

Conducting a Top-Performer Analysis

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AGENDA



TOP-PERFORMER ANALYSIS

- ◆ What is Top-Performer Analysis?
- ◆ Why do it?
- ◆ How to do it?
- ◆ What to do with it?

*“Advice about how to **figure out** what’s
right for you, is better than
being told **what to do.**”*

- Mike Kunkle



Defining Top-Performer Analysis

What is Top-Performer Analysis (TPA)?

- ◆ Defining “Top Sales Performer”
- ◆ Defining “Top-Performer Analysis”
- ◆ How “bad practice” has undermined “best practices”
- ◆ The 5 Mistakes to avoid during TPA
- ◆ Some context – where TPA fits.

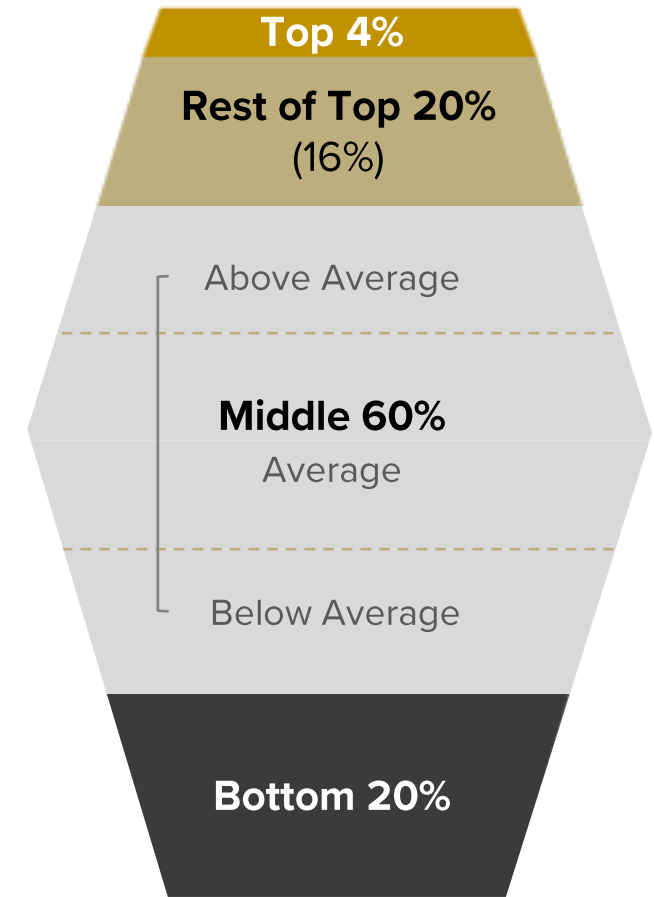
Defining “Top Sales Performer”

My definition

- ◆ A seller who has the right blend of the results, mindsets, traits, knowledge, skills, and behaviors that you want to replicate in your sales force. (Someone you would clone, if you could.)

Consider

- ◆ How the top 4% & 16% are different?
- ◆ Should you split the analysis by roles?
- ◆ What criteria/KPIs/results matter most for the future?
- ◆ Is the rep truly responsible for their results?
- ◆ Is what the rep does, replicable, repeatable and trainable?
- ◆ Ask sales leadership to identify study participants but validate with data.



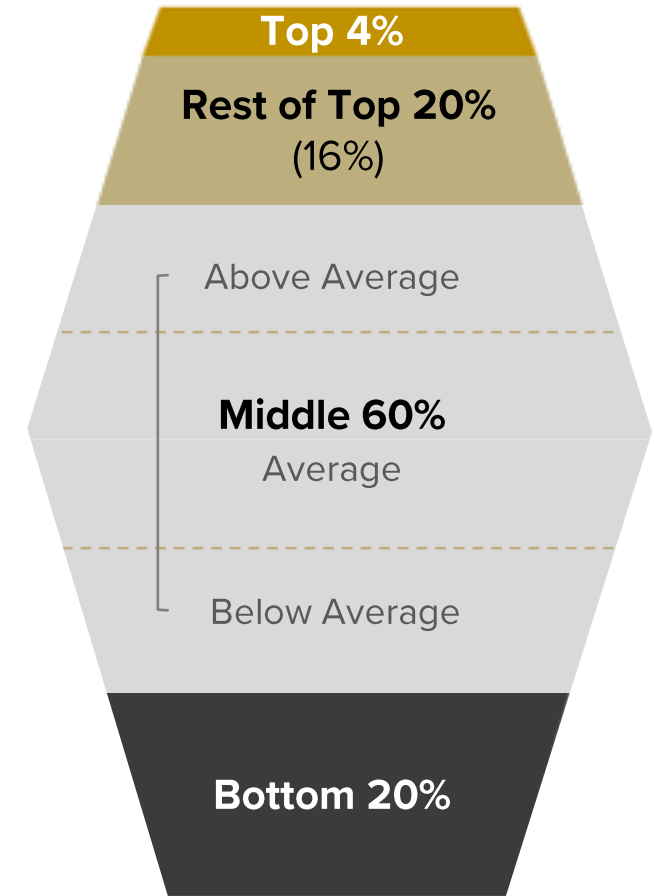
Defining “Top-Performer Analysis”

My definition

- ◆ A study to determine the (mindset, traits,) knowledge, skills, and behaviors that top-performers possess, that differentiate them from other sales reps.

