



THE
**SALES
MANAGEMENT**
ASSOCIATION

SalesManagement.org

Research Brief **Measuring Sales Management's Coaching Impact**

Forum
Strategy. Accelerated.

About the Sales Management Association

The Sales Management Association is a global, cross-industry professional organization for sales operations, sales effectiveness, and sales leadership professions. We provide our members with tools, networking, research, training, and professional development.

Our research initiatives address topics relevant to practitioners across a broad spectrum of sales effectiveness issues. Our research is available to members on our site at www.salesmanagement.org.

Research Approach

This study aggregates participating firms' responses to a web-based survey. Before reporting results, we eliminate invalid or ineligible responses, and sometimes contact respondents to clarify their responses. Survey results are only reported in aggregate, and never in a way that would compromise the identity of any single respondent. All individual respondent data are treated with strict confidentiality.

This research represents summarized data from 206 participating firms, employing a total of more than 500,000 sales professionals around the world. Respondent demographics and descriptive information is summarized below.

Research Underwriter

This study was made possible in part through the underwriting support of Forum Corporation, who also collaborated on research design and survey promotion.



About The Forum Corporation

The Forum Corporation helps our clients develop their leaders, managers and sales teams to drive business results.

We provide comprehensive training solutions backed by in-depth research to clients around the world. Contact Forum if you would like to develop your current and future leaders to effectively execute strategies, reduce turnover and improve productivity; or to transform your sales force to improve its effectiveness and increase profits.

www.forum.com



Introduction

Sales coaching remains a hot topic among sales effectiveness leaders. Our audience shows a persistent interest in sales coaching practice – the coaching approaches managers are using to affect meaningful change in their sales organizations.

This research study examines sales managers' practices, priorities, challenges, and impact areas related to sales coaching. Our chief areas of interest in this study are: Which sales coaching objectives represent the most important management priorities? Where are managers focusing coaching efforts? Where and how is sales coaching most impactful? And, what obstacles prevent impactful sales coaching?

Executive Summary

Management views sales coaching as the most impactful sales effectiveness investment, when considered alongside alternative initiatives like training, best-practice sharing, and incentive redesign. Furthermore, coaching is chiefly valued for its direct impact on business performance – not simply as a people development initiative. Management intent upon moving the performance needle sees sales coaching as the single most impactful strategy to do so.

Yet despite coaching's acknowledged importance by managers, the most significant obstacles to coaching are manager-related. Managers do not make time to coach, lack the requisite coaching skills, are inadequately trained, and are not held accountable for coaching activity.

Current sales coaching efforts seem to be largely reactive; most coaching effort is allocated to poor performers, and those asking for help. High-performing salespeople are coached least frequently. Coaching interactions too often focus on informal feedback, or, on winning specific opportunities close at hand. Selling activities farther from the point of sale, such as qualifying opportunities or crafting proposals, receive too little attention as topics for coaching interactions. Coaching efforts suffer most from the lack of a structured, programmatic approach. Executive endorsement, management accountability, success measurement, pre-determined program objectives – characteristics like these, commonly found in other important sales force-impacting initiatives, remain missing in sales coaching efforts.



Despite sales coaching's discouraging current state, our study provides ample justification for optimism for coaching's adherents. Our research correlates coaching effort with improved sales performance, and indicates that a focused, programmatic approach to coaching pays substantial dividends in sales force achievement. Importantly, a defining factor of effective coaching programs is their focus on manager enablement, by providing manager training, accountability, and coaching-to-coaches.

Respondent Descriptive Information

Firm Size and Job Role. Firms were predominately large in size. Thirty-eight percent of respondents' firms have annual revenue in excess of US\$1 billion; 70% of respondent firms have annual revenues in excess of US\$25 million. (Fig. 1)

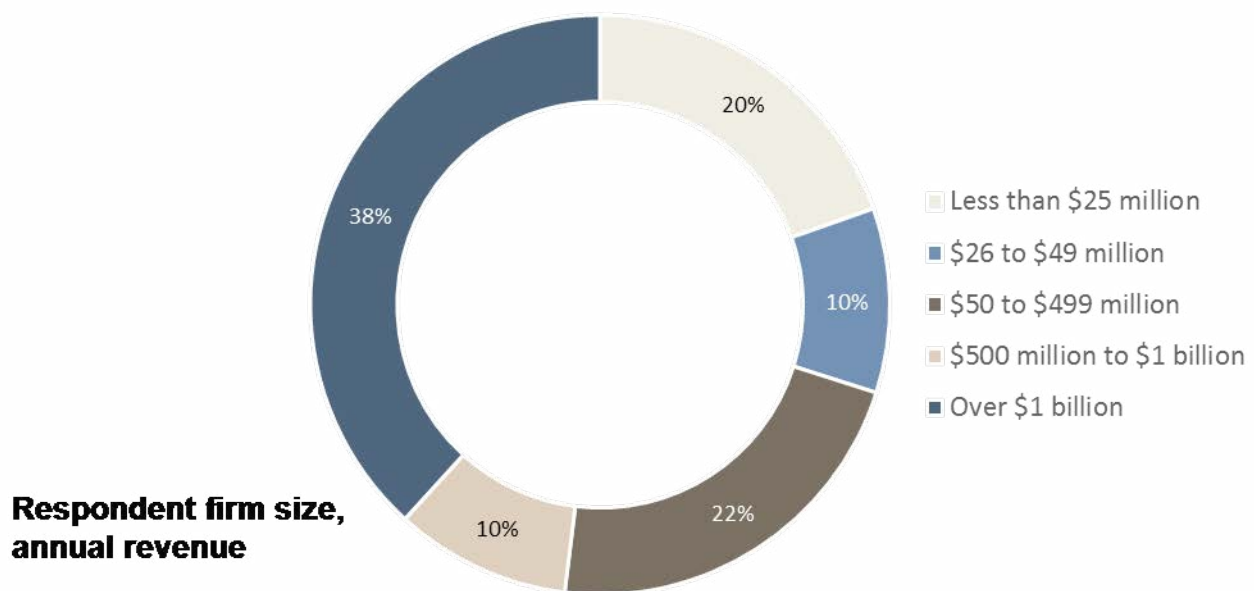
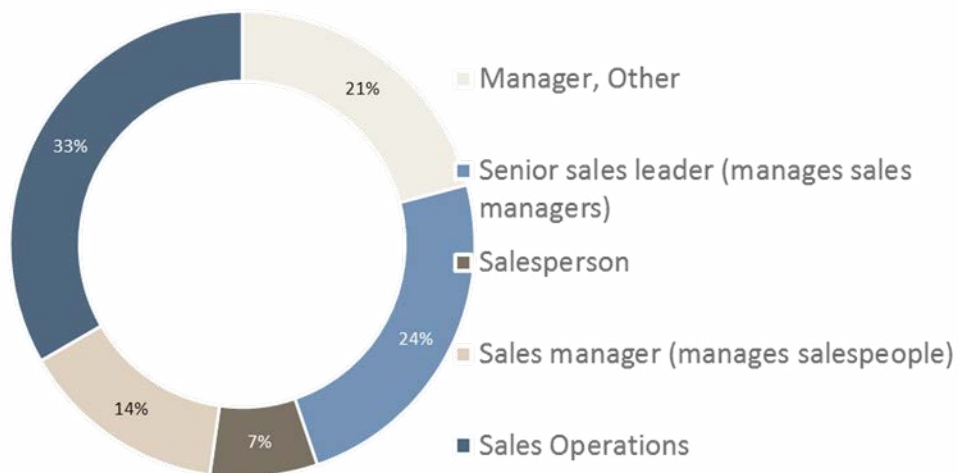


Fig. 1



Fourteen percent of respondents work in a direct sales management role (i.e., managing salespeople). Thirty-three percent work in sales operations leadership, and another 24% as senior sales leaders (i.e., managing sales managers). Other respondents included managers from non-sales functions (including marketing, operations, and human resources; 21%), and salespeople (7%).(Fig. 2.)



Respondent job roles

Fig.2

Seventy-five percent of all respondents personally provide coaching directly to salespeople. (Fig. 3.)

Do respondents personally coach salespeople?

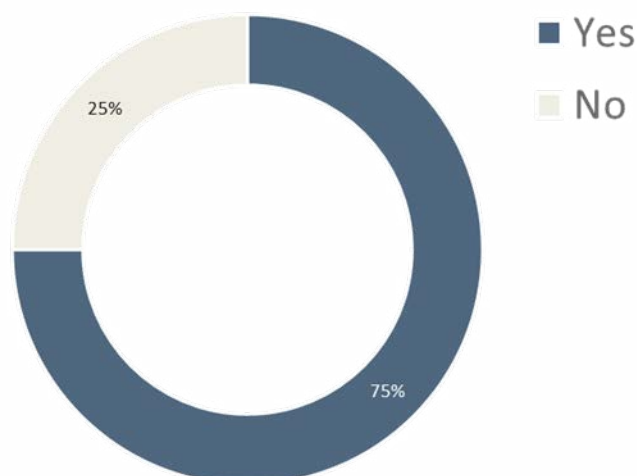


Fig.3



Firm Performance. Seventy percent of respondent firms met or exceeded firm sales objectives in the preceding 12 months, and 67% met or exceeded profit objective in the same period. Respondents were asked to rate their firm's achievement of profit and sales objective based on a seven-point scale ("1" for far underachieved objective; "4" for met objective; "7" for far exceeded objective). We use this performance rating approach in order to normalize company performance across large and small firms, and high and moderate growth sectors. Seventeen percent of respondents rated profit objective achievement in the highest two categories ("6" or "7"); 16% of firms rated sales objective achievement in the highest two performing categories.(Fig. 4.)

