The Implications of Corporate Purpose for the Practice of Professional Sales: A Conceptualization of Purposeful Selling

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Abstract

In the context of a more responsible, sustainable economy, the concept of purpose has been gaining a lot of attention. Despite the increasing research, the concept lacks clarity in regard to its implementation. The present research aims to analyze the implications of corporate purpose on the sales function, specifically on sales management, the required metrics, and the practice of selling. Data has been collected through a comprehensive review of corporate purpose and sales literature, complemented by interviews with senior sales leaders of purpose-driven organizations. The analysis reveals the necessity of clear, practical guidelines for sales leaders, and a transformation of sales measurements into a combination of revenue, value and impact metrics. Additionally, purposeful selling requires a long-term focus, customer centricity and a high degree of transparency.

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Resumo

No contexto de uma economia sustentável mais responsável, o conceito de propósito tem recebido atenção crescente. Apesar do cada vez maior número de artigos científicos, a forma de implementação deste conceito ainda não é clara. Esta dissertação pretende analisar as implicações do Propósito na função de vendas, especificamente na gestão de vendas, nas métricas necessárias e na prática de vendas B2B (de empresa a empresa). Foram recolhidos dados através de uma análise da literatura exaustiva acerca do conceito de Propósito e de vendas B2B, apoiada por entrevistas a líderes de vendas de organizações com propósito. A análise revela a necessidade de diretrizes claras e práticas para os líderes de vendas, e uma mudança nas métricas de vendas que abranja receitas, valor e impacto. Para além disso, aplicar o conceito a vendas implica foco a longo-prazo, que o centro da atenção da empresa seja o cliente e ainda um elevado grau de transparência.

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Título: Implicações do Propósito corporativo na função de vendas. Um conceito das vendas orientadas para o Propósito.

Palavras-chave: Propósito, Empresas com Propósito, Vendas, Estratégias de vendas, Vendas B2B, Vendas responsáveis, Gestão de vendas, Vendas orientadas para o Propósito.

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1. Introduction

190 billion tons. This is the number of global material estimated to be used by 2060, according to the United Nations environment program – UNEP (Oberle et al., 2019). With every second passing by, more and more of the planet's limited resources are extracted or destroyed. Climate change has tripled the number of natural disasters in the past decades. More than one in ten people globally suffer from hunger (Institute for Economics & Peace, 2020). Moreover, the current global pandemic is further worsening the already appalling status of inequality in the global community. To assure their existence in the future, businesses have to act in response to the needs of the environment and society (World Economic Forum, 2020). Triggered by such development, capitalism demonstrates an essential shift towards more responsible, sustainable and inclusive economic models, that allow corporations to prosper together with the planet (Business & Sustainable Development Commission, 2017). In this context, purpose has been gaining a lot of attention as a way to contribute to a company's economic success by tackling a societal or environmental issue (Purpose Playbook, 2020). The path to becoming a purpose-driven organization involves several obstacles. Often mentioned in the academic and professional discussion is the implementation process. The process of diffusing purpose in the entire business' operations raises many doubts and uncertainty (Fanelli et al., 2020). Furthermore, an advancing social performance is often assumed to be bearing negatively on the economic performance (Porter & Kramer, 2011). To allow organizations to successfully implement corporate purpose, contributing to a better planet and exhausting the economic benefits from it, a better understanding of its implementation process is needed. Therefore, the present research looks into the diffusion of purpose into the sales function, the department that mainly accounts for generating revenue. Thus, the aim of this research is, to provide a comprehensive overview of the implications of corporate purpose on the sales function.

2. Literature review

In the following chapter, a comprehensive literature review is provided about corporate purpose and the latest development of selling practice. Based on this theoretical foundation, the research problem, the aim and scope of this paper is defined, including the presentation of its managerial and academic relevance.

2.1 Purpose-driven business

To understand the positioning and importance of corporate purpose, its emergence as a key element of responsible business practice is explained. With the planet's resources becoming scarce and rising inequalities, operating as a responsible business has been the response to a new form of capitalism; one that allows companies and society to prosper together. Purpose is the key element to unify all stakeholders and guide them in one shared direction.

