



Next Generation Training - Our Panel of Experts discuss Blended Models

November 2008

Pfizer's Nancy Grey moderates a panel of training and learning experts, including David Davis, Matt DeLoca and Jeanenne Lamarsh. Read on for tips on progressing from the dreaded slide-show-in-a-dark-room approach to the new trend of blended models.

Nancy Grey: there is currently a lot of focus on leadership development and team building. do you see management and leadership development in the sales force playing a bigger role even as budgets get smaller?

David Davis I actually see it playing the most critical role in the pharmaceutical industry moving forward. Companies are going to be asked to deliver the same market share, the same level of sales and the same level of performance as they had to in the past, but with smaller budgets.

It means that their sales representatives are going to need to be the best there are, and it's impossible for the sales training departments alone to have that level of reach and depth. The management — senior managers, district managers and regional managers — are going to play an absolutely critical role in ensuring those sales representatives are delivering the type of performance that they need to and driving the results that they need to sustain, given these shrinking budgets. Traditionally, the pharmaceutical and medical device industry is really focused on on-boarding new leaders and new managers into their role. I think what we're going to see in the very near future is a greater emphasis on continuing development of those managers, going beyond that first line, district manager level one-on-one training into a more sophisticated arena.

Matt DeLoca We all face this today, no matter what industry or line of work we're in. In the coming year, we're going to be forced to do more with less. One thing that we've identified at The FeedRoom is how we can significantly lower the costs of traditional communications by using an online medium. However, the very important factor for us in that ecosystem, from subject-matter experts to learners, is that now it's more important to have the very best subject-matter experts reach the maximum number of salespeople. Capturing those important pieces of information, particularly in a highly communicative format like video, is extremely important.

Jeanenne Lamarsh This question is a very pertinent one today. The emphasis on leadership development is something that I think the sales force itself is very grateful for, because they need their

leaders to act as sponsors of the changes that they are being asked to make. The result of any change is going to be based on leaders making good decisions about what changes, improvements and enhancements to make, as well as their ability to help their sales force accept it. While the sales force is looking to leadership for that additional element, many leaders have not yet developed that capability, so it becomes a training and learning opportunity for us.

The other thing that the sales force needs from their leaders is the ability to help their customers understand the changes that are being made by the organization itself. The sales force needs to be able to look to their leaders to help them with any sense of resistance that their customers may face, which has become a key element in today's marketplace. So, the leader as a sponsor of change is an important part of the learning.

NG today, with increasing licensure requirements, there is a trend to train sales staff in a more technical way. How do you see this affecting the industry? Will sales representatives be resistant to this change?

DD If the licensing that's happening in the District of Columbia goes through and the other states adopt that licensing, we're going to see a complete transformation of what sales representatives look like in the pharmaceutical industry. When you go back 10 or 15 years in our industry, the sales representative was a traditional detailer. Now, what's being demanded by the marketplace and physicians are sales representatives who bring true value—who understand the depth of medicine and the disease state that's required of the more sophisticated products that are coming to market. In the future, healthcare professionals are going to want a more consultative relationship with their sales representatives. That may mean that industry sales representatives will look more like medical science liaisons than the traditional detailer. That has a lot of implications for training, primarily requiring an increased depth of knowledge and a lot more sophistication.

MD We see this across the board — not just with our pharmaceutical clients, but also in every industry where we deliver sales-force development solutions in a video format. We can also turn the question the other way and see if there are salespeople that can afford to be resistant to this. In the economy ahead, the very best sales people — and that means the most technical sales people — are going to be those that are most successful. It's a requirement for pharmaceutical companies to identify those top performers and train them to be more technical, which will give them an advantage over their competitors in the marketplace. Training is vital to that, but unless you have the very best learners at the end of that spectrum, you're not going to be as effective. In this economy, you need to have the best performers, and the more technical sales force is going to win.

JL When you think about the populations that need to make these changes, there is going to be a continuum of those who are most eager to accept these changes to those who are most resistant, which will not necessarily correlate with those who have the greatest skill and competency. This is where the training requirement remains an important point. There's a communications message here that needs to be addressed very early in the process of helping to make this transition, because some of the

resistance issues are going to come from people who don't necessarily understand why they need to make this change. People think, "I was hired for one job and the job is changing. Is this an indictment of the current job or the way I'm doing my job?" Communication is going to go a long way towards getting past that.

There's also a question of, "What's in it for me if I do make these transitions and develop this additional competency? Do I get paid more?" So how are we going to go about giving them the information about the training process? There's a lot we can do from a communications perspective that's also going to help to reduce the resistance, and the training will be vital in determining which of the people are going to be the best at this.

DD While we talk about these sales representatives having a greater depth of technical expertise, that doesn't mean that these people will not be strong sales representatives. The actual selling aspect — the idea of discovering a need and satisfying it with a particular product — is not going to go away; it's just going to have a greater depth and bring a higher degree of value to the customer. We're not going to have traveling professors of medicine going around; we're still going to have salespeople, but just as my colleagues have said, the salesperson of the future has to be somebody who can handle the technical depth of information as well as the changes in the environment.