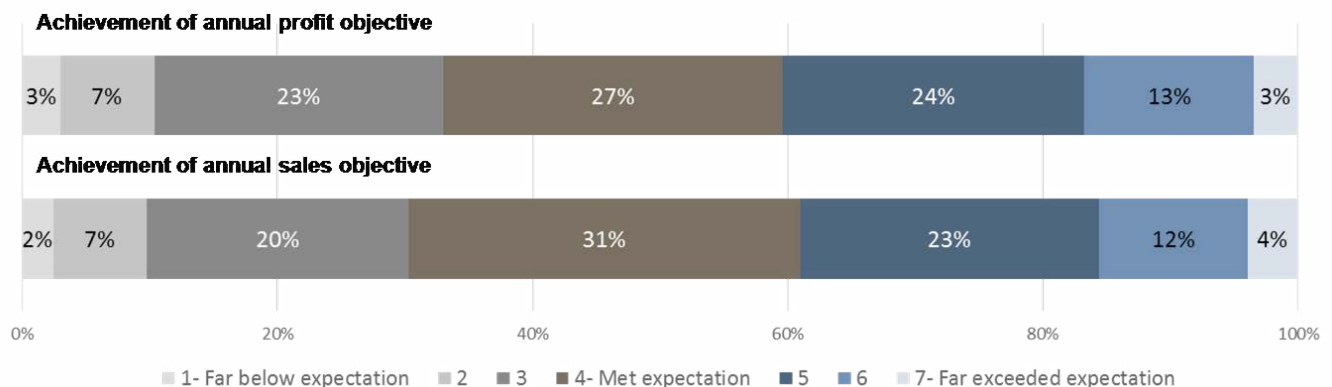


Fig.4

We also asked respondents to provide their firm's year-over-year percentage revenue growth for the preceding 12 months. Seventy-six percent of respondents reported positive revenue growth; 14% negative growth; and 11% no change in year-over-year revenues. (Appendix exhibit 1.)

Respondents' Geographical Distribution. Thirty-four percent of respondents reside in North America, 21% in Australia, 19% in Europe, 14% in Asia, and the balance of respondents in the regions of Latin America, the Middle East, the Caribbean, and Africa. (Fig. 5.)



Respondents' geographical distribution

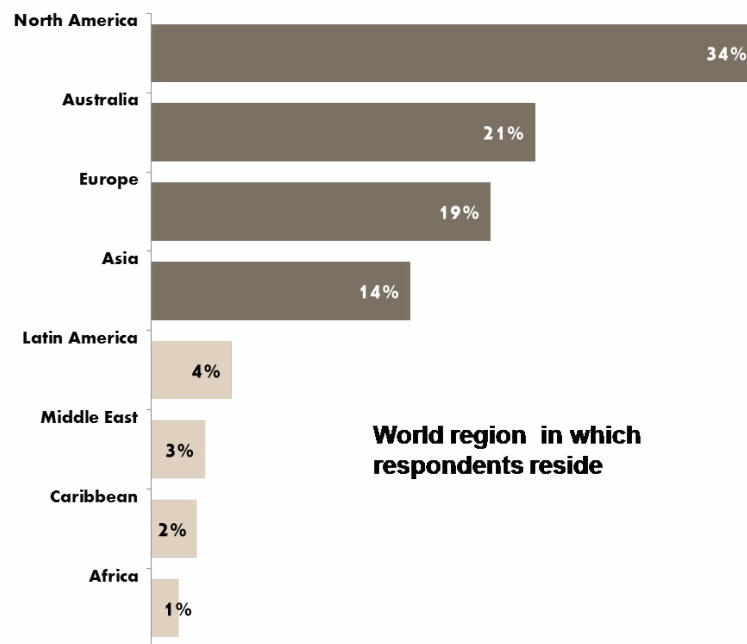


Fig.5

Sales Force Size and Manager-to-Salesperson Span of Control. The median number of sales managers in respondents' firms is 25. Respondent firms' sales managers have approximately seven direct-report salespeople (median = 6.7; average = 7.3). (Appendix Exhibit 2.) In total, respondents' firms employ more than 500,000 salespeople.



Management Expectations of Sales Coaching

Coaching greatly impacts overall sales effectiveness. In rating the impact of a wide range of initiatives on sales effectiveness, sales coaching was rated the highest-impact activity among survey respondents. It was rated (nominally) higher than sales training, sales management training, enabling technology, or sales compensation. Our respondent pool should be considered at least slightly biased – it was, after all, limited to professionals interested enough in sales coaching to complete our survey. Nevertheless the ratings clearly convey that coaching is considered important in the context of alternative investments – by a population with influence over a very broad range of available sales effectiveness investments. (Fig. 6.)

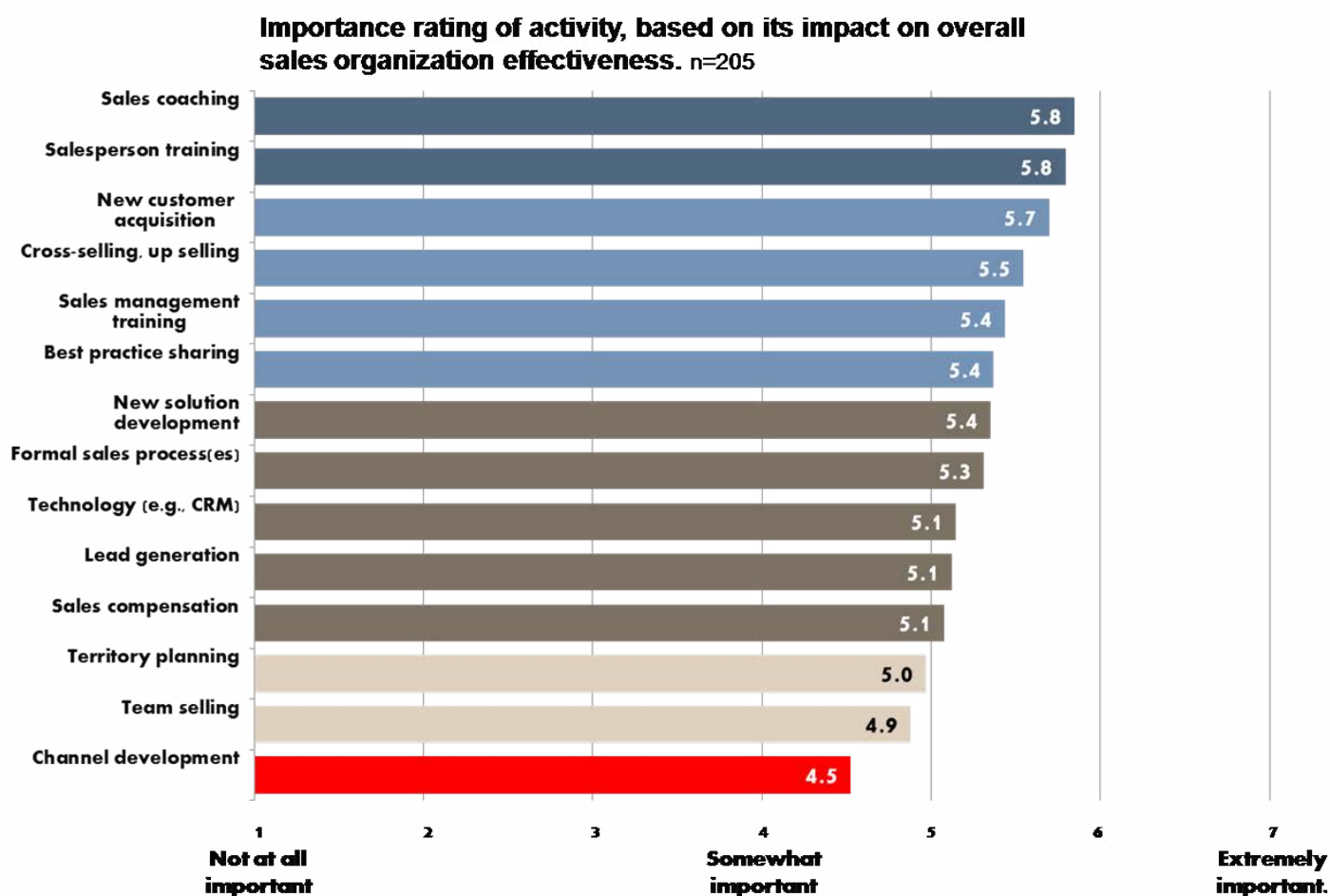


Fig.6



Firms expect coaching to drive business performance – not simply salesperson development. Management’s aspirations in fielding coaching programs are squarely focused on driving firm performance. The highest-rated (most frequent) coaching program objective is to “improve overall sales team performance” (5.3 on a 7-point scale, where 1 = “not at all an objective,” 4 is “somewhat an objective,” and 7 is “very much an objective” of respondent’s coaching program). These results anchor sales coaching’s perceived impact in business outcomes – rather than in softer people development or skills development outcomes (though one naturally follows from the other). (Fig. 7.)

