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SEEING IS BELIEVING:

HOW COMPETENCY MODELS CAN TRANSFORM A SALES ORGANIZATION

by Andre' Harrell and Diana Kramer, PhD

What leads to successful performance in a sales organization? What are the skills, knowledge, and behaviors that sales managers and regional directors need to be successful today and in the future? We recently partnered together to find the answers to these questions for Novo Nordisk Biopharmaceuticals.

The result was a new process that incorporates a set of “competency models” and companion resource guides for identifying development possibilities for individual growth and development. These competency models provide definitions and specific behaviors that enable sales professionals to:

- Visualize what is expected of them to do a better job
- Assess themselves against an ideal model
- Develop a plan of action that will help close the gap between current and ideal performance

The competency models establish a consistent procedure for selecting new sales people and for developing existing staff. They facilitate career planning and development to motivate employees and create a system whereby individuals understand and use their strengths and development areas to enhance performance. Developing competency models for all sales positions provides the organization with consistent standards of performance and accountability.

Several business issues prompted this work for competency models, including the development of a new leadership competency model. These strategic competencies were designed to provide a broad competency framework for all employees throughout Novo Nordisk.

In addition, the training department was charged to build a training function to enhance sales force capability. The first task was to develop the competency models that would ultimately become the foundation of the new training curriculum.

COMPETENCY MODELS

Competency models were developed for the four sales positions. These positions are:

- Biopharm Sales Manager/Growth Hormone Sales Manager (BSM/GHTM)
- Senior Biopharm Sales Manager/Growth Hormone Sales Manager (Senior BSM/GHTM)
- Executive Biopharm Sales Manager/Growth Hormone Sales Manager (Executive BSM/GHTM)
- Business Regional Director (BRD, also referred to here as regional director)

Some of the competencies for the various positions include:

- Lives the values
- Sets direction and strategy
- Fosters innovation and continuous improvement
- Manages business complexity
- Inspires and motivates
- Drives performance



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Figure 1

Sample of One Competency

Sells the Novo Nordisk Way – BSM/GHTM Sales Manager Position

Demonstrates a thorough understanding of and consistently addresses customer needs. Analyzes customers and establishes pre-call planning objectives. Handles objections effectively and consistently closes business.

Factors	BSM/GHTM	Senior BSM/GHTM	Executive BSM/GHTM
Pre-Call Planning	Analyzes customers to establish clear call objectives; ensures continuity, follows through, and develops post-call plans; consistently uses call application worksheets	Shares best practices and lessons learned with peers regarding pre-call planning strategies; plans total office call and innovative ways to impact the business including effective contingency planning	Establishes new approaches to call planning that can be replicated nationally; coaches colleagues
Customer Needs	Uncovers customer motivations; effectively probes with Stage II questions to gather information; probes to uncover and address unmet or underlying customer needs	Effectively adapts to shifts in customer needs during call	Anticipates long-term (one-two years) strategic customer needs; works with team members to leverage understanding of customer needs across the region
Objections	Identifies, researches, evaluates, and manages objections effectively; anticipates potential objections and takes appropriate actions	Uses objections to improve the partnership and to enhance business results; has a track record of success for effectively managing and anticipating objections	Identifies new or innovative ways for managing objections that are broadly adopted across territories and regions
Deliver Value	Uses effective framing techniques and commitment drivers; communicates appropriate, targeted messages and value-added solutions with energy and confidence by targeting specific customer needs	Consistently creates and implements new value-added solutions and approaches to address customer needs	Collaborates with team and business partners to develop and implement strategic solutions that have a broad impact across territories and regions
Closing Skills	Understands the closing process; communicates clear expectations to the customer (e.g., position the meeting, etc.); obtains commitment to advance the sale; successfully closes business and achieves call objectives	Closes business in challenging situations; identifies and implements new or innovative ways to close business; shares successful approaches to closing within the region	Proactively assists team members and is sought out by them for advice in closing difficult or challenging customers

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- Collaborates across boundaries
- Coaches and develops people
- Masters product and disease state knowledge
- Sells the Novo Nordisk way
- Understands the market

Each sales competency has a behavioral definition that provides an overview and factors. The factors are the components that describe each sales competency. This provides for more specific evaluation of each competency, thus enabling the targeting of very specific strengths and developmental areas. Each competency contains approximately three to five factors.

COMPETENCY PROCESS

Individuals at all levels throughout the organization played a significant role in developing and validating the custom models.

The process for the biopharm-specific sales competency models is depicted in Figure 1.

