



PERFORMANCE
DEVELOPMENT
GROUP

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STATE OF COACHING REPORT

A Comparative Analysis of Managerial and Sales
Representative Prioritization of Sales Coaching
in the Life Sciences Sector

In the ever-evolving landscape of the life sciences sector, where precision, compliance, and relationship-building are paramount, the significance of sales coaching cannot be overstated. As the industry grapples with complex products, rigorous regulatory frameworks, and changing market dynamics, effective sales coaching emerges as the linchpin for empowering sales professionals to navigate challenges, build enduring client relationships, and drive sustainable growth. According to a recent sales enablement study, organizations that implement regular sales coaching and measure its impact, experience a 32% increase in win rates and a 28% improvement in quota attainment. There are benefits to team dynamics as well: these companies observe double the seller engagement and nearly a 30% decrease in voluntary turnover.

In response to the growing need for effective sales coaching strategies, Performance Development Group (PDG) set out to identify the quality and quantity of sales coaching in the life sciences industry. The study surveyed 217 sales representatives and 127 managers from over 200 companies in the life sciences sector. The study, conducted in Fall 2023, focused on examining both the quality and quantity of sales coaching in the life sciences industry. While the manager and representative samples were collected independently, the data profiles supported the idea that the manager sample was comparable to those to whom the representative sample actually reported, allowing for meaningful comparisons. The study revealed some alignment between manager and representative perceptions in certain areas, while significant disparities were evident in others.

Despite 100% of managers in the study indicating they provided coaching for their direct sales reports, less than

half (49%) of sales representatives said their managers were directly involved in sales coaching. When managers were not directly involved, other internal sales leaders were most likely to fill the gap. An intriguing finding from the study is the strong reliance managers place on social media to support coaching, with 47% of representatives reporting that they receive coaching through social media when their managers are not directly involved (see Figure 1). The manager group confirmed this finding, as 51% said they used social media to support their sales coaching efforts.

The data suggests a potential blurring of the lines between 'coaching' and 'training' (see the definitions in table below). When examining some of the sources managers use to provide coaching when they are not directly involved, the list suggests that many representatives are receiving training rather than actual coaching.

Training	Coaching
Often covers a broad range of topics, including product knowledge, market trends, sales methodologies, and general selling skills.	More personalized and aims to enhance individual performance through one-on-one interactions, addressing specific aspects of a sales person's approach, strengths, and weaknesses. Tends to be more targeted and tailored to the individual needs of the salesperson, involving addressing specific challenges, refining communication skills, or overcoming obstacles encountered in real-world sales situations.

Sales coaching is significantly more impactful when direct managers are involved

While most sales representatives viewed their coaching experiences positively, those whose managers were directly involved showed significantly higher levels of satisfaction. An impressive 90% of those coached by their direct manager rated their overall coaching experiences positively, in contrast to the 75% satisfaction rate for those coached through any other source (see Figure 2). Furthermore, over half (51%) of those coached by their direct manager felt that their sales coaching was essential to their sales success, compared to only 34% who received coaching from sources other than their direct manager. It is crucial to highlight that manager involvement had a positive impact on reps' perception of managerial support and the organization's emphasis on coaching.

Importantly, sales coaching by direct managers was linked to higher job retention rates among representatives and a greater willingness to recommend their companies to others as a great place to work. Attracting and retaining sales talent is critical, so this serves as another example of how managerial involvement in coaching directly improves the bottom line.