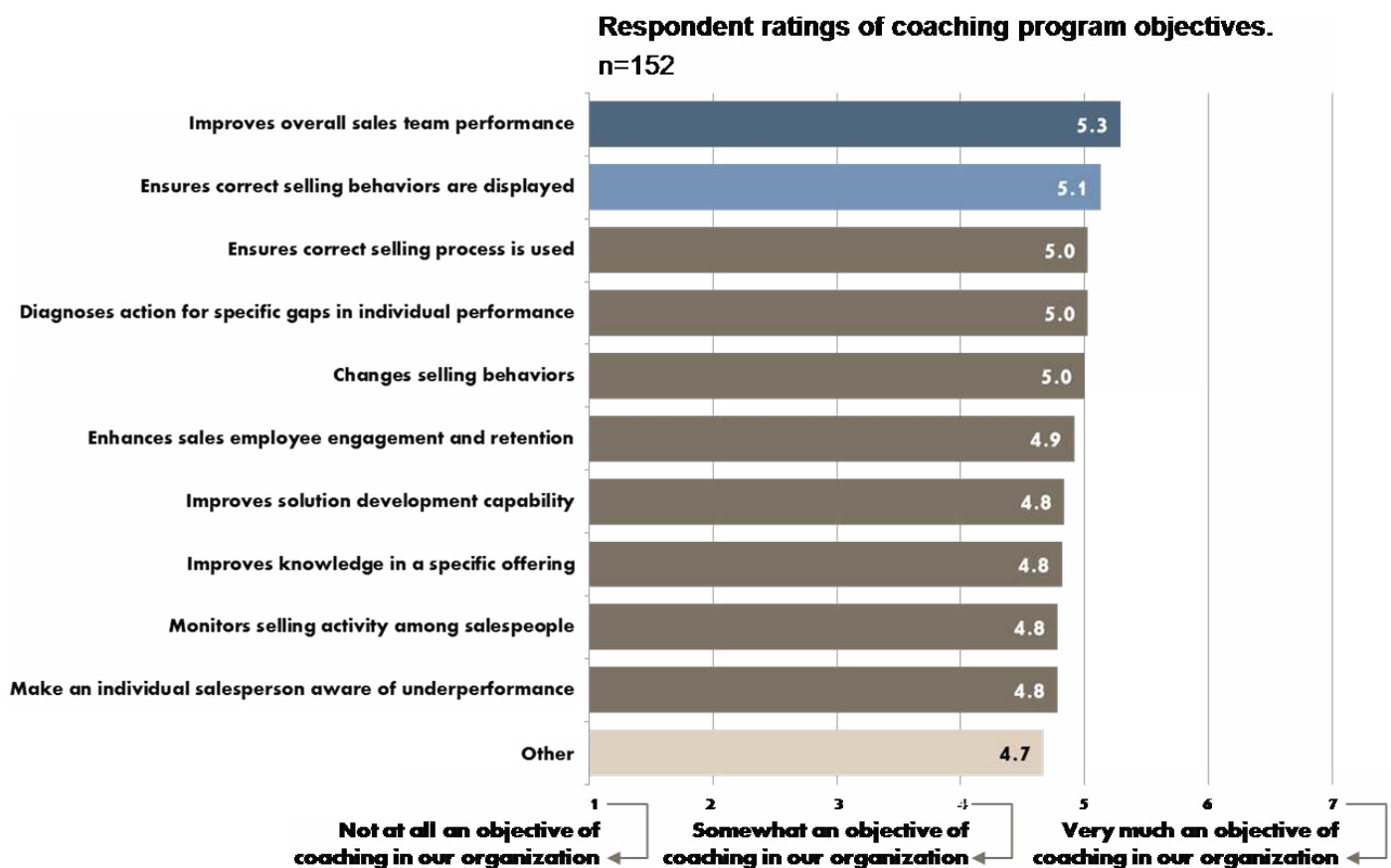


Fig.7



Coaching Practices

Who is coached, and how often? On average, salespeople receiving the most coaching are (in descending order of frequency) salespeople who request coaching, poor performers, and new salespeople (all three provided coaching twice monthly on average). Salespeople transitioning into new roles receive coaching on a monthly basis, on average, as do salespeople with a specific developmental issue. High-performing salespeople are coached least frequently, approximately once each quarter, on average. (Fig. 8.)

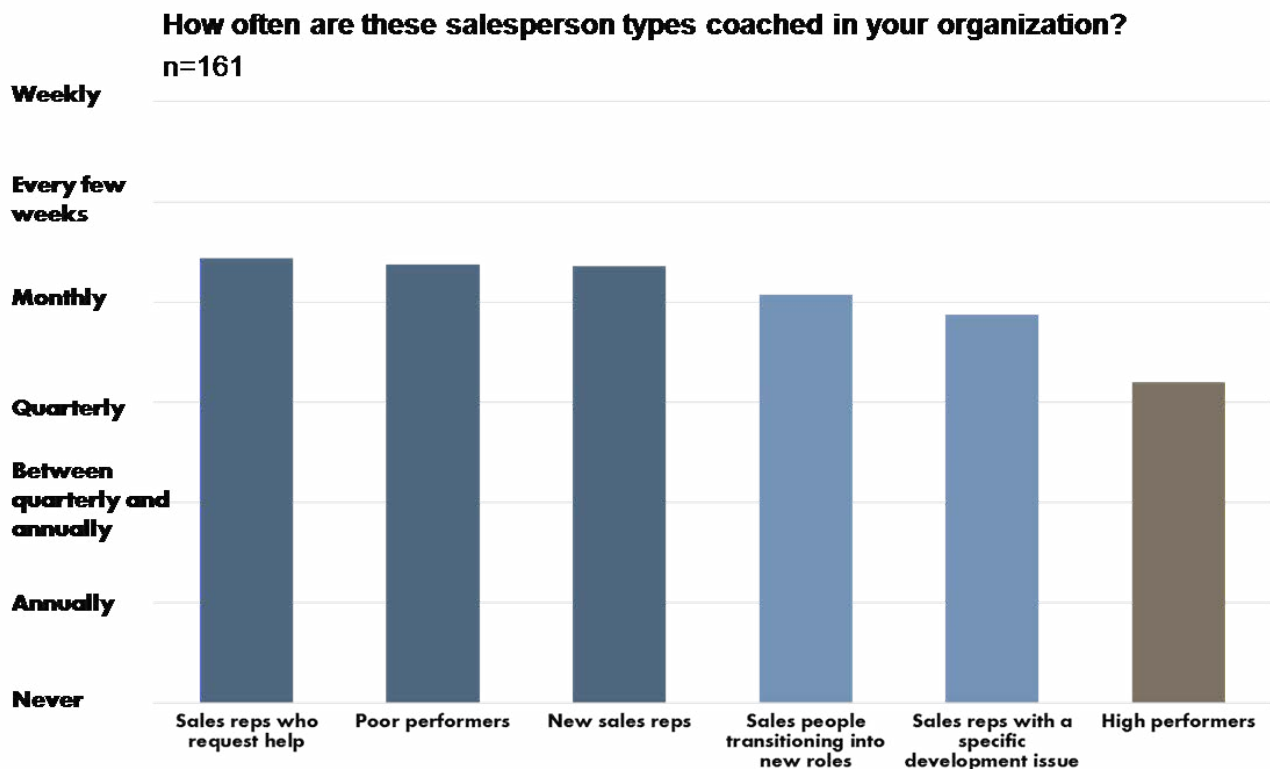


Fig.8

These results show that coaching time is allocated in ways that favors reactive performance issues – poor performers, and those asking for help. Coaching for these salespeople is chiefly concerned with raising poor performance to acceptable levels. These results don't suggest a widespread use of coaching as a proactive management intervention with pre-defined objectives, and a focus on elevating performance across all salespeople.



Most often, coaching takes the form of informal feedback, or is focused on a specific opportunity. These coaching topics were cited as the most frequent topic of coaching interactions (both rated 5.4 on a seven-point scale, where 1 is “never,” 4 is “sometimes,” and 7 is “always.” Next most frequent as a coaching topic is account planning and management (5.1), new skills development (5.0), pipeline coaching (4.8), sales call effectiveness (4.8), and presentation skills (4.7). The least-frequently coached topics are overall territory or assignment management (4.1), identifying poor performance (4.4), crafting offerings (4.6), and qualifying opportunities (4.6). (Fig. 9.)