JL It's important to make sure we are enriching and enlarging the conversation that occurs with the sales representative during the transitional period — it isn't just the monetary reward, it is also the work-life balance reward. It is not just what is changing, but also what is not changing.

NG Companies are really steering away from the slideshow- in-a-dark-room method. Instead, many companies are implementing e-learning capabilities. What are some examples of this?

MD A slide show in a dark room implies that trainees are all congregated in one room, which requires travel and is time-consuming. One key advantage of e-learning solutions and online video learning is that it's an "always-on" medium that can be accessed from any desktop, especially when those individuals are in their homes. Learners can participate live or on demand, without the need to travel, and they can go back and review the content any time, when it's most convenient for them. We don't want to encourage our sales forces to spend a lot of time away from family when they're at home— unless they work in the home, which is common for large sales forces these days—but if salespeople have the opportunity to tune into this content, an e-learning solution provides an incredibly powerful mechanism.

Here's an example from General Motors. It provides a Web video solution for 7,000 dealer sales representatives, and in all of the blogs and articles out there, the report is that GM is struggling financially. However, it has the Chevy Volt — its first true electric vehicle, and the salespeople don't understand why it has advantages over its competitors. It captures the very best research and development experts from Detroit, as well as Bob Lutz, their Vice Chairman, on video and disseminates that content, not just to the dealers, but to any influencers out in the community. It's been vital for

them to get the word out about this new vehicle, because there isn't a lot of positive news about GM, and its employees need, more than ever, to be informed from headquarters about how to speak about the company, and in particular, how to reference the strategic advantage of this important product.

DD These sorts of tools are absolutely phenomenal. The time away from territory or time out of the field for managers is critical. Every day I run into clients who want to minimize that. All of the different types of e-learning and virtual tools that are out there are incredible in terms of the application to reduce that time out of territory.

We often build blended solutions where we start with an e-learning piece up front to teach the cognitive part of the learning solution, and then follow with a workshop for the application piece. We feel strongly that live workshop will never completely go away for some types of learning. For example, a lot of what we do is around coaching or leadership, so managers need a live workshop to practice — via role-plays, simulations and case studies — and then we support this with an e-learning piece that's case study-driven. This blended learning solution is a way to minimize time out of territory, help people learn and maximize the experience.

JL From an organizational perspective, this is pretty awesome. The cost savings, efficiency and effectiveness of these tools are a real boost to any organization, and it's important that we use them. When we introduce these new learning methods, we need to consider the issues that people may experience, such as the loss of socialization by not coming into the office, a lack of opportunity to shine in a classroom and show their capabilities relative to their peers, even things like the ability to work comfortably with the technology, or having to work on their own time, as opposed to a dedicated seminar workshop time — these are all the issues that organizations have to face up to. There are two sides to the equation. We have to help people who are used to a more traditional way of learning to accept these changes.

NG In line with new technologies in this sector, what are some Web-based tools that could help in this arena?

MD There is a common desire to be present in a classroom — to interact, to shine and to represent you. That is the downside of an electronic medium. However, the upside to this technology is that it's imminently measurable. We offer our organizations the ability to track which learners out there are reviewing content and in what quantity, so they know which content is most popular, which individuals are watching which pieces, and how often they return to them.

With the next generation, we have the phenomenon of social networking. Now, you're offering your employees the ability to not just consume the content, but to react to it — to send it to friends, to rate it and comment on it. What we're seeing at Hewlett-Packard is the ability for those individuals to respond and to shoot their own video content using their webcam and contribute that commentary into the conversation. It becomes not just a community, but also a two-way communications mechanism.

JL We just had a panel discussion a few weeks ago with some of our clients about the differences in how change is dealt with by various age groups. What we found is that the younger people have very great comfort with social networking and with technology, and will automatically gravitate towards what you're describing. The baby boomer generation are going to need some time and training to become comfortable with it.

DD What you need to do is design the learning so it appeals to the needs of the different generations. The level of sophistication and training that we're trying to adopt depends upon the learning style and the learning preferences people have. If you're really comfortable in a virtual world — if you grew up in that millennial generation and that's the way you like to learn, then that's the way it should be served up to you. If you're more of a boomer and you need a live interaction, then that's the way you get it, but it's still the same content. That's the level of sophistication the pharmaceutical industry is striving for.

MD One very innovative thing that HP has done is that they've turned the social networking and user-generated content model upside down. Instead of asking for video content from their customers, they're asking for it from their salespeople and their employees — to have them submit best practices about how they use or sell HP products in the marketplace. Through this, they've created a community called HP Uncut, which is then available to consumers and to any other HP employee. It's a phenomenal knowledge base of information.

DD We have a client from the pharmaceutical world that is contracted with our technology partner to create a Second Life scenario, where you create an avatar that's in a virtual environment. Their avatar will stay with them throughout their entire career at this company, and will go through various training and learning interventions throughout their career. It's a virtual environment inside of a virtual environment.