2.1.1 A new form of capitalism: stakeholder primacy

There are multiple definitions of the purpose of businesses. For a long time, Friedman's (1970) view on business has been dominant. According to him, a company's sole responsibility is to increase profits and thereby maximize shareholder value. This perspective of shareholder capitalism has been challenged by multiple researchers and practitioners over the years, such as Handy (2002, nn): "the purpose of a business […] is to make a profit so that the business can do something more or better. That 'something' becomes the real justification for the business". Looking at the sources of the environmental and societal problems described in the previous section, light has been shed on businesses' responsibility contributing to it. This has lead to a decrease in trust from customers, employees and society (Porter & Kramer, 2011). With further progressing climate change and rising inequalities, businesses are urged to act immediately (Business & Sustainable Development Commission, 2017). As a significant contributor to environmental and societal problems, one can argue that it is the businesses' responsibility to reduce the damage they are causing and contribute to a better world. But this is not only about responsibility. It opens up a huge opportunity: "The opportunity to create economic value through creating societal value will be one of the most powerful forces driving growth in the global economy" (Porter & Kramer, 2011, p. 15). A report by Pricewaterhousecoopers (2015) reveals that engaging with the sustainable development goals reveals a market opportunity of US$12 trillion. Thus, the goal is not solely responsibility, but rather "profitability with responsibility" (Hollensbe et al., 2014, p. 3). The way to achieve this is one essential shift: from shareholder primacy to stakeholder primacy. The key to ensure society prospers together with the company is to build an economic model that satisfies all stakeholders. The Business Roundtable (2019), a nonprofit organization consisting of the chief executive officers (CEO) of America's leading companies, argues that businesses are

accountable to five constituencies: beside shareholders, these are employees, customers, suppliers and communities. Therefore, it is of utmost importance for the business models to be socially fair and inclusive, environmentally friendly, and supply an economic demand simultaneously (Business & Sustainable Development Commission, 2017). "Those corporations that align their goals to the long-term goals of society […] are the most likely to create long-term sustainable value, while driving positive outcomes for business, the economy, society and the planet. This is the true definition of stakeholder capitalism" (World Economic Forum, 2020, p. 7).

2.1.2 Responsible business

As described above, for an organization to shift towards stakeholder capitalism, it has to act as a responsible business. The Center for Responsible Business and Leadership, a research center of Católica Lisbon School of Business and Economics, framed a responsible business as follows: "Companies that have sustainability at the core of their business strategies, always embracing an integrated view of the relevant stakeholders' interests, sharing the same broader purpose, in order to advance society's well-being" (Center for Responsible Business And Leadership, 2020, p. 4-5). This definition brings up four key prerequisites: Positioning sustainability at the core, creating shared value, engaging with all stakeholders, and lastly: purpose.

Sustainability at the core. The first criterion for a responsible business is to position sustainability at the core of the organization's strategy. To act as a competitive advantage, sustainability has to be embedded into the firm's corporate strategy. Therefore, the 'right' societal or environmental problem has to be chosen. Companies cannot and should not make all of the planet's challenges to their responsibility. It is essential to identify an issue that – when solved – contributes positively to the firm. Secondly, positioned at the top, sustainability has to diffuse through the entire company, affecting each business unit and every element of the value chain. This makes the difference between corporate social responsibility (CSR) as a responsive, disconnected initiative, versus CSR as a strategy (Porter & Kramer, 2006).

Shared value. In fact, addressing environmental and societal issues as a company rather than as a non-profit organization comes with much more power. What it requires is a framework that allows business and society to prosper together. For this reason, Porter & Kramer (2011) have developed the concept of shared value with the aim to enable companies to "create economic value through creating societal value" (p. 15). Identifying the right societal or

environmental need (as mentioned above), often requires challenging the current business model and products, which initiates innovation. A first step is the detection of all needs, benefits and harms being related to a company's product or service. Based on these action fields, there are different ways to create shared value: One is to reframe a product or redefine the market a firm is operating in. Another approach is to tackle the company's productivity along the value chain in areas such as environmental impact, employee health and safety, or resource use. Alternatively, businesses can discover their locations and develop clusters that support and foster the local communities (Porter & Kramer, 2011).

Stakeholder engagement. The key message of the shift to stakeholder primacy is the notion that businesses are accountable for more than maximizing shareholder value. Stakeholders, such as customers, employees, suppliers and the community, have to play an equal role in the company's decision making (Business Roundtable, 2019). The financial performance does not have a lower level of importance for responsible businesses. Profits are essential for the company to prosper and continue its positive contribution to the planet but should never come at the expense of other stakeholders' needs and the societal or environmental dimensions (Hollensbe et al., 2014).

Purpose. Finally, purpose brings the concept of responsible business into practice. Different stakeholders have different interests and prioritizations, especially when looking at the range from shareholders, employees, up to society. There must be a unifying factor that guides all of them in the same direction. This is where purpose comes in to align all stakeholders on one common aspirational *reason-for-being* that contributes to the local and global community (EY Beacon Institute, 2015).