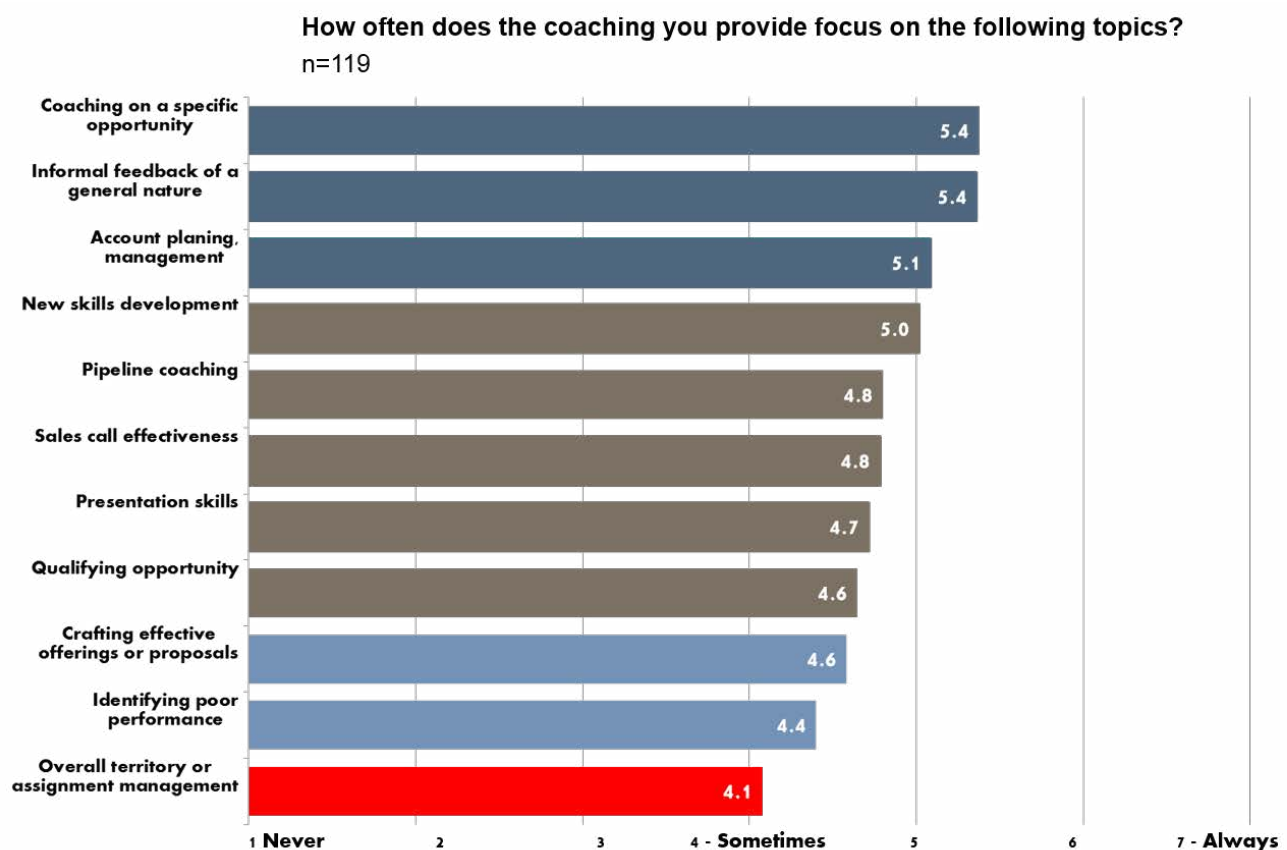


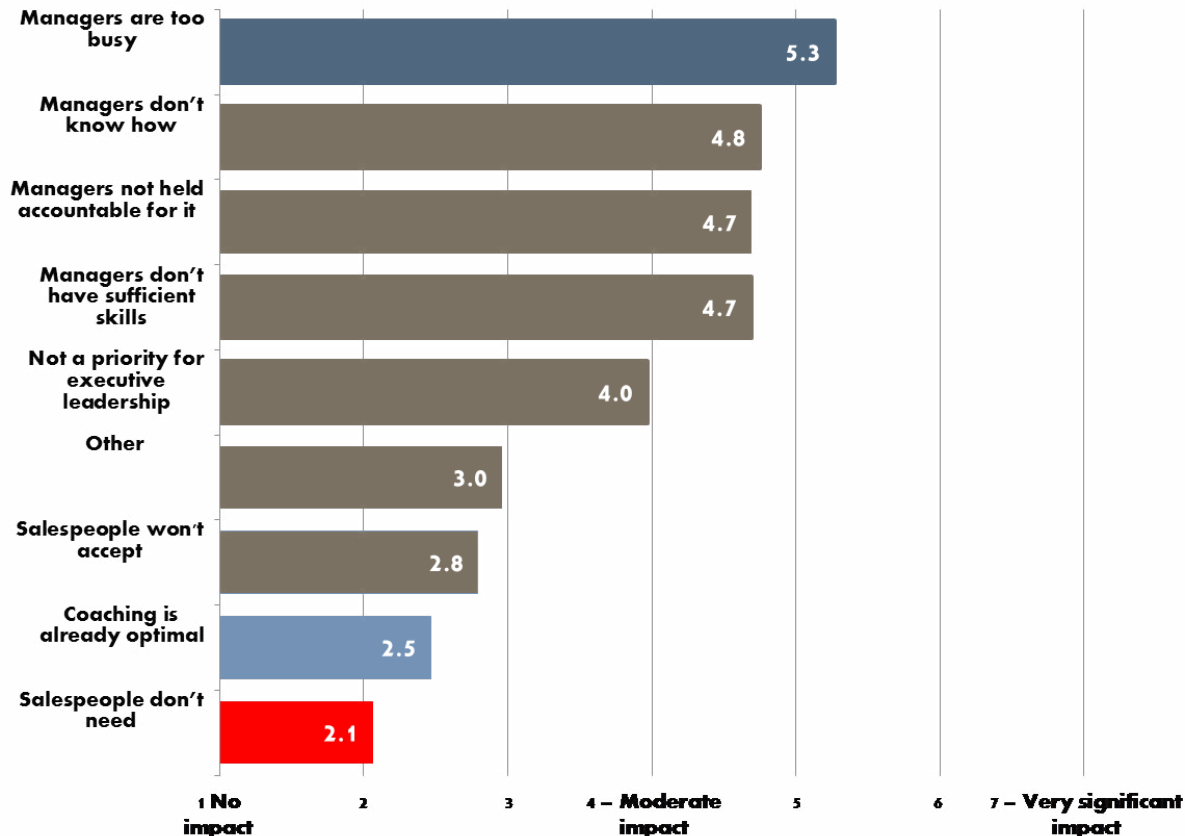
Fig.9

Current coaching topic focus presents two fundamental weaknesses. First, coaching is too often unstructured and without clear purpose. Second, coaching of upstream processes (i.e., those farthest from the point of sale) are less likely to occur. Coaching efforts focused on immediate opportunities and in-call performance are important, but may have less long-term and sustained impact on performance than coaching interventions directed toward overall territory management, qualifying opportunities, and crafting solutions.



Obstacles to Effective Coaching

Fig.10 **Respondent ratings, based on management impact, of potential obstacles to coaching salespeople.**
n=154



Despite respondents' assertions of sales coaching's importance and impact, the most significant obstacles to coaching appear to be manager-related. Among potential obstacles to providing coaching, management preoccupation with other responsibilities is most significant (rated 5.3 on a seven-point scale, where 1 is "no impact," 4 is "somewhat impactful," and 7 is "very significant impact" as an obstacle to coaching salespeople). Managers also "don't know how" to coach (4.8), aren't held accountable for coaching (4.7), and don't have sufficient skills required for coaching (4.7). Least obstructive is the concern that salespeople won't accept coaching (2.8), that coaching is already optimal (2.5), or that salespeople don't need coaching (2.1). These results indicate that resistance from coaching recipients is a negligible challenge, that few have already optimized their sales coaching efforts, and that management capability and focus are the most critical determinants of firm coaching activity.



Coaching Program Characteristics

Coaching programs too often lack basic elements essential to any sales force-impacting initiative. Executive endorsement, management accountability, success measurement, pre-determined program objectives – characteristics like these, commonly found in the humblest of initiatives, remain missing in sales coaching programs, despite coaching’s acknowledged importance.

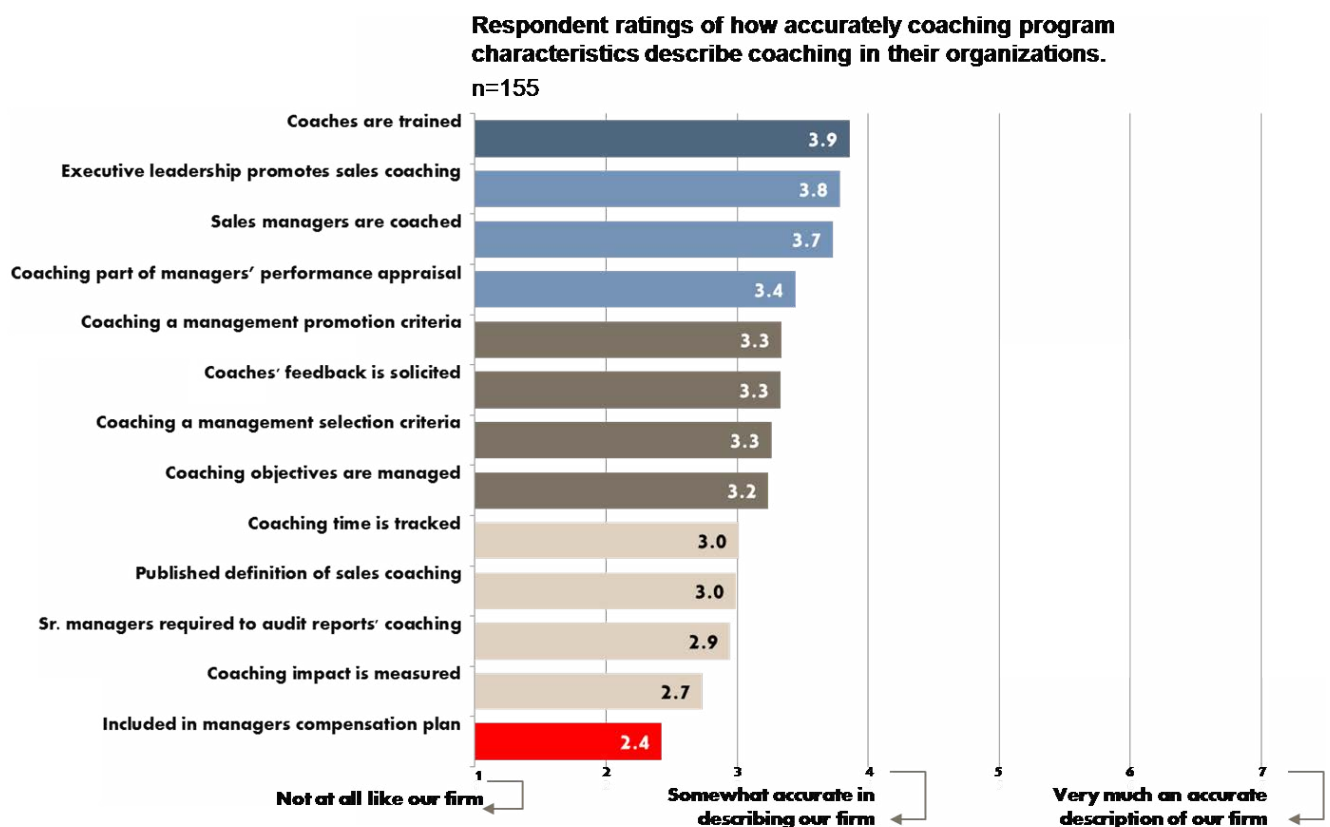


Fig. 11

The most common elements present in respondents’ coaching programs are training for coaches (rated 3.9 on a seven-point scale, where 1 is “not at all,” 4 is “somewhat,” and 7 is a “very” accurate description of respondents’ coaching program); active executive endorsement (3.8); and sales manager coaching (3.7) followed closely. It should be noted however that all ratings were below the median rating of 4.

