

# SFE Explorer Study: Frequently Asked Questions

## Questions on Research Methodology

### **Did the study isolate incremental growth due to SFE from potential other sources of growth (e.g., market growth)?**

Yes – the intent of the study was to do so. We ensured this in 3 ways.

- + ZS's internal case studies and interviews identified the impact that was due to the SFE initiatives – separate from growth that would have happened anyway due to other factors
- + Our literature search, sources were chosen for their focus on measureable impact from SFE initiatives. While “incremental” growth may not have always been explicitly stated, it was the express purpose the literature source was assembled for.
- + Our Sales Management Association survey explicitly queried growth due to specific sales force investments

### **Did the study utilize a “test & control” methodology?**

Yes and no. This is a benchmarking study which collected input from a wide number of industry sources. Sources were weighted based on source rigor; so, studies which mentioned statistical test and control were weighted higher than studies that were more qualitative in nature.

### **How did the study approach outlier data points collected during research?**

Outliers were excluded. For each calculation, we took all relevant data points and calculated 1 standard deviation. We then excluded all data points outside 1 standard deviation, and re-calculated the average.

### **How did the study account for differences in the rigor of various data sources?**

All of our literature inputs were assigned a weighted average source rigor score based on “Facts & Purpose” (50% weight), “Recency” (25% weight), and “Authority” (25% weight). The impact was accordingly weighted based on the rigor of the data source – though it is important to note that no source was thrown out based on their low rigor score. For the data points that came from the Sales Management Association survey, the approach was the same for the “Recency” and “Authority” weights. However, “Facts & Purpose” scores were adjusted based on a survey question asking about the respondent’s confidence in their metric. Scaled from 1-7 (7 being the highest), responses to this question were used to directly adjust their “Facts & Purpose” score.

### **How many sources were utilized in building the Explorer database?**

881 distinct data points, broken down as follows:

- + 518 survey responses
- + More than 160 points from industry whitepapers
- + 130+ from industry articles & cases
- + 40+ from academic cases, articles, & blogs
- + 25+ from ZS project examples and qualitative interviews with experts

### **What types of metrics are captured under data points related to “Employee Activity?”**

Employee activity can loosely be defined as “an increased amount of employee output for a static amount of input.” Metrics that fall under this type include: Productivity, Calls per Rep, Retention of Knowledge from Training, Reduction in Time-to-Hire, and Reduction in Time-to-Productivity

### **Is the revenue metric only “impactable sales” growth or overall revenue growth?**

The revenue metric is overall revenue growth, not just impactable sales growth. The study was across multiple industries, and impactable sales tends to be a very pharma-oriented metric. However, the revenue growth cited is focused on the revenue increase due to the sales force initiative conducted.

## Questions on Interpreting & Applying the Results of the Study

### **How do we apply the Explorer Study results for different market characteristics (e.g., fast-growing vs. slow-growing markets? Mature vs. newer markets? Competitive vs. monopoly markets?)**

Market maturity and growth rate

- + The more mature a market is (e.g., seeing a low growth rate or even a decline in growth), the lower the likelihood of higher upside. In markets such as these, the incremental revenue due to SF investments has to come mostly from taking share from competitors. In less mature markets, the incremental revenue can also come from “new demand” created by the sales force.

Market fragmentation

- + In more fragmented markets, competitors tend to be more local/regional and not as strong (vs. low fragmented markets with a few highly-entrenched strong competitors). In general, high fragmentation might correlate more with higher upside from SFE investments, while low fragmentation might work against gaining higher upside.

Competitor strength

- + Similar to the previous point, but slightly distinct, the greater the relative strength of competitors in a market, the lower the likelihood of higher upside growth opportunities from the sales force.