

Using the BEM for Performance Analysis at a Technology Company

by Julie Thomas, Chris Borum and Kris Benney

Introduction

This report describes a needs assessment project we conducted in Dr. Don Winiiecki's *Needs Assessment* class at Boise State University during fall, 2010.

Our client was Company X (a pseudonym), a technology company that provides information technology services to small businesses nationwide. The company is adding several products annually and expanding into additional markets.

Historically, Company X has hired recent college graduates with no previous sales experience and trained them in its own brand of consultative sales. We discovered that the average sales agent stays in that role for less than two years in part because Company X actively promotes sales people to management. However, in 2010 the company created a new sales category and hired experienced sales consultants into it.

The Performance Issue

The Company X training team described their key business concern as a two-quarter declining trend in the Average Revenue per Customer (ARPC) despite a steady increase in overall sales. The company had recently introduced many new products, and we were told that increasing product knowledge among sales personnel would positively affect revenues. Our initial interviews with the Company X training team and review of existing sales data gave us an impression that sales reps were focusing on the company's core products but avoiding new products because they could produce higher revenue in the short term with the core products. Company X was concerned that this would lead to declining market share and lower revenue for both sales reps and the company.

However, after further investigation we identified that this claim of a causal relationship was largely an assumption on the part of the Company X staff, leading to their initial idea that training would be the appropriate fix for their business concern. Without discounting this, our needs assessment accomplished a more systemic review of the organization's goals and the conditions which might underlie their concerns. This allowed us to prescribe a systemic set of interventions to help the company and its members achieve their goals.

Approach: Framing the System

We used the Behavior Engineering Model (BEM) (Gilbert, 2007) as a framework for guiding our analysis. The client initially assumed a knowledge deficit among sales reps and believed that once sales people learned more about all products, the ARPC would increase. However, the BEM guided us to investigate other factors, which may systemically influence performance. With the BEM, we consistently found environmental factors, which fundamentally affected performance, leading to the identified concerns.

Analysis: Documenting the Dynamics

We used a stratified quota sampling method (Schensul, Schensul & LeCompte, 1999, pp. 253-254) to identify sales reps with exemplary and lower-than-desired sales performance. After a series of interviews with management, training staff and sales reps at Company X, review of existing historical records of sales performance and benchmarking practices in the

industry, we triangulated our data to identify issues that could be categorized into each cell of the BEM. We did not allow any single source of data to override any other source so that the product of our analysis could represent systemic issues, which affected different levels of the organization.

We categorized the collected data as shown in Table 1. Highlighted items were identified as particularly *high value* issues that could have a large effect on success of the organization and its members with modest investment. As shown, some items such as the need for improved management coaching skills and employee burnout could be categorized across different cells, highlighting possible diffusion effects.

Table 1. The BEM Analysis Results (*Note: The BEM analysis table shows areas of opportunity in management practices, manager coaching skills, and the recruitment and hiring processes for sales agents.*)

	Information	Instrumentation	Motivation
Environmental Supports	<p>Data</p> <ul style="list-style-type: none"> • Consistent quality of information provided to sales reps. (1, 2) • Clear goals & expectations to sales reps. (1) • Timely feedback on performance goals to sales reps. (1, 2) • Poor coaching from sales managers to sales reps. (1) • Unreliable use of existing sales resources. (1) • Variable sharing of resources & expertise across sales reps. (1) • No standardized process for identifying and selecting variable sales reps. (1, 2) 	<p>Resources & Processes</p> <ul style="list-style-type: none"> • Laptop computers & sales automation systems improve quality & speed of information delivery to sales reps. (1, 2) • Management practices constrain performance of expert sales reps. (1, 2) 	<p>Incentives</p> <ul style="list-style-type: none"> • Planned incentive schedules align sales behaviors to new company goals. (1, 2) • Organizational issues lead to burnout of sales reps and desire to leave sales role. (1)
Person's Repertory of Behavior	<p>Knowledge</p> <ul style="list-style-type: none"> • Sales reps have adequate product knowledge. (1) • Sales reps satisfied with resources provided. (1) • Sales managers have knowledge gap impeding their ability to support sales reps. (1) 	<p>Capacity</p> <ul style="list-style-type: none"> • Limited tenure in sales roles as successful reps leave to pursue other roles in the company. (1) 	<p>Motives</p> <ul style="list-style-type: none"> • Organizational issues lead to burnout of sales reps. (1)

*Key for Source of Data: 1 - Employee interviews; 2 - Archival data review

Directions Produced Through Our Analyses

Based on our analysis, we provided the following recommendations to the client as they related to the specific categories of the BEM:

BEM Category	Recommendation
Information & Feedback	<ul style="list-style-type: none"> • Conduct detailed analysis of sales practices and compare turnover rates, performance and cost/benefit analysis of supports for sales reps. This will provide data about whether it is more cost effective to hire experienced versus inexperienced sales staff.
Resources & Processes	<ul style="list-style-type: none"> • Conduct detailed review of management practices to find opportunities for building increased autonomy for exemplary agents without impacting sales performance. This would help reduce burnout and loss of expertise in sales. • Look for opportunities to leverage existing technology-mediated data to support sales efforts (such as online demos, documentation, fact sheets, and other material available on the company’s intranet). This will help the company make the most of investments it has already made in its technological infrastructure.
Capacity	<ul style="list-style-type: none"> • Conduct a competency analysis and establish systematic guidelines that improve recruitment and hiring standards for sales agents. This will help the organization select the right people from the start.
Knowledge and Skills	<ul style="list-style-type: none"> • Evaluate coaching skill of existing management and produce systemic performance interventions that support the coaching and development role of managers. This will help sales agents, who have been promoted to management, better support new sales agents. • Develop opportunities and incentives for sharing best practices among sales staff and managers. This will help build a community of practice within the sales staff.

HPT-Grounded Advice

In addition to the above, we identified other issues that could have substantial strategic benefits for Company X as it grows.

- Create a system of data collection and analysis to ensure accurate and timely gathering of all environmental and organizational data. This will provide organizational decision-

makers with a historical archive of data with which to make both tactical and strategic decisions.

- Incorporate the BEM into the organization's processes of examining its own performance. This will help the training staff maintain a performance orientation and continually identify systemic issues for communication to corporate decision-makers.

References

Gilbert, T. (2007). *Human competence: Engineering worthy performance* (tribute edition). San Francisco: Pfeiffer.

Schensul, S., Schensul, J., & LeCompte, M. (1999). *Essential Ethnographic Methods: Observations, Interviews and Questionnaires. The Ethnographer's Toolkit*. Walnut Creek, California: AltaMira Press.

About the Authors



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