Least prevalent was inclusion in coaching activity in managers’ incentive compensation (2.4) and measuring coaching’s impact (2.9).



Coaching's Correlation to Firm Performance

Study found significant differences in coaching practices among high performing firms – those firms that achieved sales objective in the preceding 12 months – compared to lower-performing respondent firms.

High-performing firms provide more frequent coaching. High-performing firms provide 15 to 20% more coaching compared to other firms, and do so across all salesperson types included in our study. (Fig. 12.) Likewise, increased coaching in high-performing firms occurs in all of the coaching topics included in the study.

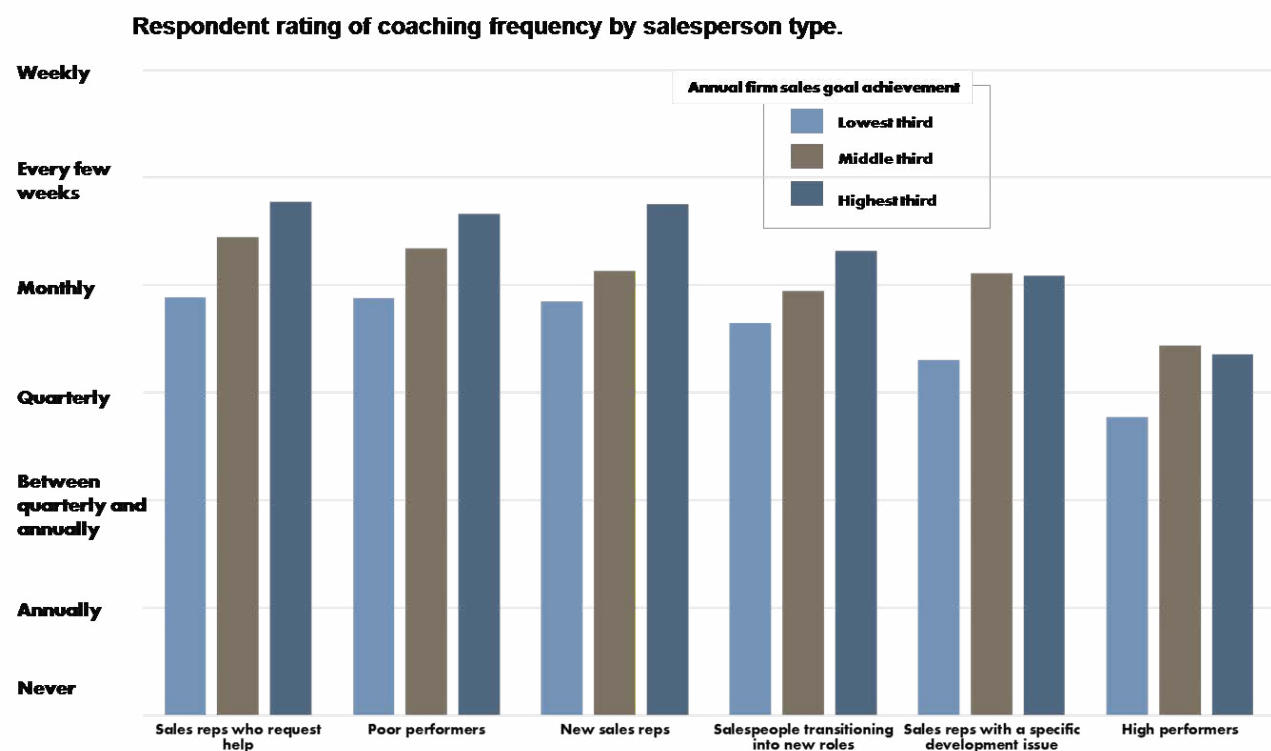


Fig.12

The most significant differences in coaching frequency between high and low performing firms occurred in these topic areas (coached 10% or more frequently in high-performing than in low performing firms): sales call effectiveness, identifying poor performance, crafting effective proposals, informal feedback, and qualifying opportunities. Some topics were emphasized roughly equally in both high and low performing firms. These include coaching related to winning a specific opportunity, and coaching related to scenario-specific presentation skills.



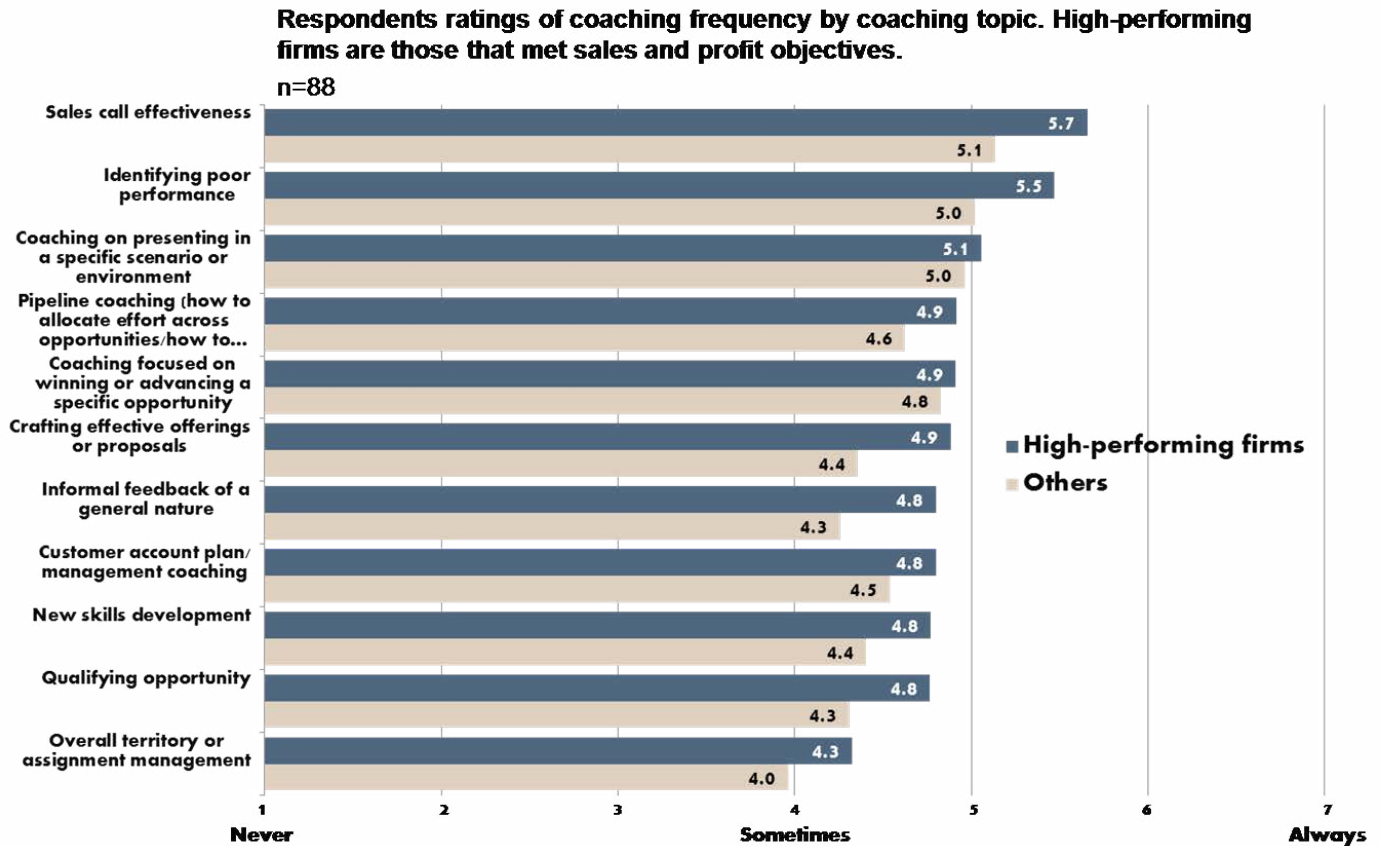


Fig.13

High-performing firms focus on management. Among the most compelling differences we found between high and low performing firms relate to high-performing firms' programmatic focus on those managers asked to administer coaching directly to salespeople. In high-performing firms, sales coaching programs are likely to include coaching for managers (not just salespeople), training for coaches, executive leadership endorsement, and inclusion of coaching effectiveness in manager appraisal.



Respondents ratings of coaching frequency by coaching topic. High-performing firms are those that met sales and profit objectives.