Consider

- ◆ Are you doing this for selection, training, or both?
- ◆ Should you focus on the top 4% or the rest of the top 20%? Or both?
- ◆ Do you have enough participants for study reliability and validity?
- ◆ Do you have the ability to analyze/crunch data or a resource who can?



Best Practices vs. Top-Performer Practices

Some common concerns on “best”...

- ◆ *“Best practices aren’t really ‘best’... they’re just good practices.”*
- ◆ *“Who determines whether something is best or not? Isn’t that immediately invalid?”*
- ◆ *“I’ve never seen a best practices study amount to anything.”*
- ◆ *“I tried that at a previous company, and it was a waste of time.”*

Best Practices vs. Top-Performer Practices

Why TPS is better than “best”

- ◆ The Sales Utility Belt concept
- ◆ Context and sales nuance are critical
- ◆ Judgment is a superpower of selling



Sales Nuance: <https://www.linkedin.com/pulse/what-sales-nuances-why-you-should-care-mike-kunkle>

Sales Judgment: <https://www.linkedin.com/pulse/20140816235048-834966-judgment-the-superpower-of-selling-skills>

The 5 Mistakes of TPA

- ◆ **Mistake 1:** Studying the wrong “top reps” and therefore, cloning the wrong behaviors
- ◆ **Mistake 2:** Ignoring differentiators, compared to average performers (Continue | Stop | Start Plans)
- ◆ **Mistake 3:** Leaving out the Voice of the Customer
- ◆ **Mistake 4:** Forgetting “what to STOP doing”
- ◆ **Mistake 5:** Implementing the resulting training ineffectively.

How TPA Fits

Sales Performance Levers

- ◆ 6-Project Series

Performance Levers

- ◆ Critical *competencies, knowledge, skills, behaviors* and *conditions* which must be present for *ethical, sustained, high-performance* to occur.



How TPA Fits

Sales Performance Levers

- ◆ 6-Project Series

Performance Levers

- ◆ Critical *competencies, knowledge, skills, behaviors* and *conditions* which must be present for *ethical, sustained, high-performance* to occur.





Why to Conduct a Top-Performer Analysis

Why to Conduct a Top-Performer Analysis

Primary Reasons

- ◆ More effective sales onboarding
- ◆ Close the sales productivity gap
- ◆ Better business outcomes
- ◆ The mythical and elusive Sales Training ROI.

Sales onboarding: <https://www.linkedin.com/pulse/20141006015758-834966-sales-onboarding-twice-as-good-half-the-time>

Why to Conduct a Top-Performer Analysis

Real Examples of Outcomes | Bottom-line Results

- ◆ A \$398MM revenue increase, \$9.96MM net profit increase, and a 3,740% ROI
- ◆ Newly-hired 4-month employees outperformed a control group of 5-year employees
- ◆ Increased sales/rep by 47% through changes in territory management & sales coaching
- ◆ Improved average profitability/rep by 11% in 4 months
- ◆ Improved final-stage conversion ratio by 16% in 6 months
- ◆ Increased sales/rep in the 3-months after training by 2.3 per month (average revenue increase of \$183K per class or \$36.6MM in 12 months).

Why to Conduct a Top-Performer Analysis

Value-Added Reasons

- ◆ Improved relationship/credibility with Sales
- ◆ Land and expand strategy
- ◆ Buy-in for initiatives
- ◆ Helps at budget time
- ◆ Career impacts



How to Conduct a Top-Performer Analysis

Sales Performer Analysis



Sales Performer Analysis

Who to Study

- ◆ What is my performance criteria?
- ◆ What are my performer categories?
- ◆ Who is in which buckets?

WHAT

- ◆ Identify top, average & low-producing sellers.
- ◆ Identify top, average & low-producing sales managers.

HOW

- ◆ Analyze a year of sales data & create a weighted scoring system across multiple metrics/products.
- ◆ Some discussion & surveys with managers.

WHY

- ◆ Provides a mix of performers to study in various ways, to determine true differentiating factors.

Example of Sales Metrics / Performance Criteria

Metrics	Quarterly Weighting *
Create a weighted scoring system...	
# of Sales	Med-High (2-3)
\$ Volume	Low (1)
Velocity	Med (1-2)
Avg # Sales/Rep	High (3-4)
Avg \$ Vol/Rep	Med-High (2-3)
Cross-Sell Percent	Med (1-2)

NOTE: These are examples. The metrics that matter most and the priority or weighting of them may be different for you company.

* Review the last 12 months and the last quarter. Consider weighting the quarter more heavily or adjusting for other seasonality factors. Blend the scores, as sensible.

