

What the Buzz is About

As companies demand more from their reps, business acumen becomes an essential skill

By Wendy Heckelman and Sheryl Unger

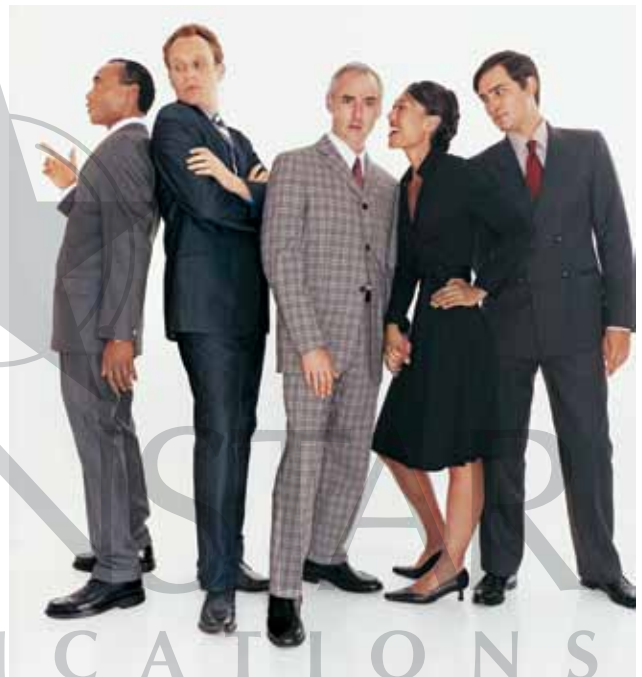
The healthcare industry is undergoing a rapid transformation due to declining government and payer reimbursement, consolidation, and federal healthcare reform. As the healthcare delivery model changes, the pharmaceutical/medical device business model must also change how it delivers products, services, and value to its many different customer types. These changes are impacting how sales leaders and representatives perform their roles, and are redefining the requisite skill set needed to be successful. Now, more than ever, it is important for sales leaders and representatives to demonstrate business acumen skills. The expectation is for sales professionals to know how their own business and that of their customers works in order to identify opportunities, maximize resource allocation decisions, and help drive growth to meet stated sales goals.

Demonstrating Business Acumen through Effective Business Planning

Most pharmaceutical companies are asking their sales leaders to develop business plans and take accountability for executing these plans. Despite the need for better planning, many sales leaders and field sales representatives do not have the business acumen skills to effectively draw meaningful insights, make decisions, and take the actions needed to drive results.

First, the sales leader needs to be able to translate broader corporate and brand goals into specific tactics and actions at the local level. To do this effectively, sales leaders need to follow a disciplined approach when reviewing their own sales performance and determining how best to grow the business and defend existing market share. It is important to ask questions and review reports to determine where the business is trending up (growing), down (declining), and staying the same (flat). Also, by analyzing where the growth is coming from, the sales leader can differentiate what goals and objectives are set to achieve an overall sales target.

Beyond looking at past performance, successful sales leaders assess future potential by segments and specific customers. Here again, pharmaceutical companies need to provide



analytics that help sales professionals with a forward-looking analysis. Lastly, sales leaders who truly understand their top customers' business challenges and operations will develop action plans and allocate resources targeted to drive results.

To develop this business savvy, the overall learning objectives must include helping sales professionals understand the strategic financial/business implications of their operational decisions. So often managers do not understand how their decisions impact revenue growth or profit margins. Additionally, taking the time to help sales professionals better analyze sales performance and financial data can support their ability to identify and distill the key performance drivers in their region/district. The effective manager can then create business plans that drive results based on their analyses.

A Blended Approach

Some argue whether these skills can be taught or if they are inherent. Either way, it is critical for the learning and development function to play a prominent role in developing sales leaders' and representatives' business acumen skills.