n=88

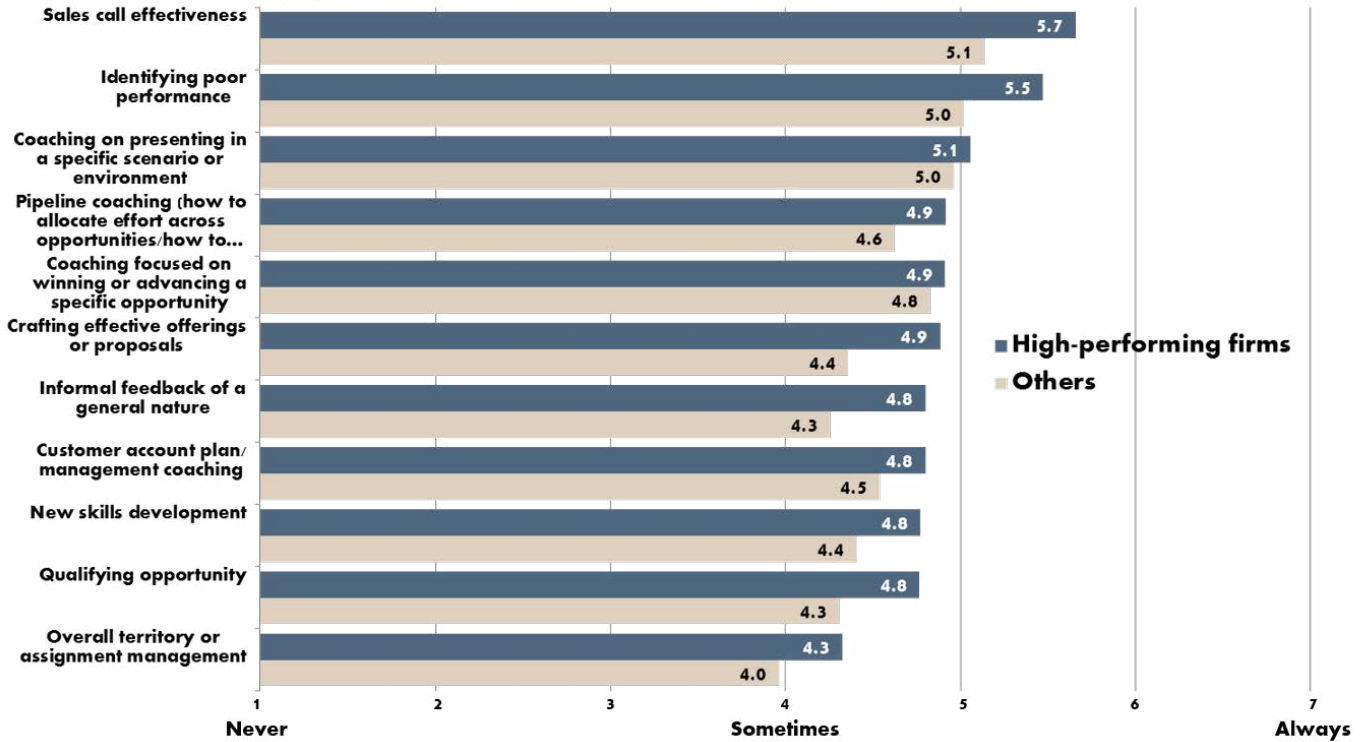


Fig.14



Recommendations

Our research shows sales coaching's impact and importance are perceived as very high by management, yet sales coaching remains incompletely implemented and suffers from too little management attention. This paradox exists, we suspect, because organizational commitment to coaching is too often long on aspiration but short on principled invest; but also because managers significantly underestimate the importance of program elements critical to coaching program success. Here are our recommendations for guiding investment in impactful sales coaching:

Establish baseline expectations. These should include a clear definition of what sales coaching is, its relevance to other performance management activities, its linkage to business impact and the organization's expectations for coaches and those coached.

Treat coaching like other mission-critical sales change initiatives. Sales organizations regularly implement significant change initiatives. Few do so without securing stakeholder buy-in and leadership endorsement, establishing measures of success, providing appropriate training, and tracking performance. Far too frequently, sales coaching initiatives lack these same programmatic elements managers employ for initiatives considered less impactful.

Direct coaching toward specific behaviors, competencies, and performance objectives. Informal coaching appears to be important, but only if it is combined with coaching focused around specific performance outcomes. Firms should prioritize these, based on competencies considered essential to each sales role. These should include activities most closely connected in time with a favorable sales outcome (skill in pitching a program in order to secure customer commitment, for example) but should also focus on activities farther upstream, such as pursuit strategies, qualifying opportunities or crafting solutions.

Invest in managers, not just salespeople. High-performing firms' coaching programs include manager training, formal coaching objectives, and appraisals of coaching effectiveness. Having senior leaders provide coaching to managers (who in turn are expected to coach salespeople) appears to be the single most important activity a firm undertakes to support effective sales coaching. These activities signal coaching's importance to first-line managers.



Appendix Charts

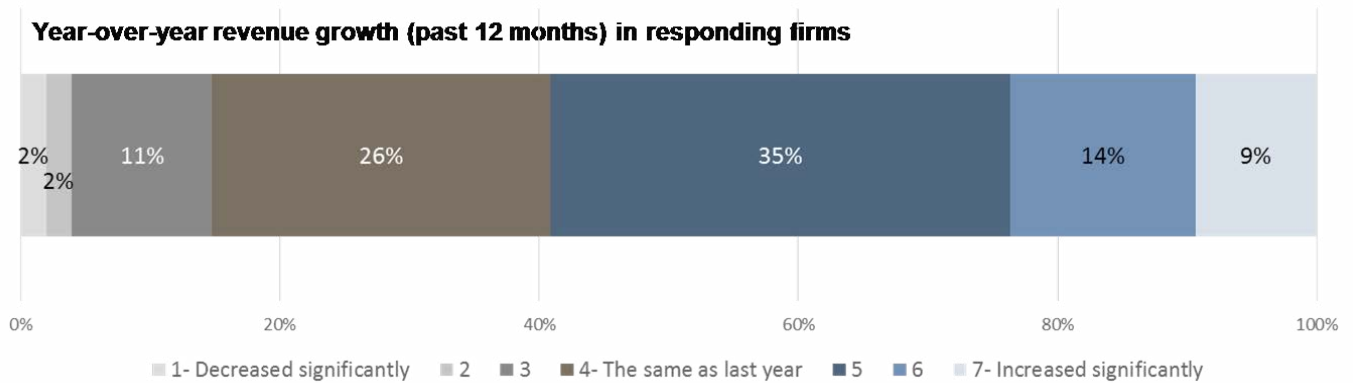


Exhibit 1

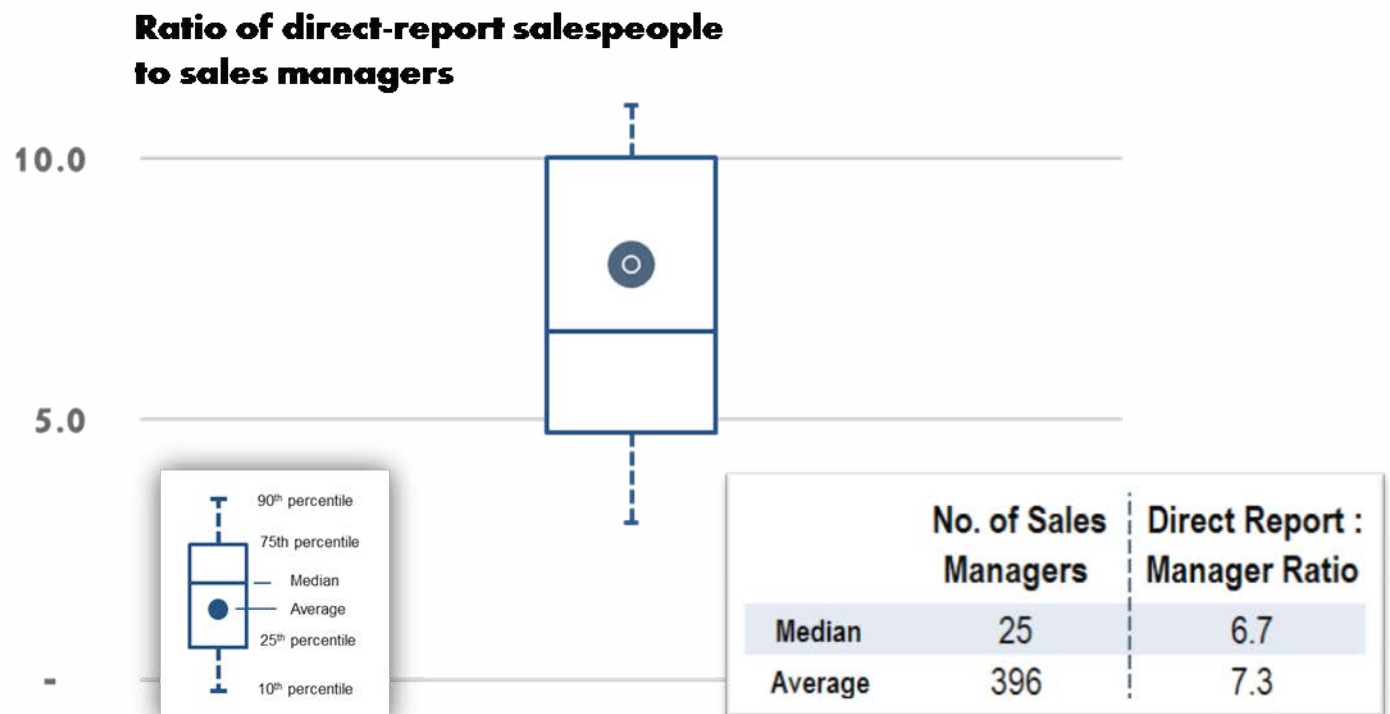
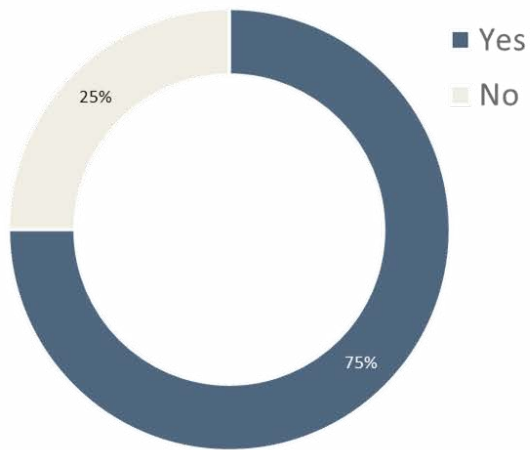


Exhibit 2



Respondents' personal involvement in coaching

Do respondents personally coach salespeople?



Which salespeople do you coach?