Example of Performer Categories

Top New Reps	New = >30 days, <271 days	Often “top” includes tiers: 4% 10% 15% 20%
	Top = In the Top Quintile of all metrics	
Top Seasoned Reps	Seasoned = >365 days (many 5+ years)	
	Top = In the Top Quintile of all metrics	
Average Reps	Selected randomly, between mean and median production	
Low Performer Reps	Selected randomly from the bottom 20%	
Top SM Performers	Top = In the Top Quintile of all metrics, personal production	
Top SM Team Managers	Top = Top Quintile all metrics, w/o SM results + survey of their Mgr	
Top SM Both	Top = In Top Performer group personally + Top Quintile all metrics w/o SM results + survey of their Mgr	
Average SM (Team)	Selected randomly, between mean and median production	
Low Performing SM (Team)	Selected randomly from the bottom 20%	

Example of Analysis – Sellers

Low
High
4th Quartile
Mean Avg.
Median

Agent Name	
Madonna	01-TopSeasonedAgent-12%
Lady Gaga	01-TopSeasonedAgent-12%
Cher	01-TopSeasonedAgent-12%
Katie Perry	01-TopSeasonedAgent-12%

TOTALS - Last YEAR Analysis				
# Apps	Avg Apps / Day	AV	Avg AV / Day	Taken Rate
1	0.009	0	0.000	0%
852	2.500	1,879,084	4,827.787	100%
156	0.467	286,546	810.472	90%
104.9	0.347	201,740	596.142	80%
67.0	0.264	116,909	431.496	81%
558	1.325	789,312	1,874.8	83%
552	1.272	926,936	2,135.8	83%
511	1.183	1,294,609	2,996.8	79%
603	1.399	1,041,518	2,416.5	72%
392	0.916	927,668	2,167.4	84%

Sort A to Z
Sort Z to A
Sort by Color
Clear Filter From "(Column B)"
Filter by Color
Text Filters

☒ (Select All)
☒ 01-TopSeasonedAgent-12%
☒ 02-TopSeasonedAgent-25%
☒ 03-TopNewAgent-12%
☒ 04-TopNewAgent-25%
☒ 05-AverageAgents
☒ 06-Bottom20%Agents
☒ (Blanks)

OKCancel

QUARTER				
1-2	1-2	1	8 to 12	
2	2	1	12	20
2	2	1	12	20
2	2	1	12	20
2	2	1	12	19
2	2	1	12	19
2	2	1	12	18
2	2	1	12	18
2	2	1	12	17
2	2	1	12	16

Example of Analysis – Sales Managers

Consider things like...

- ◆ Avg Productivity
 - Avg # and \$/rep/time period
- ◆ Engagement: % of team producing and/or goal %/rep
- ◆ Total Team Sales: \$ and #
- ◆ Avg Time to 1st Sale (new reps)
- ◆ Avg Time to productivity (new reps)
- ◆ Pipeline Stats:
 - Conversion %
 - Velocity
- ◆ Cross-sell Ratios or Penetration
- ◆ Trend Indicators (actual # last month, avg/month over 13 weeks, avg/month past year)

Survey Their Managers

- ◆ Adjust for or remove the “luck” factor
- ◆ Adjust for or remove “inherited territory”
- ◆ Adjust for or remove “one great rep” that carries team

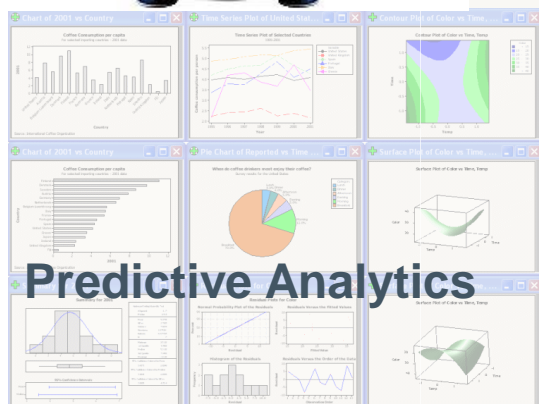
Sales Managers	Team BLENDED Score, Sorted Avg # Sales/Rep/M
Sales Manager 1	Top 7% Team
Sales Manager 2	Top 7% Team
Sales Manager 3	Top 7% Team
Sales Manager 4	Top 7% Team
Sales Manager 5	Top 7% Team
Sales Manager 6	Top 7% Team
Sales Manager 7	Top 7% Team
Sales Manager 8	Top 7% Team
Sales Manager 9	Top 7% Team
Sales Manager 10	Top 7% Team
Sales Manager 11	Top 7% Team
Sales Manager 12	Top 7% Team
Sales Manager 13	Top 7% Team
Sales Manager 14	Top 7% Team
Sales Manager 15	Top 7% Team
Sales Manager 16	Top 14% Team
Sales Manager 17	Top 14% Team
Sales Manager 18	Top 14% Team

The screenshot shows a dialog box titled "Sales Manager Team". It has a dropdown menu at the top with "A Z" and "Z A" options. Below the dropdown are buttons for "Sort A to Z", "Sort Z to A", and "Sort by Color". There is a "Clear Filter From 'Sales Manager Team'" button. Below that is a "Filter by Color" button. The "Text Filters" section is highlighted with a green box and contains a list of checkboxes: "(Select All)", "01 - Top 07% Team", "02 - Top 14% Team", "03 - Top 25% Team", "04 - Top 32% Team", "05 - Above 'Average' Team", "06 - 'Average' Team", "07 - Below 'Average' Team", "08 - 9th Decile Team", and "09 - Bottom Decile Team". At the bottom are "OK" and "Cancel" buttons. A green arrow points from the "Text Filters" section to the table in the previous block.

