

SPQ* GOLD®

Workshop Effectiveness Report™

For a

**UK Pharmaceutical
Specialist Business Unit**

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Evaluating the Effectiveness of Sales Call Reluctance Training For

A UK Pharmaceutical Specialist Business Unit

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CAUTION:

This report should be viewed as a “snapshot” of a particular sample of salespeople at a particular company within a specific time period. Findings contained in this report are solely applicable to this company. Readers are cautioned about generalizability and applicability to other situations and organizations. Behavioral Sciences Research Press is not responsible for misapplication or misinterpretation of the information contained in this report.

Evaluating The Effectiveness Of Sales Call Reluctance Training In The Pharmaceutical Industry

Sales call reluctance[®] is defined as the emotional turmoil associated with the inability salespeople have to initiate contact with perspective clients on a consistent basis. Fears, conflicts and hesitations associated with call reluctance can persist regardless of the product sold, industry setting, sales organization, level of competition or other market conditions. In the pharmaceutical industry, as well as other industries, call reluctance limits sales success by limiting the prospecting competencies of sales representatives, who are accountable for effectively initiating and maintaining product-advocating contact with prospective buyers (physicians and others targeted for product influence). Though the role and purpose of client contact can vary radically from industry-to-industry, contact initiation remains a core sales competency-yet one typically overlooked by sales training practitioners. Studies show that problems maintaining effective contact initiation is the most frequently cited reason for poor sales performance (Dudley & Goodson, 1999).

This study examines the sales performance of a sales team marketing (Drug A) cancer treatment medication for a pharmaceutical firm's specialist business unit in the United Kingdom. Productivity of the team has been inadequate for several years in comparison to their other sales teams in other countries.

To improve sales, a new Commercial Director was hired to work closely with the sales team. The director conducted an extensive evaluation, which indicated the sales team functioned primarily as a medical information group rather than a competent sales force. Therefore a consulting team, Remap, was hired to conduct specialized, rather than broadband, training to specifically elevate contact effectiveness. Procedurally, Remap focused on first identifying and then counteracting the impact of sales call reluctance on sales team effectiveness. Workshops were conducted in April 2003, accompanied by follow-up consultation to consolidate and maintain training gains.

The purpose of this study was to evaluate sales productivity before and after the implementation of the call reluctance training model to determine if the intervention yielded a quantifiable improvement and specifically whether it resulted in a positive financial return on investment.

Method

Participants in this study consisted of a sales team, which marketed a cancer treatment drug. Product A group (N=7).

Study participants completed the Sales Preference Questionnaire (SPQ*GOLD@), a limited purpose diagnostic, exclusively designed to measure the presence and severity of all twelve known forms of call reluctant attitudes and behaviours. Once this information was obtained, the sales team, participated in the Fear-Free Prospecting & Self-Promotion Workshop@, a highly specialized interventional protocol specifically designed to reduce sales call reluctance in salespeople and sales managers. Workshop attendance was accompanied by follow-up coaching during the months of April to June 2003. Sales revenue was analysed before April to establish an objective baseline, and after April to assess the relative effectiveness of the call reluctance training.

Descriptive statistics for sales revenue were computed. Nonparametric statistical analyses were used due to small sample sizes. In particular, the Wilcoxon Signed-Rank test for paired comparisons was used to examine pre-post differences. The Wilcoxon test provides a robust estimate of the difference in median sales revenue before and after training based on a statistical ranking of the magnitude and direction of the paired differences (Weisstein, 2004). Since the Wilcoxon test presumes a continuous distribution that is symmetrical about the median (the 50th or middle percentile), a test of skewness was computed to verify the utility of this assumption.

The statistical significance of the results from the Wilcoxon test was analyzed using exact permutational tests, which are particularly suitable to small sample analysis (Mehta & Patel, 2002). An exact p-value (or test of statistical significance) is derived from a permutational distribution of all possible test statistics and thus provides an "exact" basis for determining the probability that results could have been obtained by chance alone. Results were further examined using a paired t-test analysis for differences in mean sales revenue.