Step One: The first phase of the process was to thoroughly analyze the business environment to develop a foundation and context for the competency project. This information was validated through interviews, research, and data. Interviews were conducted with senior executives to gather and to summarize the view of the business' future. Discussions revolved around the strategic direction of the biopharmaceuticals sales organization.

Step Two: Each regional director participated in a comprehensive one-on-one interview to discuss the competencies required for the GHTM and the BSM positions. In addition, each regional director discussed what was important to be successful in his or her own position.

Step Three: To help encourage sales managers and regional



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directors to “own” the sales competency process, a competency workshop was conducted as an integral part of a POA meeting. During the workshop, interactive exercises facilitated the development of specific behavioral examples from all participants for the sales manager competencies. All of the data that was generated was collected, analyzed, and summarized as an integral part of the process.

Step Four: Interviews with top performing job incumbents were conducted to obtain further input for the competencies and for the behavioral descriptors. These sales managers identified successful behaviors and performance indicators that were used to create the new competency models.

Step Five: Once the competency models were developed, there was an extensive online survey to test their validity. There was more than a 95% response rate for the survey. More than 99.2% of the content validity scores were 3.5 or higher

Step Six: There were several validation sessions with all of the regional directors and senior management where the competency models for the sales managers and for the regional director positions were finalized. There were also in-depth discussions regarding the practical examples of the competency models.

Step Seven: There was a comprehensive train-the-trainer session with all of the regional directors to ensure a smooth launch and to plan the implementation for the competency rollout. The session had several interactive exercises and role-plays to ensure understanding.

Step Eight: In June, the regional directors led the launch of the new competency models, using interactive workshops. Some objectives of the workshops were to:

- Review meaning, use, and benefits of competencies
- Provide practical applications of the competencies within the specific positions
- Practice the assessment process to ensure effective implementation
- Practice how to use the development resource guide to

help develop competencies

- Review detailed implementation plans

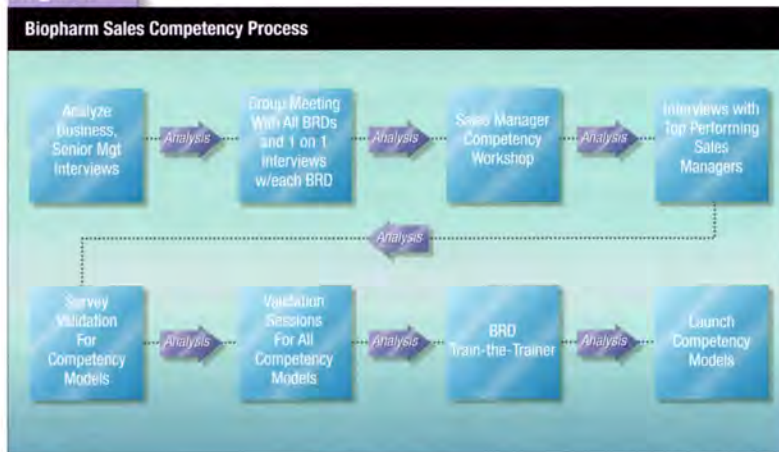
IMPLEMENTING THE COMPETENCY MODELS

From now on, competencies will serve as the framework for all human resources processes at the organization. The first applications include:

Regional manager/manager assessment dialogue: The competency models provide more accurate assessment as sales managers and directors can see what behavior looks like. They ensure that more complete communication between manager and director, as less is open to interpretation. The process provides the sales manager or director with complete developmental information to target opportunities for improvement.

Individual development planning: Using competencies as the foundation for development plans enables sales managers and their directors to target specific strengths and developmental areas. These competency models will become the cornerstone of individual development plans for each sales manager

Figure 2



on a scale of 1-5. (1 being less important and 5 being mission critical.) Subsequently, the regional directors went through several extensive content validation exercises to further refine the competency models.



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opportunities. Assessment discussions will be occurring between each sales manager and his or her regional director to develop sound individual development plans based on the new competency models.

A lot of employees were touched by some step of developing the competency models, and this created good awareness about the initiative. In addition, interactive workshops provided direct exposure to the competency models by all sales personnel. Increasing the use, application, and lifespan of competency models are now the highest priorities. The competency models must be integrated into the company's selection and promotion procedures and into the performance management process.

Diana Kramer is President of Kramer Consulting Solutions, Inc., a firm that consults on designing and implementing all types of competency models, including leadership, core, job, and functional formats. Applications include leadership and professional development, talent management, performance management, interviewing, assessment, and training. Please contact Diana at (908)696-1776 or <diana.kramer@kramerconsulting.net> or visit <www.kramerconsulting.net>.

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