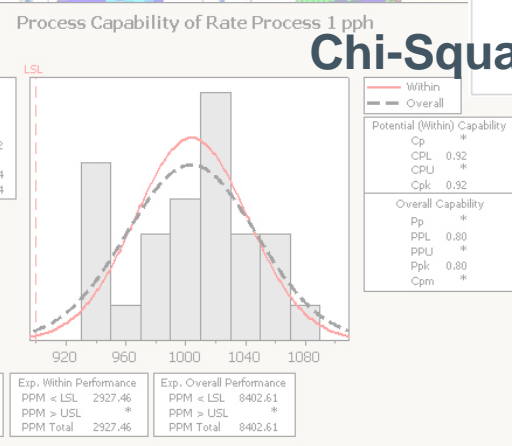
Data Crunch



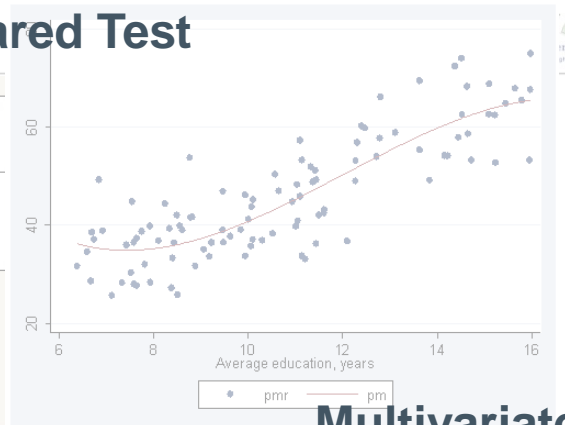
Partner with smart people with stats software to crunch data



Predictive Analytics



Chi-Squared Test



Multivariate Regression Analysis

Performance Lever Identification



Performance Lever ID

What to Study

- ◆ What are the Performance Levers?
- ◆ What's working?
- ◆ Why?
- ◆ How will you figure it out?

Performance Levers

- ◆ Critical *competencies, knowledge, skills, behaviors* and *conditions* which must be present for *ethical, sustained, high-performance* to occur.

WHAT

- ◆ Identify the competencies, knowledge, skills, behaviors and conditions that must exist for ethical, sustained, high performance to occur.
- ◆ Formulate hypotheses about what the levers are for frontline sales and sales management roles.
- ◆ Confirm and validate the levers through research.

HOW

- ◆ Through discussion, surveys, interviews, focus groups, and observation of frontline sales reps and their managers.

WHY

- ◆ This will confirm where to focus your efforts capturing Top-Performer Practices, which provides training/coaching content.

<http://www.slideshare.net/MikeKunkle/aligning-performance-levers-for-breakthrough-sales-results-082011>

Formulating the Hypotheses

- ◆ Start with known practices
- ◆ Talk with:
 - Executives
 - Other leaders
 - Frontline sales reps
 - Frontline sales managers
 - Sales operations, enablement, and other sales support staff
 - And, hopefully, customers
- ◆ Label the big buckets and detail the tasks
- ◆ Don't get married – you're just dating
- ◆ Build surveys to confirm the hypotheses.