In addition to determining whether there is a significant difference in post-training revenue, an analysis was also conducted to estimate the magnitude of that difference (or shift) using the Hodges-Lehmann procedure. This test serves as an extension to the Wilcoxon test by providing a point estimate and confidence level for the shift parameter (Mehta & Patel, 2002). An analysis of the return on investment was also computed as a practical measure of "effect size".

Results: (Drug A) Product Group

Data for the (Drug A) product group consisted of 11 months of sales revenue reported before and after training (May 2002 - March 2004) for the sales team. As previously stated, the month of April 2003 was excluded from analysis since it was a transitional month for conducting training and coaching. The average sales revenue before and after training is shown in Figure 2-1 and Table 2-1

(Drug A) Product Group – Average Monthly Sales Revenue

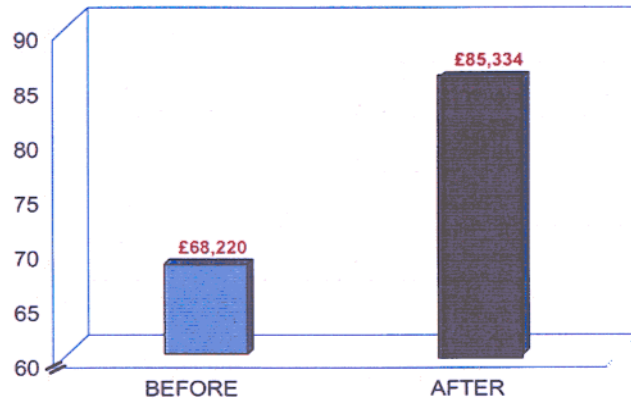


Figure 2-1 Comparison of Sales Revenue Before and After Call Reluctance Training

The results in Table 2-1 below indicate an average increase in sales revenue of £ **17,114** per month, which corresponds to a median increase of £23,626 per month.

(Drug A) Product Group – Monthly Sales Revenue

	Mean	Std. Dev	Median
BEFORE	£68220	21531	£64245
AFTER	£85334	18806	£87871
Increase	£17114		£23626

Table 2-1 Comparison of Sales Revenue Before and After Call Reluctance Training

The distribution of paired differences (before and after) in sales revenue is shown in Figure 2-2 below. According to the results, 6 out of 7 salespeople had an increase in sales revenue after training.

(Drug A) Product Group – Paired Differences in Sales Volume

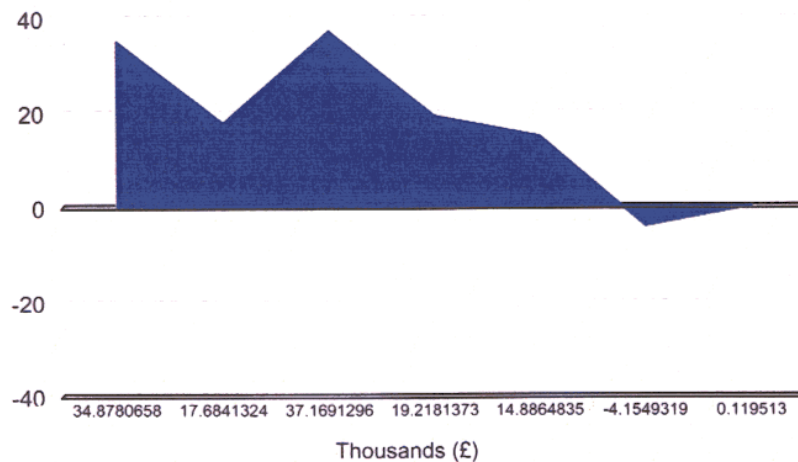


Figure 2-2 Individual Differences in Sales Revenue Before and After Call Reluctance Training

Further analysis indicated that this distribution was positively skewed. Therefore, a square-root transformation was used to produce greater symmetry about the median. (This transformation permitted further analyses using the Wilcoxon test and the Paired T -test.)