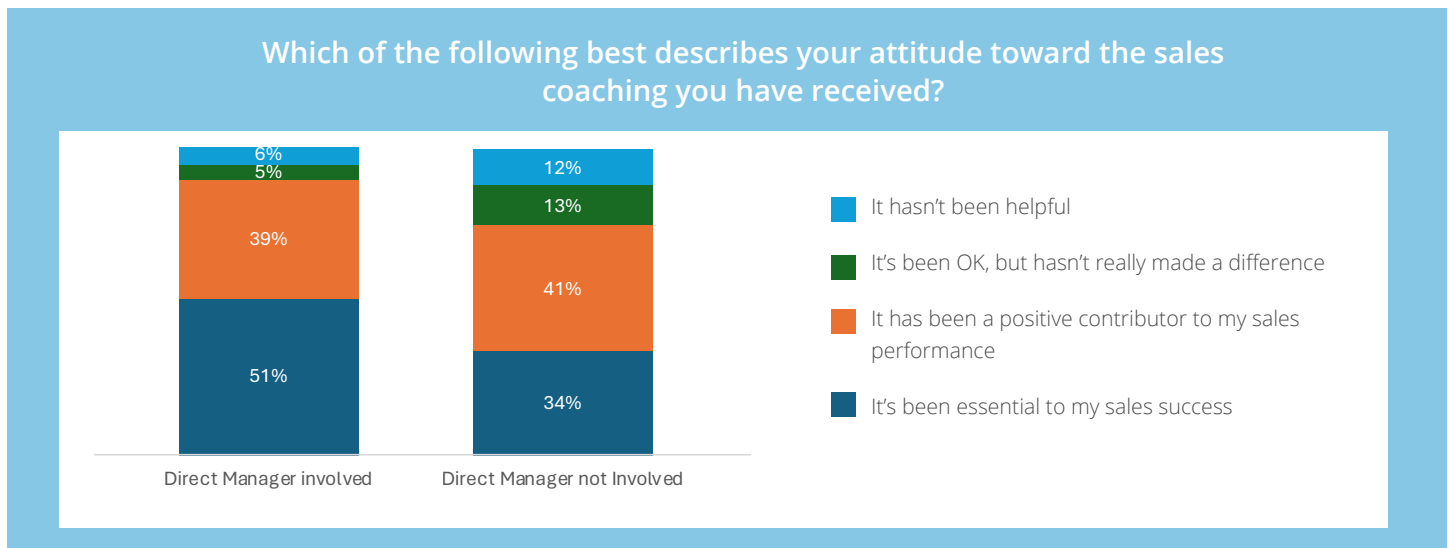
Figure 1



Sales coaching in the life sciences industry is a 'team sport'

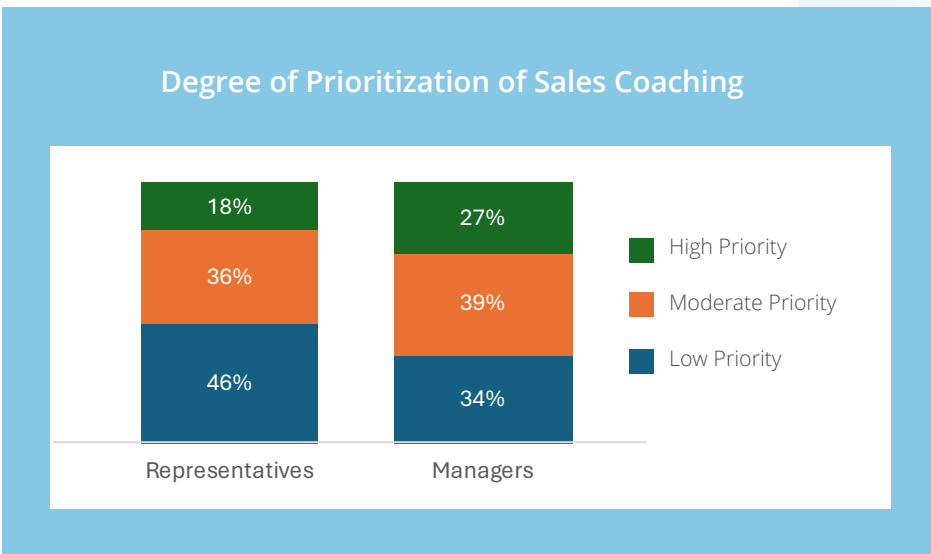
Even when managers directly engage in sales coaching, they contribute to only about one-third (35%) of the rep's total coaching experience. Additionally, managers involved in coaching utilize e-learning tools more extensively (54%) than those using other coaching sources (39%). Generally, when managers participate in sales coaching, representatives receive guidance from a broader array of resources compared to situations where managers are not involved.