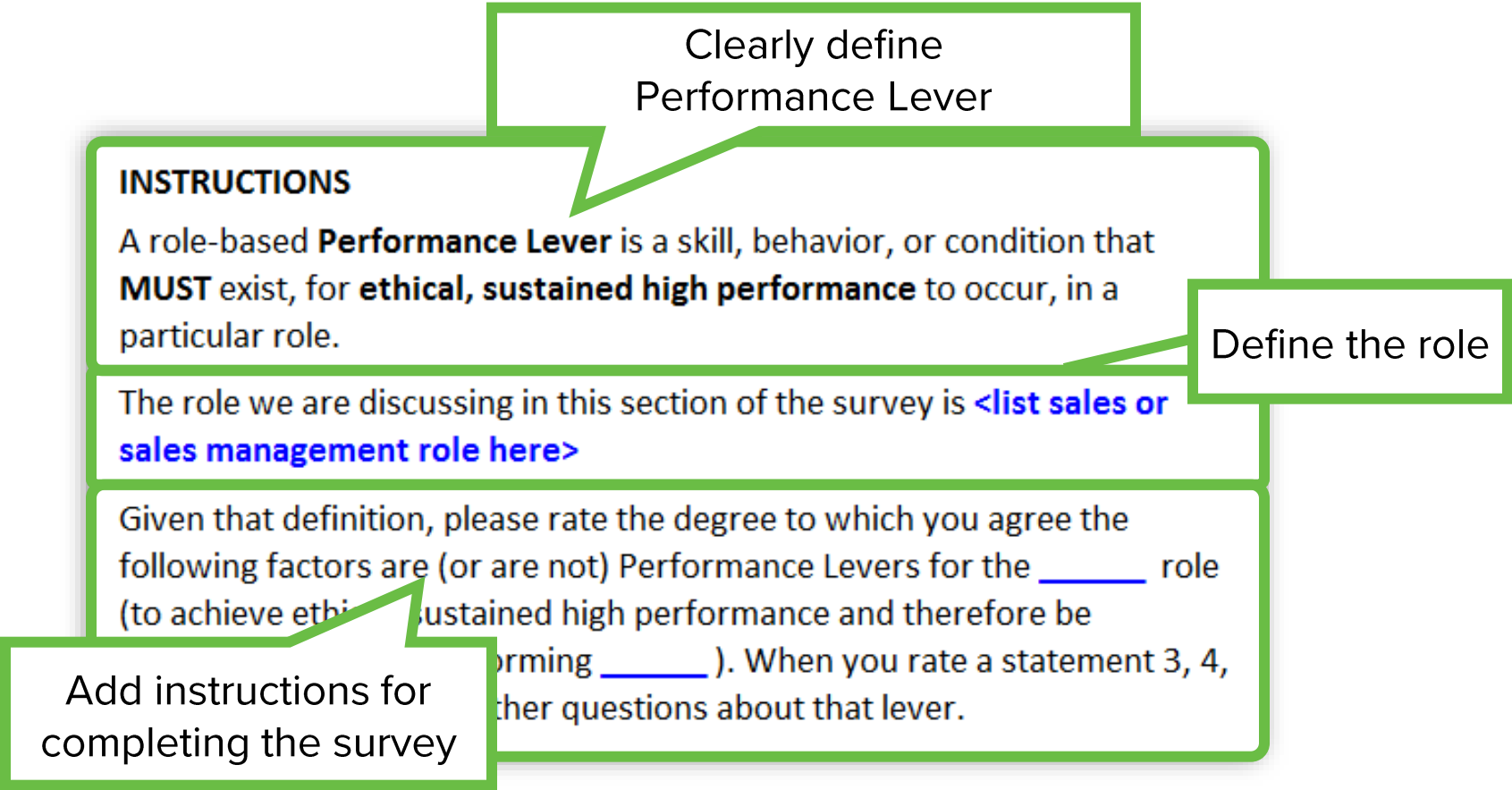
Survey Design

Identify the high-level Performance Levers (hypotheses)

PERFORMANCE LEVER	
CONSULTATIVE SELLING (conducting sales appointments/meetings - understanding and meeting client needs)	
This behavior is a Performance Lever:	
<p>Document the potential tasks for the Performance Lever</p>	Starting the meeting with an agenda, objectives, rationale for the client, and gaining your client's perspective.
	Understanding the prospect's situation and needs, (what, why, priority)
	Identifying a strategy that uncovers protection needs across multiple lines of business
	Listening intently to prospects' responses to understand what they are saying
	Using summarizing techniques to clarify and confirm what prospects tell you
	Understanding the prospects feelings, opinions, or situation, so they feel understood
	Summarizing the prospects' needs, prior to recommending solutions
	Presenting options and solutions that will address the confirmed needs
	Summarizing the discussion and options that you've presented
	Asking for and answering additional questions to ensure understanding of products and options
	Closing on appropriate next steps, whether it is a purchase decision or another appropriate next step
	Making a recommendation of which option the prospect should take
	Asking the prospect directly to make a decision (to choose between the presented options or to take your recommendation)
	Resolving concerns by understanding them, offering solutions and checking for acceptance
	Transitioning from one need into a further exploration for other needs, to cross-sell effectively
Selling a pre-determined package (a "package" selected)	
Selling a package that addresses the prospect's needs	
Only selling to both parties, if two parties are attending	
Selling to whichever decision-maker can attend the appointment, even if there is more than one (running "one-legged" appointments)	
What have we not asked about, that you consider an important performance lever for CONSULTATIVE SELLING?	

Ask what you've missed

Survey Design



Survey Design

- ◆ Rate the statement provided.
- ◆ How much do you agree it's a Performance Lever?
- ◆ If rated 1-2, next question.
- ◆ If rated 3-5:
 - Importance & Difficulty
- ◆ And in some cases:
 - Frequency: Actual & Should

AGREEMENT SCALE				
1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

Using empathy statements to acknowledge a prospect's situation/feelings

IMPORTANCE TO RESULTS				
1	2	3	4	5
Not Important	Of Little Importance	Moderately Important	Important	Very Important

DIFFICULTY				
1	2	3	4	5
Very Easy	Easy	Average	Difficult	Very Difficult

FREQUENCY: ACTUAL				
1	2	3	4	5
Never	Rarely	Occasionally	Often	Very Often

FREQUENCY: SHOULD				
1	2	3	4	5
Never	Rarely	Occasionally	Often	Very Often

- ◆ In addition, you should ask what you missed, by Lever, and a handful of other questions – such as normal demographics & **Continue | Start | Stop**.

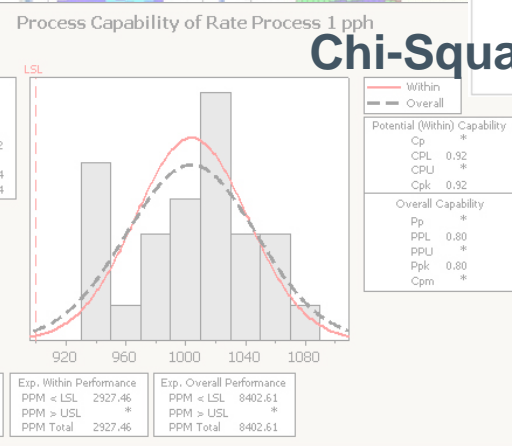
Data Crunch (Look familiar?)