Analysis of Differences in Sales Revenue

Based on the results summarized in Table 2-2a (Wilcoxon test) there is a statistically significant difference in average sales revenue after training. Further analyses were run using a paired t-test, since the transformed variable of paired differences satisfied the parametric requirement (i.e., normally distributed). Both tests, shown in Table 2-28 and 2-2b, reached the same conclusion as indicated by p-values (0.008 and 0.002 respectively) below the .05 level and the high level of statistical power.⁵ The power levels (97.9% and 99.3% respectively) combined with the relatively high (large) effect size (1.777) indicate that the difference in sales revenue is not likely due to chance alone ° These results indicate that sales call reluctance training had 8 positive effect on sales revenue.

⁵ P-values under .05 are indicative of non-chance occurrences or statistical differences.

°The effect size shown is a standardized (z-score) statistic where a value of .80 or more is interpreted as a high effect size (Murphy & Myors, 1998, p. II; Stevens, 1999, p. 124).

(Drug A) Product Group -- Median-based Analysis of Revenue Differences*

Wilcoxon Signed Rank				Hodges-Lehmann Estimates			Analytical Descriptives	
Median Rank Statistic (W)	Std. Dev.	Sum of Ranks	Exact p-value	Point Estimate of Median Difference	Exact 95% Confidence Interval		Power Level	Effect Size
					Lower	Upper		
14	5.92	28	0.008	140.4	65	198	0.979	1.777

*** This table contains transformed statistics derived from paired differences in revenue. However, the p-value, which indicates a significant difference in revenue, is the key statistic for consideration.**

Table 2-2a Wilcoxon Signed Rank Test for Difference in Median Sales Revenue After Training

(Drug A) Product Group -- Mean-based Analysis of Revenue Differences*

Paired T-Test						Analytical Descriptives		
Mean	Std. Dev.	Std. Error	t-statistics	p-value	95% Confidence Interval		Power Level	Effect Size
					Lower	Upper		
129	72.62	27.45	4.7149	0.002	82	189	0.993	1.777

*** This table contains transformed statistics derived from paired differences in revenue. However, the p-value, which indicates a significant difference in revenue, is the key statistic for consideration.**

Table 2-2b Paired T -Test for Difference in Mean Sales Revenue After Training

Return on Investment

According to the results, there was an increase of £ 1,317,805 in total sales revenue based on eleven months of data before and after training, as shown in Table 2-3.

(Drug A) Product Group: Increase in Sales Revenue	
Total Sales Revenue <u>After</u> Training	£6,570,747
Total Sales Revenue <u>Before</u> Training	£5,252,941
Increase in Sales Revenue £1,317,805	

Table 2-3 Estimated Increase in Sales Revenue

An estimate of return on investment was computed from the net increase in sales revenue and an index estimate of the proportion of revenue attributed to training. The general index estimation (percentage of variance) was computed using the squared t -statistic reported in Table 2- 2b.

The results indicated that approximately 58% of the variance in sales revenue can be attributed to (or "explained by") training. This general index multiplied by the net increase in revenue results in an estimated return on investment of £760,127 as shown in Table 2-4. This result represents a very general indication of the estimated return of investment.

(Drug A) Product Group: General Estimated Return on Investment	
Increase in Sales Revenue	£1,317,805
Proportional Index of Effect of Training on Revenue	.58
An Estimate of Revenue Increase Associated with Training	£764,327
Cost of Training (£600/person)	£4,200
An Estimate of ROI	£760,127

Table 2-4 An Estimate of Return on Investment

Discussion

The purpose of this study was to assess the influence of sales call reluctance training on sales productivity. Participants in the study consisted of a pharmaceutical sales team in the UK, marketing (Drug A) product group. The performance criterion consisted of monthly sales revenue. Due to the small sample size of the group, analysis was conducted using exact permutational tests for extrapolating sampling distributions.

The results obtained indicate that call reluctance training had a large and positive effect for the (Drug A) group. The estimated return on investment for the (Drug A) group is £760,127.

Overall, this study suggests that call reluctance training can contribute to increased sales productivity, when productivity is measured objectively. The purpose of call reluctance training is to minimize performance-limiting attitudes and behaviours which can interfere with an individual's ability to comfortably establish, and maintain, the contacts necessary to sustain market share and, further, to facilitate increased market share. The results of this study provide additional support for the use of this training protocol to assist in obtaining those outcomes.

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