Figure 2



Regardless of direct managerial involvement, representatives receive coaching from various sources, each contributing between 25% and 40% to the representative's total coaching experience (see Figure 1). This aspect paints sales coaching as a 'team sport,' leveraging multiple resources to enhance sales performance. However, despite a wealth of evidence showcasing the positive impact of sales coaching, it often doesn't receive the same priority from managers as it does from sales representatives

Figure 3



Customer engagement and relationship building represent a particular source of importance in sales coaching

Both managers and reps prioritize effective communication skills (60% and 44%, respectively), solution selling (59% and 47%), and customer engagement (57% and 50%) as top coaching priorities for boosting sales performance (see Figure 3).

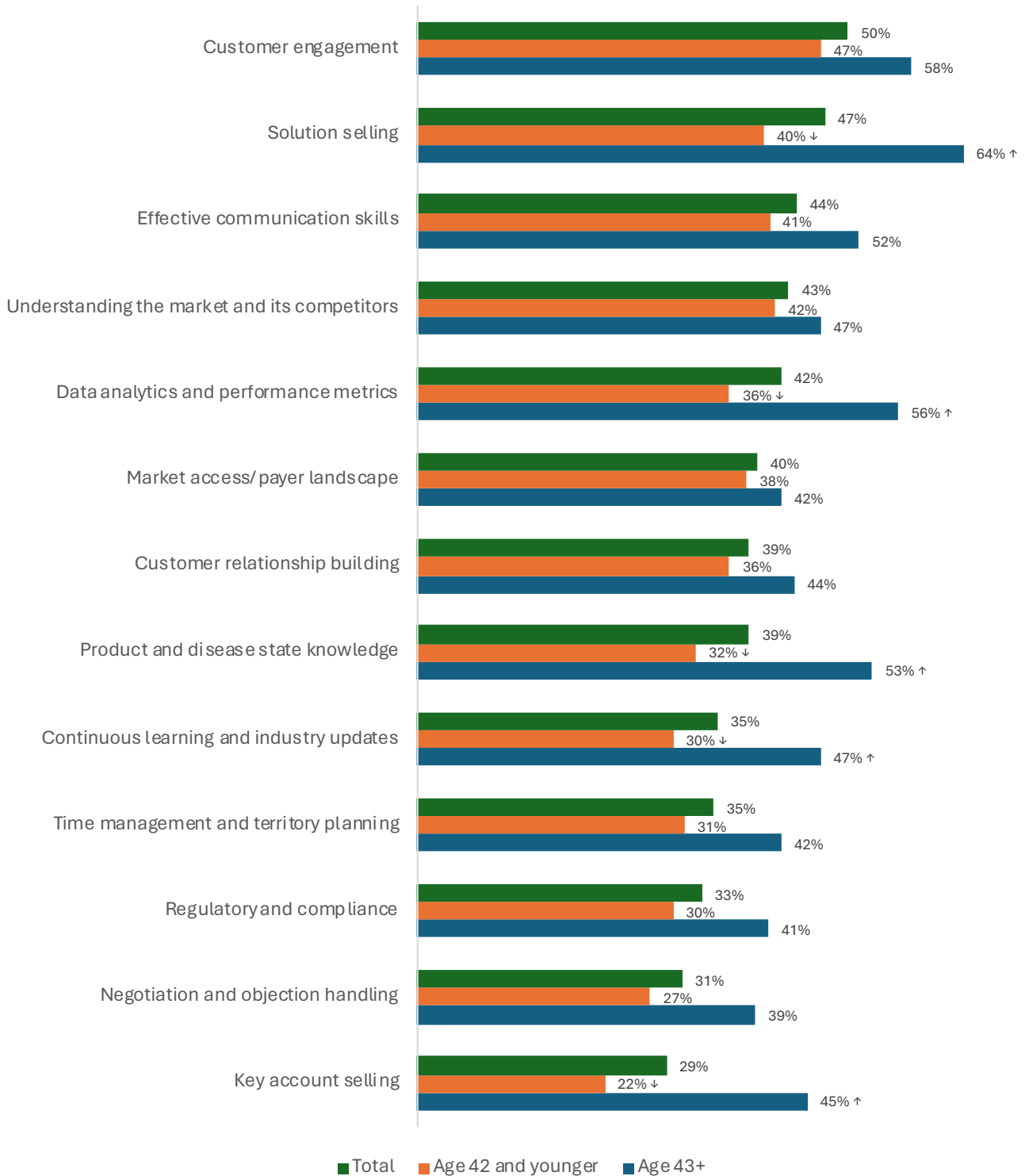
Representatives who receive coaching in customer relationship building consistently outperform their peers, benefiting from more comprehensive guidance in various areas. Moreover, those specifically coached in customer relationship building, time management, and territory planning express a more favorable view of their overall coaching experiences compared to their counterparts. An intriguing finding reveals that older representatives, aged 42 and older, receive more coaching across almost every area. While the sample sizes are not statistically significant, the