Like other leadership development initiatives, no one learning activity provides the “quick answer.” Organizations must leverage different learning methods and on-the-job experiences to turn generalities such as strategic thinking into tangible behaviors and practices for sales professionals to execute. Additionally, creating customized pre-, during, and post- assessments helps the individual focus on areas needing the most development.

When the commitment is made to take sales professionals out of the field for a training workshop, the program needs to leverage adult learning principles and include interactive exercises. During these sessions, it is important to encourage best practice sharing and to leverage the collective experience of participants. Workshops where sales leaders are actually presenting their analyses, sharing their insights, and beginning to draft plans work best. Additionally, an effective program would ensure that the organization’s business planning process is understood and corporate objectives are reinforced.

Creating Sustainability Tools

As part of the integrated learning and development strategy, the organization needs to design sustainability tools that support sales representatives or managers in their ability to perform specific tasks and accomplish specific objectives. It is important to include a variety of learning and coaching tools, such as distance learning webinars, to reinforce critical concepts and provide skill development.

A **performance toolkit** “packages” all the required content, process models, templates, and development tutorials together into one easily-accessible desktop solution that makes it easier for sales leaders to get help when they need it most. These toolkits provide guidance on completing specific steps of the business planning process. Even more importantly, there can be specific tutorials on how to access and interpret various sales analytics and reports. These self-paced learning methods help sales leaders look at data to identify opportunities and assess performance. Lastly, toolkits need to include direction on how to prepare for and conduct periodic business review meetings to evaluate business plans and recalibrate plans based on market conditions.

Leader-led modules are specially designed, 30- to 60-minute workshops to reinforce a concept or skill (e.g., market place analysis). There is no need for expert facilitators and the modules drive accountability for skill development throughout the organization. Lastly, these exercises allow for group interaction and encourage information sharing and collaboration within teams and across functions.

Coaching guides for managers help them actively coach others on business planning and execution. These guides include instant assessments—questions that help a manager determine the level of knowledge and behaviors typically performed in the field. These are particularly helpful when behavior cannot be observed and managers need to understand their employees’ knowledge and actions. To develop business acumen, the manager may ask questions such as: What are the key business drivers for customer x? What plans will help you meet or exceed your goals? What cus-

Defining Business Acumen

In a study, *Increasing Sales Manager Effectiveness*, by Health Strategies Group (2007), business acumen is defined as “the ability to draw sound conclusions from information, deduce appropriate action steps, and implement organizational change that drives results.” The study points out that sales managers and representatives who demonstrate these abilities outperform their counterparts. Typically, exceptional performers turn knowledge into action by developing the skills to analyze information from reports. More importantly, these high performers ask their customers, employees, and peers questions to uncover what is happening, why it is happening, and what factors are driving the change. The high performer then determines what needs to change and moves into action.

tomor segments are performing well and driving your growth?

A **business planning best practices bulletin board** could be created for managers to ask questions, post lessons learned, and share best practices. Over time, this becomes a robust resource for managers to reference and learn from each other.

These and other sustainability tools are critical to helping continuously develop imperative business skills over time and encourage shared learning.

Roadmap for Developing an Integrated Strategy

To develop and implement the integrated strategy needed to build important business-related skills and capabilities, an organization needs to clearly link how the development of business acumen and planning skills will support overall business performance. After identifying the current gaps in program offerings, leadership teams need to evaluate current offerings and create an execution plan for developing programs, improving sales leaders’ coaching skills around business planning, and providing structured activities for field sales.

Best in class companies realize that the dedication of time and resources to develop and implement an integrated strategy for developing superior business skills is critical to overall success. Commitment by senior leaders and the organization helps create the competitive advantage needed to excel in the changing healthcare marketplace. Leaders recognize that the greater the number of people within the organization who have an appreciation for how their own business works, the greater the accountability for driving profitability and success will be. Finally, a better understanding of how customers’ businesses operate further supports the commitment to being a customer-focused organization. [PR](#)

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