

Improving Salesforce Effectiveness

By Ann Kenna

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Ann Kenna talks about her discoveries in the area of Salesforce Effectiveness. For the last 12 months Ann Kenna has been extensively studying and researching world's best practice in the area of Salesforce Effectiveness. She has now developed and launched her own web-based scorecard which measures the overall effectiveness of the "front end" of any business. She has called it the salesINSIGHT dashboard™.

Prior to starting her own consultancy business in 2004, Ann Kenna was Vice President of Human Resources for GE Commercial Finance. She spent 3 years with GE, during which time she became Six Sigma Green Belt accredited and completed the Advanced Management Course at the John F Welch Leadership Centre (Crotonville, New York). Recently she completed her Master of Business Administration (Monash University) with a thesis entitled "Improving Salesforce Effectiveness utilising Six Sigma Methodology".

During our discussion it was obvious that Kenna considers herself a Six Sigma convert, however, she stresses that Six Sigma is not a panacea for all organisational reforms. Like most complex things in life, rarely is a single approach or methodology sufficient for the best result. Kenna states that "expensive and extensive" pursuits like Six Sigma can become very rigid, inflexible and internally centric. For example, an organisation trapped in process perfection can often find it difficult to break out, to re-create, to random think, to innovate.

Kenna quotes Gary Hamel, "Let's admit it. Corporations around the world are reaching the limits of incrementalism. Squeezing another penny out of costs, getting a product to market a few weeks earlier ... but by pursuing incremental improvements while rivals reinvent the industry is like fiddling while Rome burns".

This thinking about the potential pitfalls of Six Sigma and process improvement, led her to explore broader solutions for best practice in Salesforce Effectiveness. Kenna reflects on some of the strategic issues facing organisations today, and those key drivers which drove her to explore more holistic and simplified solutions for sales organisations.

She believes that some common dilemmas facing sales organisations today are:

Dilemma 1 - Given the current “war for talent”, how can I make sure that I attract & retain the very best talent to my high performance sales organisation?

Building and sustaining a pool of highly talented sales people is critical for any business. World class organisations invest heavily in their talent management systems in order to continuously drive the performance and development their people.

Kenna references a number of organisations including Johnson & Johnson, GE, 3M and Suncorp Metway who have all utilised Six Sigma methodology to achieve incremental improvement in the performance of their Salesforce. Their improvements have been driven by a range of key business issues including a desire to (1) grow market share, (2) improve customer satisfaction (3) solve distribution problems and (4) grow revenue. Each of these pursuits has resulted in changes to their hiring, training and/or performance management systems.

Kenna has confirmed that from her research “Talent Management” is a key criteria for success and has included descriptors into her dashboard to evaluate organisational capability.

Dilemma 2 - People are my most important asset, but how do I reward them commensurate with their contribution?

Kenna says she has never met a salesperson yet, who is passionate about Six Sigma or process improvement. She says, “In my experience, high performing salespeople usually get passionate about their product, or their client, or their pay, but rarely about the process (unless it doesn’t work!). On-time delivery, lost or late payments, inaccurate documentation and updating slow or outdated CRM databases are the frustrations of the Salesforce. They see the frustrations, but also, that it is someone else’s job to fix it. Process improvement is always low on their personal radar.

Typically, top performing sales people need to see a direct correlation between their efforts (often driven by a dogged determination and a never-give-up attitude) and their pay. For this reason, Kenna has developed “Metrics & Rewards” descriptors within the salesINSIGHT dashboard™ which measure the extent to which the key business metrics are directly tied to the desired behaviours and overall business results in a visible and fair manner.

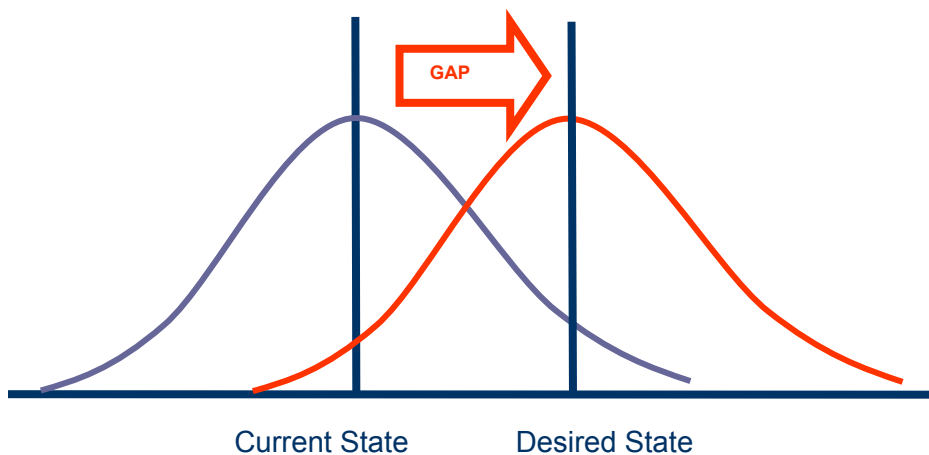
Dilemma 3 - How can we maximise creativity and innovation whilst at the same time perfecting our process improvement?