Both managers and reps prioritize effective communication skills, solution selling, and customer engagement as top coaching priorities for boosting sales performance.

Figure 5

Types of Coaching Received



directional data suggests that older representatives tend to respond more positively to coaching, particularly on the topic of customer engagement.

Data analytics coaching: A key coaching opportunity area

Both managers and representatives were surveyed on areas representing the best opportunities for additional coaching. Managers predominantly emphasized the development of communication skills and customer relationship building. While these are undoubtedly crucial coaching areas, the data suggests that representatives are generally satisfied with the coaching they already receive in these domains. Interestingly, the largest proportion of representatives (32%) expressed a desire for more coaching in the realms of data analytics and performance metrics. In contrast, only 21% of managers considered these areas to be important priorities, highlighting the most significant gap in this study between representative and manager perceptions.

Top Performers Receive More Coaching


The study further illuminated the impact of coaching on top performers (20% of the sample), identified as those who received a Top Performer award in the past three years and consistently exceeded sales quotas for at least four out of the past seven quarters. According to the findings, top performers reported receiving more coaching in understanding the market and competitors (61% vs. 39%) and customer relationship building (55% vs. 35%). These differences are statistically significant, underscoring the relationship between coaching in achieving top-tier performance.

Final Observations and Implications

The data supports the intuitive notion that selling in the life sciences sector, especially pharmaceutical products, has become increasingly challenging. For instance, 86% of pharmaceutical sales reps agree or strongly agree that customer interactions have become much more challenging in the past three years (2020-2023). Similarly, 69% of these reps agree or strongly agree that their customers have become less interested in meeting in person. Despite these difficulties, 95% of pharmaceutical representatives who received sales coaching on customer relationship building agreed that the coaching helped them 'maximize their

customer relationships.' Additionally, 94% of pharmaceutical product sellers agreed or strongly agreed that the coaching they received was 'positive or essential to their sales performance.'

The results of the study strongly advocate for sales coaching, especially in the challenging post-pandemic sales environment. While highlighting the collaborative nature of sales coaching, the findings also stress the importance of sales leaders having direct, hands-on involvement in coaching, even if they personally don't consider it a high priority and prefer to delegate it to other resources. Direct managerial involvement not only leads to increased sales performance but also fosters a greater perception of organizational support, translating to enhanced salesforce retention.



Top performers reported receiving more coaching in understanding the market and competitors and customer relationship building.

Summary

In the evolving sales environment of the life sciences sector, sales coaching concerning data analytics and performance metrics is particularly important. Given technological advances and the need for nuanced interpretation of performance metrics, making sense of data-driven insights is key to competitive success. The intersection of innovation and commercialization in this sector means that skillful sales coaching can not only cultivate the ability to harness the power of data analytics, but also refine individual selling techniques. Organizations must focus on formulating tailored coaching strategies that address critical skill sets, cater to diverse needs, and encompass multifaceted aspects of the sales process. By investing in effective coaching programs that prioritize customer relationships, companies can boost engagement and, in turn, elevate sales representatives' performance, ultimately driving greater success for both the business and its employees.



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