



Peak Performance: A New Approach to Driving a Sales Organization to the Next Level

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This research paper is based on an actual business and the creation of a Model of Excellence for two internal sales organizations. The names of the corporation and the internal business groups have been changed. The analyses and conclusions cited in this paper are based on a confidential report presented to the executive officer in charge of the organization.

Introduction

This is a case study about a new approach to developing increased performance in a sales organization. The corporation is real, but the name—Archangel Corporation—is fictional.

In 2003, after some turbulent years and relatively flat performance, the corporation brought in new leadership for this division. The new leadership of this sales and distribution business wanted to take sales performance to the next level. This is how they set the stage from a people standpoint to make that move.

The Business and Business Groups

Archangel Corporation is a sales and distribution business embedded in a larger corporation. Archangel has two business groups. One is called *Equipment* and the other *Electronics*. The Equipment Group sells specialty products to a niche market. The Electronics Group sells a variety of manufacturing-related equipment to a broad range of customers.

Each sales organization employs twenty-plus people. Both business groups operate in the United States with one group having a division in Mexico.

Goals of the Performance Project

- To significantly improve the overall performance of the sales organizations
- To reduce the cost and improve the effectiveness of recruiting and hiring
- To create a strategy to develop the existing sales force
- To provide management with improved tools for coaching and motivation

Sales Force Performance Strategy

The sales performance strategy occurred in four stages:

1. Establishing the performance levels of the current sales force.
2. Assessing all sales representatives with Peak Performance Profile Surveys.
3. Identifying the key factors that distinguish high performers from others.
4. Incorporating the factors into the key human resource functions related.

Each stage is described in the following sections.

Performance Evaluation

The leadership of the two sales organizations, in cooperation with the human resources department, created a performance evaluation rating system. The system classified sales representatives as “A” (top performers), “B” (average performers), and “C” (low performers) based on twelve criteria.

Peak Performance Profile Surveys

The Peak Performance Profile model uses the general formula:

$$\text{Attitudes X Culture X Competency = Results}$$

In the Archangel project we assessed Attitudes and Competency.

One survey measured attitudes and motivational patterns that usually account for 40-60% of an individual’s performance. The other assessed measured sales behaviors and sales drivers.

The Analyses

Two separate analyses were conducted to determine what separated high performers from the other sales representatives. One analysis focused on motivation and attitudes; the other on sales behaviors.

The Results

The analyses of the selling behaviors and attitudinal/motivational patterns yielded several key kinds of information.

Sales Behaviors (Competencies)

- ✓ Identified behaviors on which all representatives rated high.
- ✓ Identified the behaviors that were significantly different between the two sales organizations
- ✓ Identified the behaviors in each sales organization that distinguishes high performers from others sales representatives.

Motivation and Attitudinal Patterns

- ✓ The analyses clearly identified patterns of high performers versus others and demonstrated that the patterns of success are significantly different for the two business groups.
- ✓ The predictive levels of the predictive models were: Equipment (76%) and Electronics (49%).

Application of the Results to the Business

The Archangel Company applied the results of this effort to several of the human resource functions related to their two sales organizations.

Recruiting – The identification of the attitudinal and motivational patterns from the iWAM gives the company the ability to write recruiting ads that target the kinds of applicants they want. More important, the ads are written differently for Equipment than for Electronics. In addition, recruiters were given specific questions to ask in interviews to help determine the extent to which applicants fit the high potential pattern.

Selection – The Peak Performance Profile surveys are now used as part of the screening process for hiring new sales representatives.

Development – In one business each sales representative received an individual one-hour developmental feedback session. This was aimed at targeting information in the representative's report that was important to consider in building a high performance developmental plan.

Managing Sales Representatives – The managers in the Electronics Business Group received a half-day orientation on how to use an individual's information for coaching and managing.

The effort had tremendous value for Archangel in several ways:

1. Increased significantly leadership's understanding of the variables that drive success in their sales representatives.
2. Leadership gained increased understanding of the significant differences between high performers in one business and those in the other.
3. Archangel leadership and human resources were able to make use of the findings in several areas from recruiting to managing people.

The best part: the total investment by Archangel for the effort was probably less than the cost of one hiring mistake:

Recruiting + Selecting + Relocating + Training + Compensating = Cost of a New Hire

If you add the *cost of lost business and lost opportunities* to the cost-of-hiring formula above, Archangel's received an excellent return on investment (ROI).

Why Use This Strategy?

First and foremost, it works!

Second, it is based on your organization, your products or services, and your culture – not some national norm of faceless people who work in hundreds of industries and organizations.

Third, it is the most cost effective approach available and you can run the system yourself if you choose.

In the language of performance, it is better, faster, and less expensive (aka ‘cheaper’) than other systems.

Here’s the overall commitment:

- If you are already good or at the front of the pack with your business, this is a way to widen the gap. It is a powerful tool in going from good to great. (If you are already great, then this is an essential tool for staying that way.)
- If you want to improve sales organization performance to really get in the game, this is a tool and process that will help you increase the power of people so that you can focus on product, service, suppliers, markets, financing, or whatever else might need your attention to help you reach corporate goals.
- If you are starting a new business or new business line, this process can help enormously with the staffing requirements and selection of people to fill key positions.

If you want to know more or have any questions about the information presented here or the events of the last few months that have contributed greatly to the need and the potential.

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