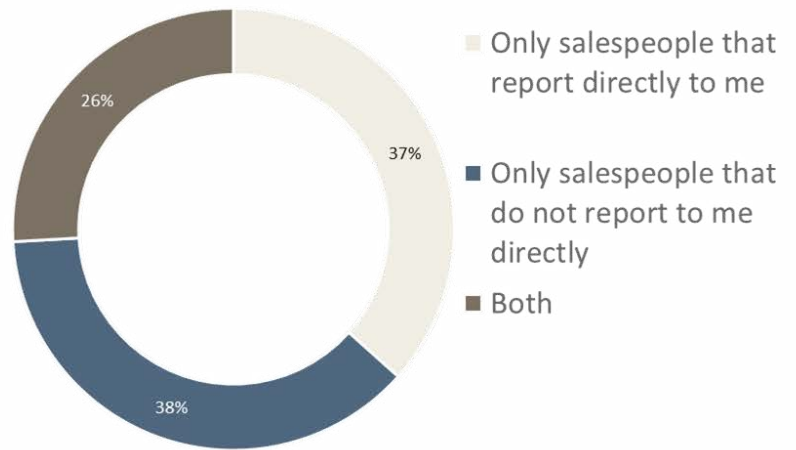


Exhibit 3

Year-over-year revenue growth (past 12 months) in responding firms

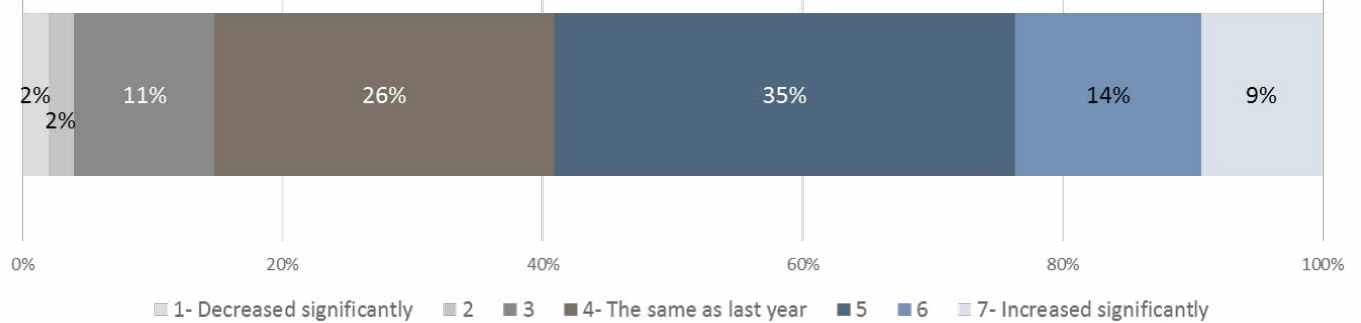


Exhibit 4



Sales headcount change and firm revenue growth

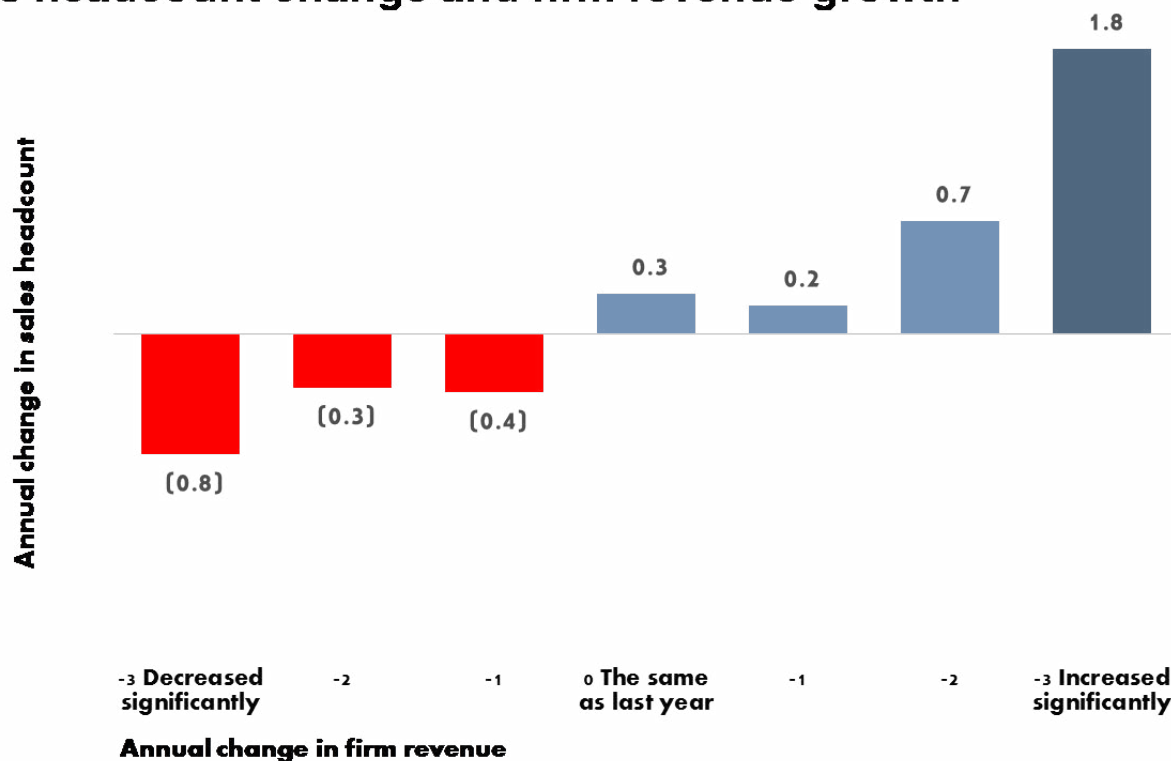


Exhibit 5

Sales headcount and firm revenue growth.

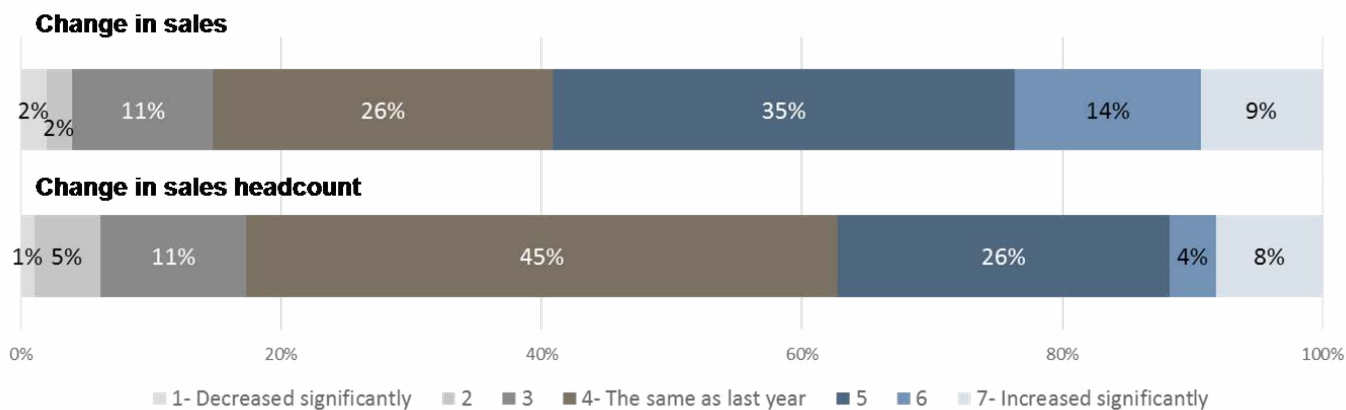


Exhibit 6



What improvements would help under-performing respondents?

Team and organization-level respondents.

n=48

Improvements to which factors below would have been most impactful in helping your team(s)/organization make sales objective? Please select three.

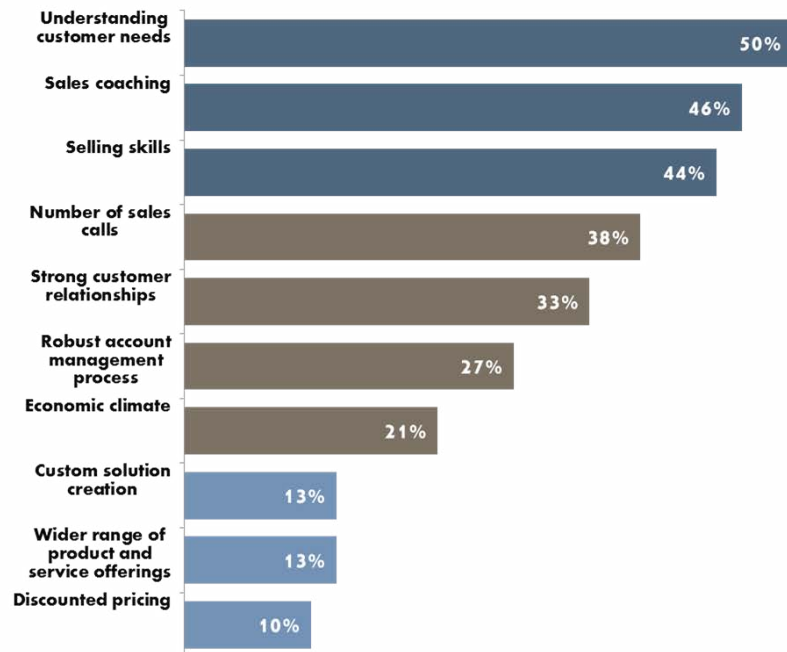


Exhibit 7

What factors contributed to success?

Organization-level respondents.

n=81

What factors were most important in helping your organization meet sales objective? Please select three.