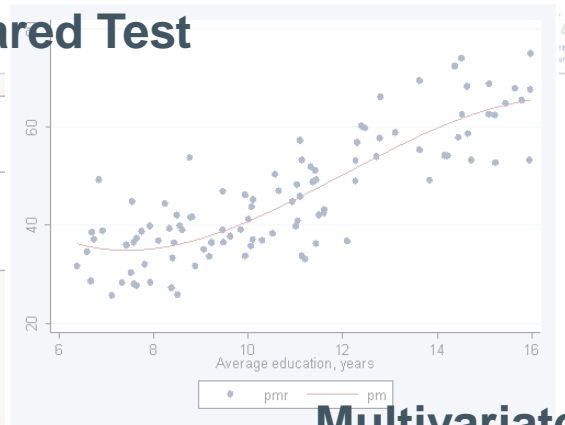
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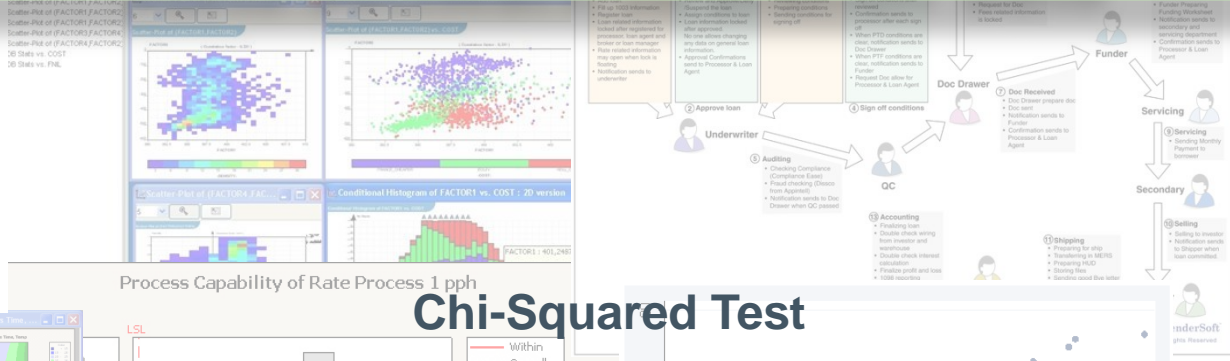
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Multivariate Regression Analysis



Top-Performer Practice Capture & Analysis



TPA: Capture & Analysis

How to Study Them

- ◆ What separates the top from others?
- ◆ What is replicable/trainable?
- ◆ How will I determine both?

WHAT

- ◆ Document the practices and differentiating behaviors of top performers, which can be replicated and trained.

HOW

- ◆ Through discussion, interviews, focus groups and observation of the frontline sales reps and managers identified during Sales Performer Analysis.

WHY

- ◆ To share practices broadly and (re)design training around them.


Data Collection Methods

- ◆ Interviews
 - In-person, phone, web conference
- ◆ Focus Groups
 - In-person, webinar
- ◆ Field Observation
 - Top performers (A)
 - Average (B+, B, B-)
 - Ninth decile (C/D, not new)
 - Top new reps (great ramp-up)

Getting the Straight Scoop

- ◆ What really happens “out there”
- ◆ Account for the [Hawthorne effect](#)
- ◆ Trust, truth, and strict confidentiality
- ◆ Autonomy, mastery and purpose *

* From Dan Pink (author of [Drive](#))



What to Do with the Results of Your Top-Performer Analysis

What to Do with the Results of Your Top-Performer Analysis

How the TPA feeds your...

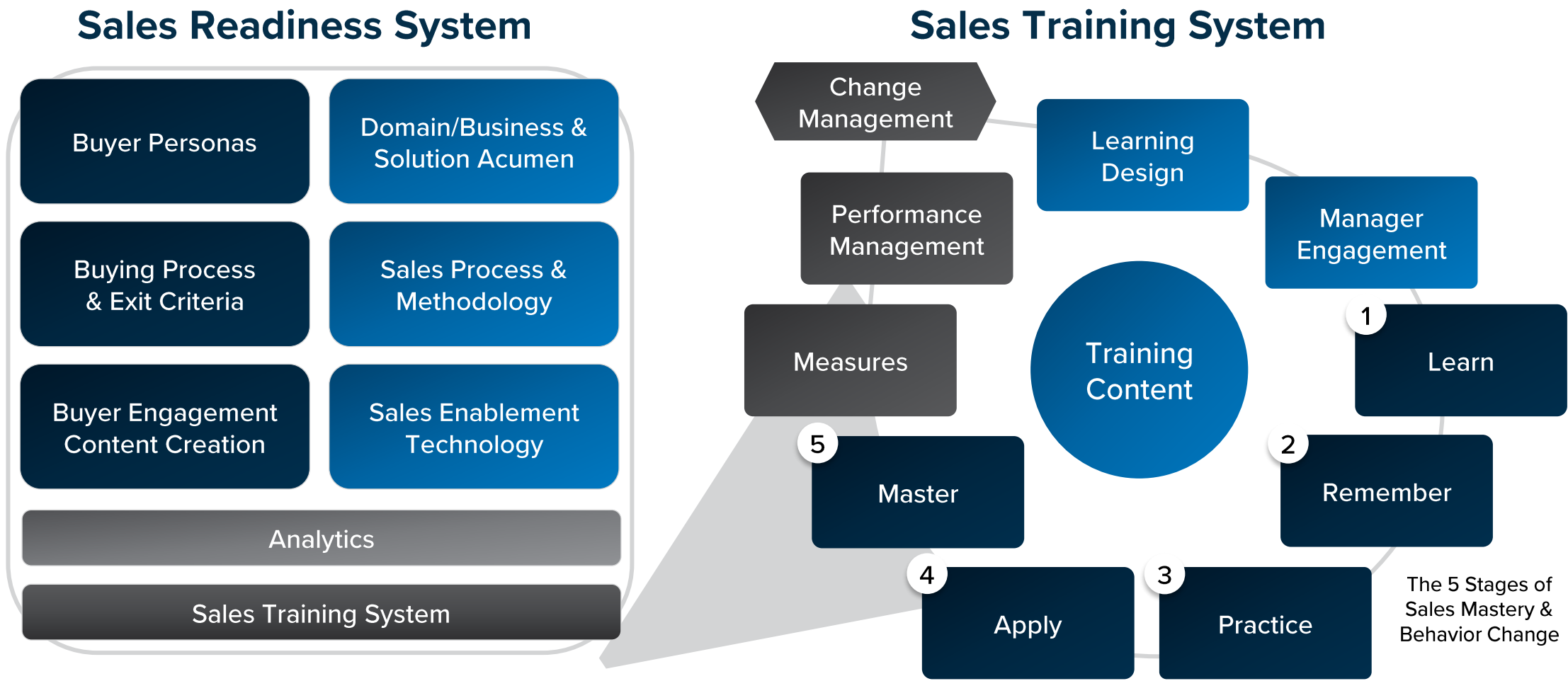
- ◆ Sales Readiness System
- ◆ Sales Training System
- ◆ The 5 Stages of Sales Mastery & Behavior Change

