, the average field visit duration was less than 2 days (1.76 days).

Takeaways

According to a *DME Monitor* report, 29% of FLMs in the pharmaceutical industry fell short of their annual sales goal. The average FLM achieves only 97% of their number with fewer than 60% of their team members (57%) achieving their individual quota.

Ineffective coaching is a stumbling block if manufacturers hope to grow volume, increase share and boost profitability in the face of dwindling provider access, increased competition, and a restrictive promotional environment.

Lagging vs. Leading Indicators

For decades, commercial organizations have relied on a series of **lagging** indicators to guide decision making and FLM development. These indicators—including sales data, call metrics, managed care data, etc.—are insufficient moving forward as they allow little opportunity for commercial stakeholders to adjust strategy in real-time.

By focusing on **leading** performance indicators such as FLM focus and coaching quality, (i.e; effective coaching) commercial organizations can enhance decision-making with regard to strategic investments such as brand strategy and POA, sales, market access, and training/development initiatives. Specifically:

- Brand leadership and individual brand directors can leverage insight into FLM focus and coaching quality to develop more effective and prescriptive sessions in the launch, POA and NSM settings.
- Sales/field force effectiveness can provide commercial stakeholders with a more robust and actionable snapshot of execution and pull-through.
- Training can assume a leadership role in articulating FLM priorities and equipping commercial stakeholders with the tools, skills, and insights needed to maximize return on investment.

Let's bring these insights to your commercial team. Contact Echelon at 732-305-0205 to start a no obligation preliminary analysis.

To learn more about Echelon's CoachAlytics platform visit us at thinkechelon.com/insights

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