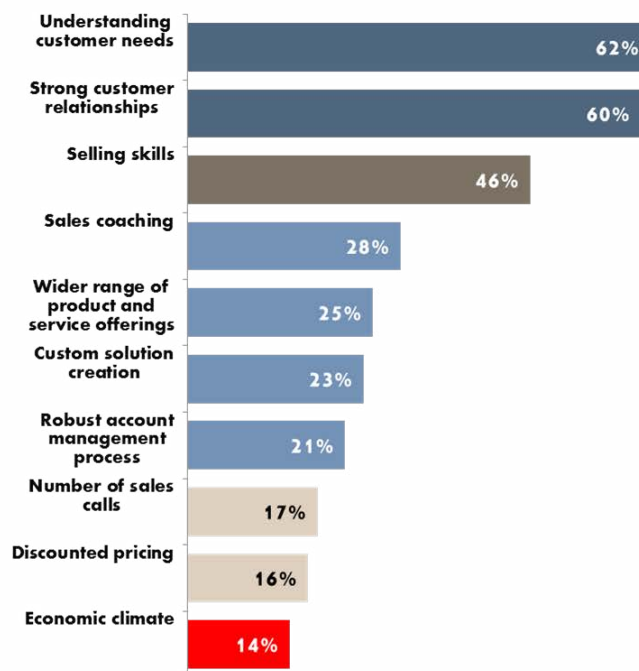


Exhibit 8



What factors contributed to success?

Combines individual, team, and organization-level respondents.

n=109

What factors were most important in helping your / your team(s) / your organization meet sales objective? Please select three.

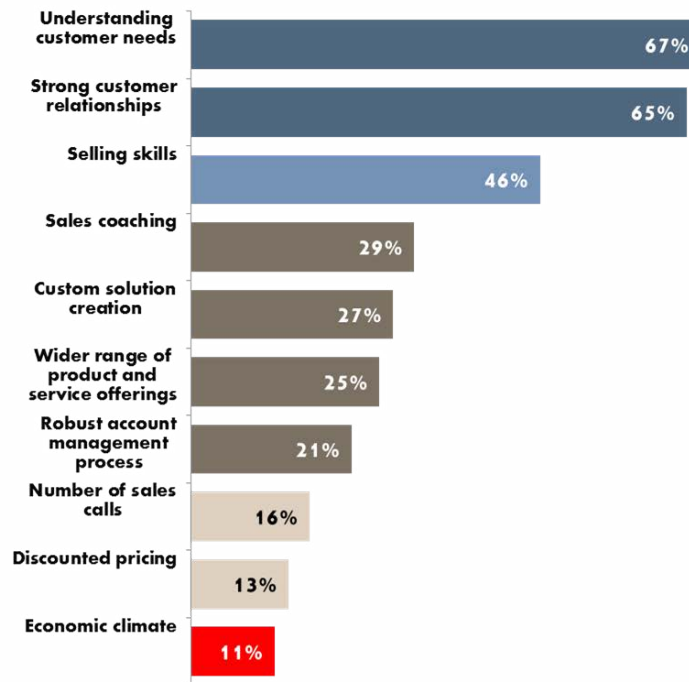


Exhibit 9

Challenges impacting performance.

Organization-level respondents.

n=117

Which challenges most significantly impacted your organization's performance over the past 12 months? Please select three.

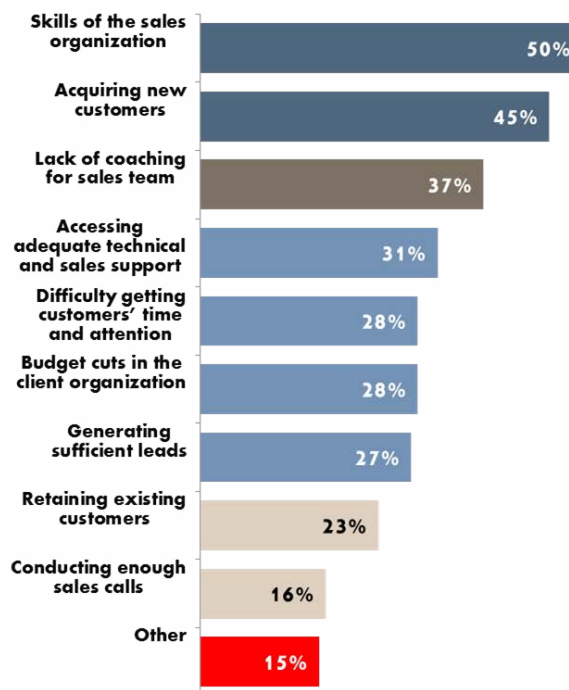


Exhibit 10



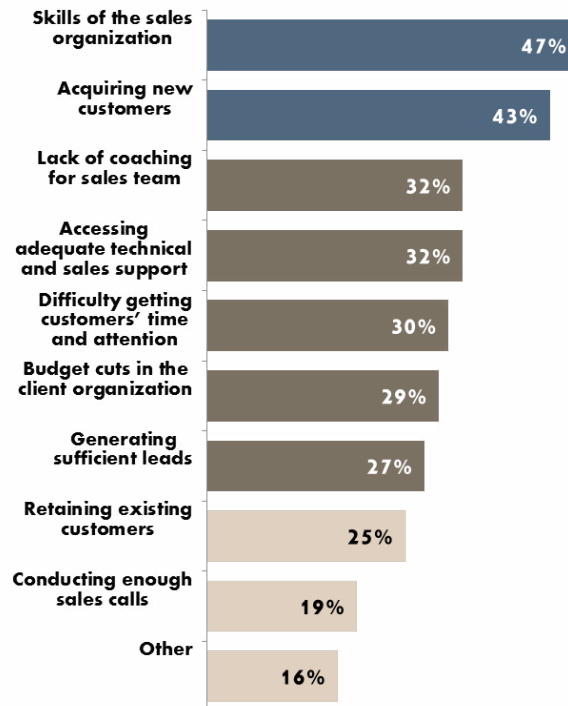
Challenges impacting performance.

Individual, team, and organization-level respondents.

n=164

Which challenges most significantly impacted your/your team(s)/your organization's performance over the past 12 months? Please select three.

Exhibit 11



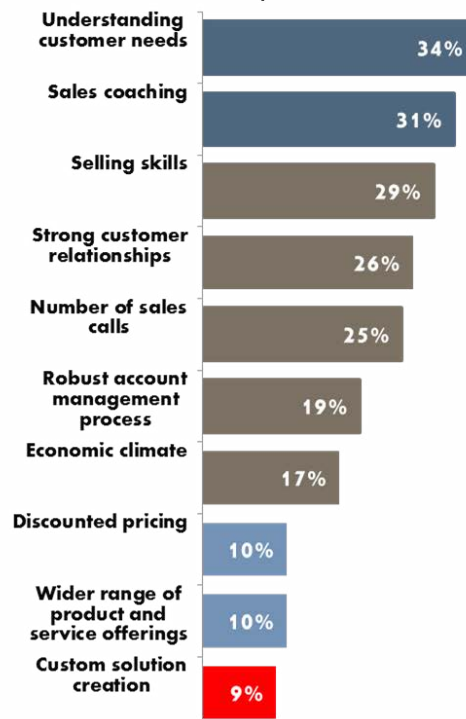
Sales coaching is identified as an important improvement contributor for under-performing firms.

Individual, team and organization-level respondents.

n=77

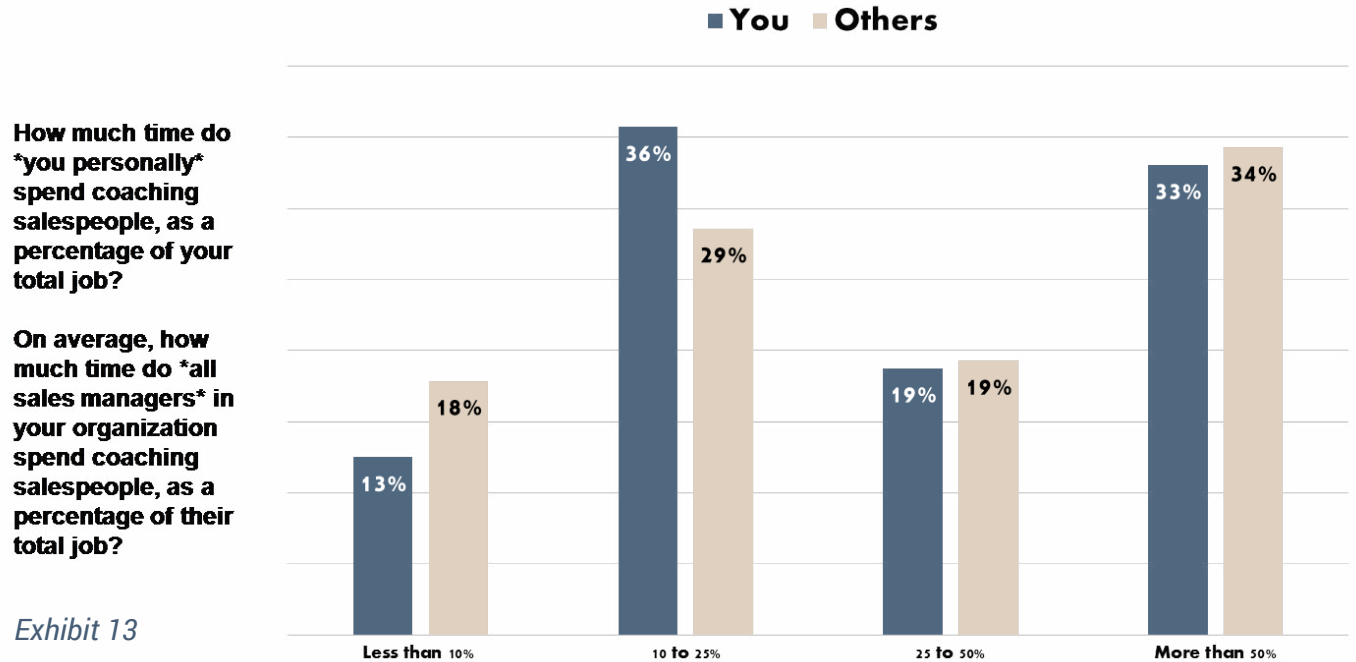
Improvements to which factors below would have been most impactful in helping you/your team(s)/organization make sales objective? Please select three.

Exhibit 12



Respondents coaching time vs. others' in their firm

n=140



Coaching's impact on performance

n=152