...and creates a path forward for lifting results with the outputs of your analysis.



Sales Readiness System and Components

The Sales Training System and the 5 Stages are nested in the Sales Readiness System.



Sales Readiness System

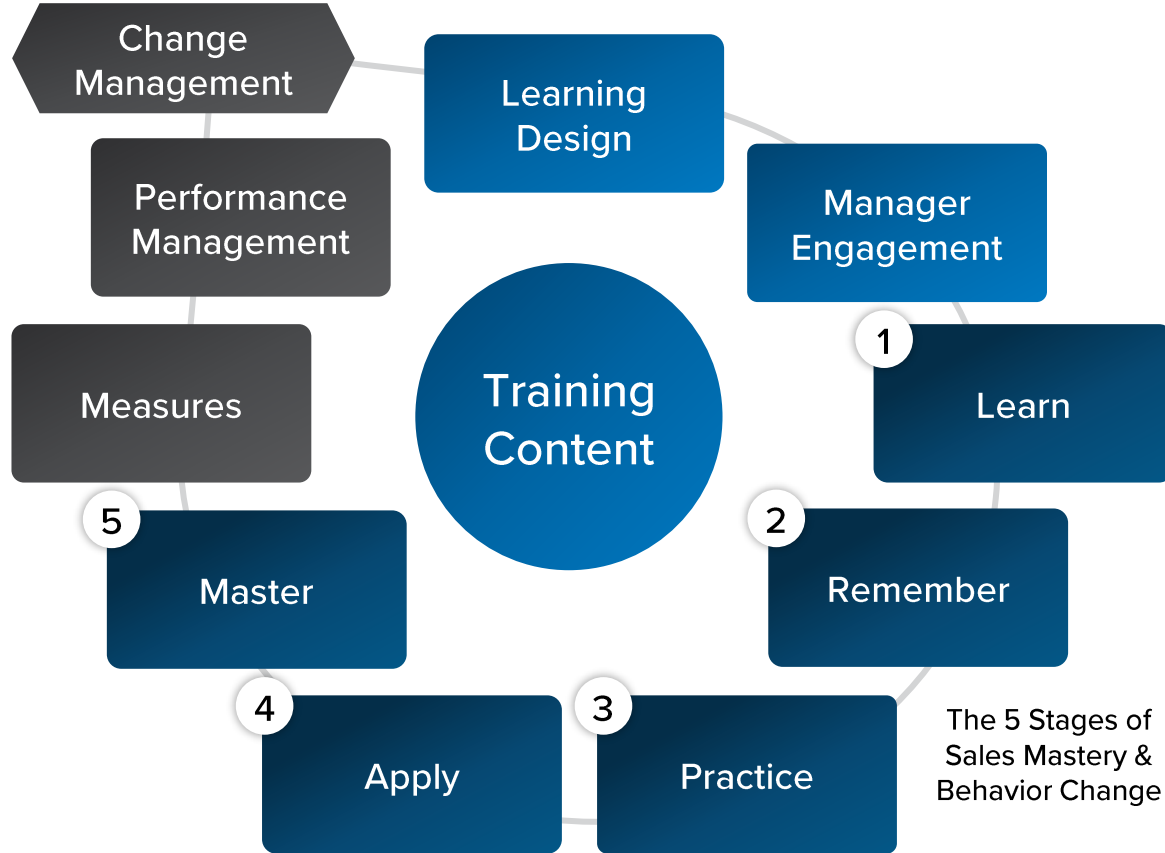
Incorporate what you learn and your Continue/Stop/Start plans into your onboarding and ongoing readiness efforts.