In her research Kenna has identified gaps in using Six Sigma as a single solution within the sales organisation. She reflects on some of the challenges facing



companies to sustain “single loop” learning (for process improvement excellence) as well as “double loop” learning (for creativity and new product innovation). She holds up “learning agility” as a potential solution – the ability to pursue “single loop” and “double loop” learning concepts simultaneously. This work involves allowing for random, radical, creative thought-processes (double loop) as well as incremental stepped thought-processes (single loop) to occur within the organisation at the same time.

Kenna has no silver bullet, but offers her salesINSIGHT dashboard™ as one way of diagnostically evaluating the gaps.

The above dilemmas faced by Kenna, combined with her global research into world’s best practice in Salesforce Effectiveness, have driven her to pursue a more holistic solution. Her salesINSIGHT dashboard™ provides a world class window through which organisations can get a clearer perspective on what it take to excel in sales. The gap between “current state” and “desired state” (shown below) can be evaluated and strategies developed to close the gap. Once the gap has been identified a range of methodologies (including Six Sigma) can be applied to improve the relevant issue or process.



Her salesINSIGHT dashboard™ is structured around 4 major strategic Factors:

-  **Strategy & Innovation**
-  **Talent Management**
-  **Process Improvement**
-  **Metrics & Rewards**



Strategy and Innovation. This factor takes a hard look at the contributing factors associated with sustainable customer strategies and the consistent management of innovation. The descriptors under this factor call for an evaluation of the knowledge management systems (eg, CRM's), customer analytic practices (eg, win/loss analysis), key account planning and channel partnering.



Talent Management. This factor uses world class descriptors to evaluate organisational processes associated with the hiring and retaining top talent. It covers areas such as hiring practices, use of proven success competencies, and training programs which are targeted at those sales and leadership behaviours proven to correlate with top performance.



Process Improvement. This factor reveals descriptors mostly likely to contribute to world-class sales processes, including best practice transfer, cross business selling, sales productivity, sales tools and design of the sales process itself.



Metrics & Rewards. This factor evaluates the correlation between reward and business results. It describes world class standards for reward mechanisms that link sales behaviours to corporate strategy, that is, long term profitability growth rather than sales volume.

Six Sigma is a powerful process improvement discipline which Kenna lauds for its wide application and its ability to solve unique and complex business problems. Through her research, Kenna discovered Six Sigma being applied to a whole range of non-traditional areas. It's application in areas such as Salesforce Effectiveness and the pursuit of "soft skills" or competencies that differentiate "top performance" from "average performance" were insightful and unique.

However, based on her pursuit of a world class standard for the entire sales organisation, Kenna suggests that she was looking for a methodology that can be more broadly and more rapidly applied. She says that process improvement is only one part of the mix.

Kenna says, "You've heard of a 360 degree evaluation for people ... well now there is a 360 for the entire Sales Organisation!"

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Ann Kenna is a senior strategic consultant with over 20 years of advisory experience, gained in her former roles as Vice President Human Resources with GE Commercial Finance, HR Director for Allens Arthur Robinson and HR Director for ACNielsen. During her esteemed career as a senior manager she has led many large scale change management projects including acquisitions, mergers, integrations and organisational re-designs. Her strategic projects have included:

- Introduction of “balanced scorecards”
- Executive coaching & mentoring programs
- Development & implementation of “Employer of Choice” strategies
- Design & facilitation of leadership workshops
- Reengineering process improvements (using Six Sigma)

Her recent consulting assignments have included Executive Coaching for a large global Financial Services company, Organisation Restructuring for a State Government Department and Leadership Strategy development for a major Australian telecommunications company.

Ann is a Six Sigma certified Green Belt. She has an undergraduate in Personnel Administration, a Graduate Diploma of Marketing (University of Technology Sydney) and a Master of Business Administration (Monash University).

Sigma is the Greek symbol used for standard deviation. Six Sigma is the mathematical formula given to the likelihood of 3.4 defects occurring in any million activities.

Six Sigma was pioneered by Motorola in the early 1990's and evolved out of the TQM movement. Mikel Harry was one of the early pioneers.

The five step DMAIC process improvement methodology is designed for “end-to-end” process improvement. It has had remarkable uptake in recent years, particularly in the services sector. Banks, Insurance, Telecommunications and Pharmaceutical companies are attributing huge financial returns to Six Sigma.

The term “Six Sigma” is commonly applied to a plethora of process improvement techniques, including the quality initiative itself, process or product defects, quality teams and individual certification.

One of the unique benefits of Six Sigma is the individual inheritance of a certification. Qualifications such as Green Belt, Black Belt and Master Black Belt are conferred on executives who are qualified to use the tools. Like expert karate players, Six Sigma can then be rigorously applied by the individual to solve large and small business problems.