JL We worked with a pharmaceutical company that needed its marketing materials edited online, and it was triggering enormous amounts of resistance from the population. What we discovered was that there was a generation of people of a mature age that were having difficulty reading and editing onscreen, and simply giving them much larger monitors overcame most of the resistance factor. So sometimes it's a learning situation, sometimes it's an advanced technology; sometimes it's just listening to people to hear what the issue is that's preventing them from accepting and adapting to a new way of doing things.

NG the saying “if you can't measure it, you can't control it” has been applied to tracking sales goals and figures in the past. What is the importance of effective assessment programs for individual employees, teams and departments?

DD Effectively measuring performance means that the whole organization has gained agreement around what that behavior should look and sound like. Without understanding up front what those behaviors really are, gaining real alignment across the entire organization is almost a bigger challenge than actually doing the assessment. We've had some real challenges gaining that alignment in the past.

JL It isn't necessarily just behaviors, either. We've shaped that agreement about the front end in terms of what we want to look different, but if we want certain behaviors to be changed, does it require changes in the process? Does it require changes in the job description? Does it require changes in some of the basic fundamental cultural beliefs we have? The design of what we at LaMarsh call "the desired state" or "the future state" is a larger, encompassing description than just the behaviors. It really enhances the ability to change those behaviors and sustain it.

MD One thing that will always be true is: That which is measured improves. Until there was a way to assess the performance of the individual, things stayed flat or even depleted. That is now as important as ever, but it's a two-way street. One thing that I have consistently heard from my sales team is: You can measure me; you can put me up against my peers, you can change my compensation or my territory, but make sure you give me the tools I need to be successful before you do that. That's another important component of this whole discussion — making cost-effective choices in helping those sales professionals be as good as they can be, and then measuring them.

The e-learning medium that we work in is so important because we can measure what's most popular, but we can also keep an eye on the individuals themselves, and whether or not they're leveraging the tools. If they're not, we have a very solid case to say, "Look, you haven't logged in to your CRM system, you haven't logged in to your e-learning system; how can you expect to perform?" It may seem like "big brother," but the reality is that when you're trying to identify the As from the Bs or the Cs out there, this ability to use an electronic medium for training and development is important, because you can ensure that you're keeping an eye on whether or not the tools are being utilized by the organization.

DD The bottom line is that training and development should drive the market share of the product being sold and help folks achieve the business goals that they're trying to achieve. However we measure that — whether it's through assessments, or behavioral change, or actually being able to tag it to some economic indicator — the bottom line is, in today's marketplace, training has to be practical. It has to be very application-based and drive market share.

NG **What does the future hold for recruitment and talent management in a field that is already in a state of flux — with a challenging economy, changing licensure requirements and a competitive market?**

JL We're seeing that a vital key competency of the salesperson of the future, or any employee of the future, is going to be a high tolerance for constant change. That is, somebody who can be comfortable living in a continuous state of change and transition. So in the process of recruiting and looking for talent, we would encourage people to consider what the person's ability is to tolerate and even embrace change as a constant, and take responsibility themselves for the changes that are going to happen. We've been talking about how an organization helps its employees to make successful changes, but what is the employees' responsibility? In the sales arena, that is particularly important, because there's not going to be anything stable in that world.

DD The pharmaceutical industry also needs people that can learn. The old idea that just coming into the industry and developing a relationship with a physician will drive results is no longer the case. You have to be somebody that can change and learn, and develop new techniques, tools, ideas and ways of expressing things. Using the technology to do that is a second quality that's going to be very important in the future.

MD Those who are most receptive to change and new technology have the ability to adapt, which is important as an overarching quality. We talked about the generational differences, and I'm going to reiterate that there needs to be a blended approach, or training and development techniques that fit the generation and the corporation.

However, I also want to speak about the new graduates that are being recruited by large organizations, such as life sciences and technical organizations that we work with. We provide solutions that go well beyond just training and development — we do public relations and marketing. We've been astounded by the number of individuals in organizations that have come to us specifically for recruiting. Right now, their goal is to be sure that they're reaching out to a younger audience, to a new crop of graduates in a format and medium that they're comfortable in — meaning, quite honestly, Facebook and MySpace. They are looking specifically to create social-networking solutions and digital rich-media solutions to reach that particular recruitment set.

DD This is a challenge the industry is already starting to face. Traditionally, the big pharmaceutical companies recruited individuals that came right out of college, because the companies had the level of training and sophistication to bring those people up to speed. Specialty pharmaceutical companies, such as those doing oncology, typically hire people with experience. Now, the big companies are looking for people with experience — but there's no way to fill that reservoir at the top. Unfortunately, there's been a lot of downsizing lately, so there are a lot of candidates on the market; but in about five years' time, there could be a real critical shortage of experienced people. The most important thing a manager or leader will do is hire the right talent.