- ◆ Ensure deep market and buyer persona knowledge
- ◆ Document buying process with decision/exit criteria
- ◆ Create buyer engagement content that aligns with decision/exit criteria
- ◆ Ensure reps have the domain/business acumen, with solution acumen, to communicate value in your buyers' language
- ◆ Align sales process to buying process and use a buyer-oriented, consultative, solution-focused, outcome-driven sales methodology
- ◆ Use sales enablement tools to manage, share, and track content and improve sales efficiency and effectiveness
- ◆ Use analytics to track training, content, sales behavior, and outcomes.
- ◆ Train reps to engage buyers in valuable business conversations and to create real value and differentiation, through their buyer acumen, domain/business acumen, and solution acumen

Sales Training System

Support readiness initiatives with this system and its 5 Stages to ensure adoption, change, mastery, and results.



Prepare for Change

- ◆ Ensure that your training content will get results
- ◆ Design a great learning experience
- ◆ Engage, enable, and empower frontline sales managers

Guide the Change

- ◆ Learn: Train the content, validate learning occurred
- ◆ Remember: Sustain the knowledge
- ◆ Practice: Develop skills (practice with expert feedback loops)
- ◆ Apply: Transfer and apply skills on the job
- ◆ Master: Coach to mastery over time

Cement the Change

- ◆ Get metrics and measures in place
- ◆ Manage to behavior and performance expectations
- ◆ Lead and manage the change until it cements in the culture



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What Exactly Does

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Mean?

Our expert consultants are available on a subscription, retainer, or project basis to:

- ◆ Offer guidance and advice
- ◆ Share best practices (and research, when available)
- ◆ Suggest caution to avoid unnecessary risks
- ◆ Provide frameworks, models, and approaches...

... for sales effectiveness, sales enablement, sales talent management, sales training, sales operations, sales coaching and management, and general sales performance improvement.



APPENDIX

About Mike & SPARXiQ



Mike Kunkle

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Mike Kunkle is a respected sales transformation architect and an internationally-recognized expert on sales training, sales effectiveness, and sales enablement.

Mike has spent 37 years in the sales profession and 27 years as a corporate leader or consultant, helping companies drive dramatic revenue growth through best-in-class training strategies and proven-effective sales transformation systems. At one company, as a result of six projects, he and his team enabled an accretive \$398MM in revenue, year-over-year. At another, new sales reps with 120 days on the job were outperforming incumbent reps with five years with the company.

Mike is the founder of Transforming Sales Results, LLC, and today works as the Vice President of Sales Effectiveness Services for SPARXiQ, where he advises clients, publishes thought leadership, speaks at conferences, leads webinars, develops sales training courses, delivers workshops, and designs and implements sales enablement systems that get results. He collaborated with co-author Doug Wyatt to develop SPARXiQ's [Modern Sales Foundations](#)™ curriculum and also authored SPARXiQ's [Sales Coaching Excellence](#)™ course. His book on [The Building Blocks of Sales Enablement](#) is available on Amazon.

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SPARXiQ Blog	https://sparxiq.com/author/mikekunkle
Sales Effectiveness Straight Talk Webinars	https://bit.ly/MikeKunkle-OnDemand (60 Recorded Webinars)
The Building Blocks of Sales Enablement Book	https://bit.ly/BBofSE (Paperback and Kindle)
Mike's LinkedIn Articles	http://bit.ly/MK-LinkedInArticles
Mike's LinkedIn Profile	https://www.linkedin.com/in/mikekunkle
Mike on Twitter	https://twitter.com/mike_kunkle

Experience & Results



Transforming
SALES RESULTS™



Technology Solutions



SALES ENABLEMENT SOCIETY



SALES
MANAGEMENT
ASSOCIATION



Experience (Employers & Clients)

- ◆ Sales Profession: 37 years (both B2C & B2B)
- ◆ 27 years leading corporate sales performance improvement functions and 9 years leading consulting projects
- ◆ Technology/software companies: 10 years (3 years at a start-up)
- ◆ Financial services: 9 years
- ◆ Pharma/healthcare: 5 years
- ◆ Managed 2 P&Ls (\$8MM and \$22MM)
- ◆ Lead departments of up to 30 FTE
- ◆ Served sales forces from 5 to 6,000 FTE
- ◆ Roles/titles: sales training, sales effectiveness, sales performance development, sales management development, sales enablement – at manager, director & VP levels

Results

- ◆ Decreased new-hire sales rep ramp-up time by 23%, 34%, 47%, 52%
- ◆ At 120 days, new reps outperformed a control group of 5-year reps by 21%
- ◆ \$398MM YoY revenue increase, \$9.96MM net profit increase
- ◆ Increased sales/rep in the 90 days after training by 2.3/month – avg. increase of \$183k/class or \$36.6MM/year
- ◆ Improved average profitability/new reps by 11%
- ◆ Improved win-rate by 16%
- ◆ Increased quota attainment by 36% YOY



Intelligent Sales & Profit Acceleration

www.sparxiq.com

SPARXiQ provides profit-maximizing pricing and sales analytics, sales training, sales enablement, and sales effectiveness services. Clients turn to us to improve sales results and accelerate profitable growth.

Our mantra is “Diagnose First, Then Prescribe.” We’ll work with you to analyze root causes, co-create solutions that will deliver business results, and then support you in implementing to get the outcomes you need.

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- ◆ Sales Force Diagnostics
- ◆ Sales Advisory Services
- ◆ Sales Methodology
- ◆ Sales Training Courses
- ◆ Sales Management Systems
- ◆ Sales Consulting Referrals