

Conducting a Needs Assessment for Craft Beer Sales

by Brad Inderbitzen, Brad Webb, Travis Struchen, and Joe Wessel

Tales from the Field, a monthly column, consists of reports of evidence-based performance improvement practice and advice, presented by graduate students, alumni, and faculty of Boise State University's Instructional and Performance Technology department.

Background

Pepin Distributing Company sells and markets a diverse portfolio of products, including beer, bottled water, and energy drinks. They take pride in the tremendous variety and choices of beer for retailers as well as being able to efficiently deliver these products. The craft beer segment, those brewed by small, regional breweries, has been growing significantly in both sales volume and market share since 2005. Pepin's 45 Account Managers (AMs) are the primary drivers of product sales; interacting with retailers to offer choices and recommendations based on retailer needs. Each AM reports to one of 12 direct supervisors, or Market Managers (MM).

Performance Issues Addressed

The Pepin portfolio has become flooded with new craft beers, each with distinct backgrounds and attributes, to meet consumer demand. Such a shift comes at the expense of the "regular" domestic beer segment. AMs are unaccustomed to selling such a variety of products. As a result, many of them are missing opportunities to sell craft beers. More specifically, a performance analysis identified three distinct gaps in which AMs were not consistently performing: (1) identifying the opportunity to sell craft beers, (2) making a targeted recommendation of a craft beer, and (3) explaining the benefits and features of craft beer.

Understanding the depth and breadth of beer provides a foundation for informed discussion, which leads to opportunities to recommend and sell craft beers. An AM initiating such a discussion should be able to speak with knowledge and confidence about beer brands and be well-equipped to gain product sales by consistently providing accurate features and benefits to retailers. The organizational results and importance of closing each gap are shown in Table 1.

Table 1. The Rationale for Closing the Gap

Performance Gap	Organizational Result	Importance of Closing the Gap
Identifying opportunities to sell craft beer.	Assess the customer needs through use and analysis of valuable data, effective questioning, and general account observation.	Failure to do so signals disconnect with retailer. Relationship with retailer is critical in driving sales. This is best demonstrated during this process.
Making targeted recommendations of craft beer.	Make appropriate recommendations based on thorough account analysis and customer interactions.	Failure to make targeted recommendations may result in poor retailer sales and loss of confidence in Pepin brands/AM.

Explaining the features and benefits of craft beer.	Be seen as the expert when presenting brands represented by Pepin.	Being unprepared to discuss features and benefits results in retailer doubting AM knowledge, leaving Pepin susceptible to loss of customers.
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Needs Assessment Approach

At the request of Pepin's management, a team of Boise State University graduate students conducted a needs assessment to address the identified performance gaps. The team set out to determine the type of needs assessment necessary to address the performance problems. They began by reviewing the AM job description and demographics, sales trends, and selling processes.

Next, using Mager & Pipe's (1997) performance flowchart in an interview with the client contact, the team assessed the most likely cause of performance gaps. Based on answers to the questions posed in the flowchart, the team assessed that a skill deficiency contributed to the less than desirable performance; however, other non-training/skill issues also could have contributed to the current performance of AMs. In order to assess various factors associated with AM performance, the team used Gilbert's (2007) Behavioral Engineering Model (BEM) to determine which component(s) of environmental supports and personal repertory of behavior contributed to AMs' deficiency in craft beer sales. The BEM demands a systematic approach, exploring each component is necessary. For desired performance to exist, all components of behavior must exist in both the environment and the performer.

Given the data collected through use of the BEM and preceding performance analysis, the team decided to adopt a competency-based needs assessment to understand the exemplary level of "knowledge, skills, attitudes or behaviors that enable one to perform the activities of a given occupation or function to the standard expected" (Gupta, 2007, p.135).

Data Collection

Using Mathison's (1988) premise that, "The value of triangulation lies in providing evidence... such that the researcher can construct good explanations of the social phenomena from which they arise" (p. 15), the needs assessment team used three methods of data collection. Using the different methods of data collection led to the creation of the AM competency model (see Table 3).

First, MMs performed structured observations of an AM with a follow-up structured interview immediately following a sales call. The importance of witnessing a sample of actual performance assists in assessing a person's repertory of behavior.

Second, the needs assessment team conducted a semi-structured one-on-one behavioral interview with 10 MMs. The interviews focused on factors that affected the performance gaps and what exemplary AM performers do to close the gaps.

Finally, the needs assessment team conducted a survey garnering results from 33 of the 45 AMs. Survey questions such as “I think current incentives to sell craft beers are: (a Likert-type scale ranging from ‘Totally Inadequate’ to ‘Excellent’)”, as well as direct questions “Are there adequate financial incentives for selling craft beers?” aimed at the environmental factors of performance.

These methods of data collection helped to identify any new domains or factors related to the performance gap that were not addressed in the BEM, discover relationships between factors and variables, and determine characteristics of exemplary performance to be used in the competency model.

Data Analysis

The needs assessment team added coded data from the observations, interviews, and survey to the BEM table, the results of which are presented in Table 2. The BEM analysis led the team to confirm that knowledge was not the only cause of the performance gaps. For example, while 76% to 79% of AMs indicated that they had sufficient knowledge to identify opportunities and to explain craft beer features and benefits, nearly one-quarter of survey respondents indicated that they did not receive adequate expectations, and 51% to 60% indicated that incentives to promote sales of craft beers were inadequate.

Table 2. BEM Analysis Results

	Information	Instrumentation	Motives
Environmental Supports	<ul style="list-style-type: none"> • 96% of AMs are receiving relevant and frequent feedback. • 21% indicated that they are not receiving adequate expectations. 	<ul style="list-style-type: none"> • AMs have the necessary tools and resources. 	<ul style="list-style-type: none"> • Over 60% of the AMs indicated that the incentives for selling craft beers are to some degree inadequate. • The lowest percentage within the survey results is: 51.5% say that the financial incentives are not adequate.
Personal Repertory of Behavior	<ul style="list-style-type: none"> • 76% strongly agree/agree they have sufficient knowledge to identify the opportunities. • 79% indicate they have sufficient knowledge to 	<ul style="list-style-type: none"> • AMs have sufficient capacity for selling beer, as an interview with a stakeholder revealed that AMs consistently meet Pepin commission levels, bonus achievement 	<ul style="list-style-type: none"> • 94% of AMs indicate that they are motivated to sell craft beers.

	accurately explain features and benefits.	benchmarks, win selling volume contests	
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The Competency Model

In an effort to determine characteristics of exemplary performance, the needs assessment team created a competency model and a companion competency dictionary. The competency model (Table 3) allows AMs, MMs, and management team to reference specific dimensions of selling craft beers, with resources or concepts in the corresponding three areas of needed performance.

Table 3. Competency Model

<i>Dimensions</i>	Identifying the Opportunity	Targeted Recommendation	Features/Benefits
1. Preparation – Reviewing data before sales call; blueprinting	<ul style="list-style-type: none"> • Market trend • Competitor data • Promotions • Primary/secondary objective 	<ul style="list-style-type: none"> • Authorization 	
2. Product Knowledge – Thorough understanding of portfolio products/brands, characteristics and price	<ul style="list-style-type: none"> • Demographics • Competitive brands 	<ul style="list-style-type: none"> • Demographics • Competitive brands • Pricing/profitability 	<ul style="list-style-type: none"> • Features • Benefits • Characteristics
3. Retailer Knowledge – AM's knowledge of the retailer needs and wants based on interaction and experience	<ul style="list-style-type: none"> • Sales history • Sales trends • Demographics • Retailer needs 	<ul style="list-style-type: none"> • Sales history • Sales trends • Demographics • Needs • Logistics/placements 	<ul style="list-style-type: none"> • Retailer needs
4. Technology & Resources – Ability to use all available tools and resources to effectively conduct Retailer interaction and management	<ul style="list-style-type: none"> • Mobility • Sell-in sheets • Style/brewer spreadsheet • Product sampling sessions 	<ul style="list-style-type: none"> • Product sampling sessions • Mobility • Advertising • Enhancer 	<ul style="list-style-type: none"> • Product sampling sessions • Wet sample

5. Incentives	<ul style="list-style-type: none"> • Financial • PFP • KPI • Commission 	<ul style="list-style-type: none"> • Performance expectations • Financial • PFP, KPI • Commission • Self-improvement 	
6. Interpersonal Skills – Ability to effectively build or foster relationship through conversation	<ul style="list-style-type: none"> • Professional • Conversational • Confident • Presentation skills 	<ul style="list-style-type: none"> • Professional • Conversational • Confident • Presentation skills 	<ul style="list-style-type: none"> • Presentation skills
7. Service Orientation – Customer focus, service that Pepin provides, services	<ul style="list-style-type: none"> • Customer focus 	<ul style="list-style-type: none"> • Customer focus • Pepin values • Services provided • Out of stock 	<ul style="list-style-type: none"> • Pepin values • Services provided
8. Selling Skills – Tactics that provide retailer approval for objective placement	<ul style="list-style-type: none"> • Open-ended questions • Closed-ended questions • Active listening 	<ul style="list-style-type: none"> • Active listening • Overcome objections • Secondary objective • Follow-up 	

Recommendations

Based on the culminating data analysis, the needs assessment team provided the following recommendations to Pepin’s management for improving AM craft beer sales performance:

- The organization should consider reviewing the incentive factor as it appears to have the largest potential to reduce the performance gap.
- Clarify and communicate craft beer performance objectives.

The team also recommended adopting the competency model and structured observation form produced during the needs assessment project, in ongoing assessments and evaluations of AM performance in craft beer sales.

References

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Author Bios



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