2.1.3 Corporate purpose

With buzzwords such as mission, vision and values being already extensively used by businesses, it must be clarified what differentiates purpose from other organizational principles. The most common confusion happens between purpose and mission. While the mission describes the movement between the company's current and desired state in the future, the purpose goes beyond that (Jones, 2016). Located at the core of the organization, the purpose represents the 'why' – why does an organization exist. Researchers and practitioners provide numerous definitions of what purpose is (not) about (Younger et al., 2020) and multiple frameworks on how to implement it into business practice (see Business & Sustainable Development Commission, 2017; Fanelli et al., 2020; Hollensbe et al., 2014; Leaders on

Purpose, 2019; Malnight et al., 2019; Younger et al., 2020). There are three key elements that unite the majority of these definitions of corporate purpose.

Societal or environmental issue. Firstly, to create shared value, purpose has to incorporate the societal or environmental issue the company aims to solve (Purpose Playbook, 2020). This represents the first step to connect the issue of the ecosystem with the firm's strategy and thereby with business operations (Malnight et al., 2019).

Guiding decision-making. Furthermore, purpose is supposed to initiate action. It has to act as a guiding light within the company and thereby affect the decision-making process and help to make critical tradeoffs (Younger et al., 2020). To take better and more consistent decisions based on its purpose, firms need their middle management to be aligned and the right measurements in place. The organization's leadership team plays a crucial role. It is their responsibility to carry down purpose into their departments, operational business and to the employees (Business & Sustainable Development Commission, 2017). To ensure leaders and employees are incentivized to act upon the corporate purpose, the right measurements and incentives have to be in place, keeping every individual accountable for the purpose (Purpose Playbook, 2020).

Activation within every employee. Lastly, to make sure all stakeholders are unified and engaged, purpose has to be lived by every single employee as they are the ones carrying out the business to customers, partners and affect society by their actions (Fanelli et al., 2020; Malnight et al., 2019). Therefore, purpose has to be mirrored in the company's culture and is required to be constantly present in daily business (Purpose Playbook, 2020). Hollensbe et al. (2014) propose the definition of values to support the implementation of purpose into the employees' behavior. The suggested values include dignity, solidarity, plurality, subsidiarity, reciprocity and sustainability.

2.1.4 The purpose and profit relationship

"Purpose is not the sole pursuit of profits but the animating force for achieving them. Profits are in no way inconsistent with purpose – in fact, profits and purpose are inextricably linked" (BlackRock, 2019). As Larry Fink, Blackrock's CEO, framed it, many practitioners and researchers define purpose as a key benefit to a business, such as contributing to employee satisfaction, customer loyalty and its ability to transform. Nonetheless, many companies are not running their businesses purpose-led yet (EY Beacon Institute, 2015). Fanelli et al. (2020) call this the B2B purpose paradox, which they describe as the discrepancy between B2B firms

perceiving purpose as essential for growth, but not having implemented it into the entire organization in a way that it unfolds its benefits. One of the key obstacles within businesses' organizational change towards a purpose-driven agenda is the assumption that with rising societal benefits there is a tradeoff in financial performance; in other words: doing the right thing will increase costs and/or reduce profits. Porter & Kramer (2011) stress that this perception is erroneous and further argue that there is a market for sustainability and social needs. When implemented correctly, purpose acts as a key differentiator and a unique, uncopiable competitive advantage. Numerous studies have already shown a positive correlation between purpose and profits, demonstrating that purpose-driven organizations do not sacrifice profits, but rather record financial rise: Beal et al. (2017) investigated the interrelation between a firm's societal impact and its shareholder return. Their study has revealed a clear connection between social and financial performance. In another study, Gartenberg & Serafeim (2019) have analyzed over a million of employee observations from thousands of companies and concluded that organizations with a high level of purpose significantly outperform others while recording higher levels of growth and profitability. These results go hand in hand with a very recent study conducted by Fanelli et al. (2020). To the question why B2B companies embrace purpose, the majority of respondents indicated that it leads to greater success of the company, specifically looking into the effects on hiring and driving employees, as well as on the firm's reputation and growth.

To resume, it can be said that there is a positive correlation between purpose and profits, as long as it is implemented correctly. This involves aspects such as the diffusion of purpose from the leadership layer down to every single employee of the organization (Fanelli et al., 2020). If done so, purpose has the power to act as a strong competitive advantage helping to attract and retain the best talent, increase customer and partner loyalty, open up new market opportunities and thereby positively affect profits (EY Beacon Institute, 2015; Hollensbe et al., 2014; Malnight et al., 2019; Porter & Kramer, 2011).

2.1.5 The role of sales

As indicated in the preceding section, one of the fundamental challenges lies in the implementation of purpose (Fanelli et al., 2020), especially in its activation in every employee and customer (see 2.1.3). As the interface between the firm and its customers (Gosselin & Heene, 2003), the sales department would be relevant to be further investigated. Indeed, it is a common pitfall within the transformation towards a purpose-driven agenda to fail on infusing

purpose into the sales function. In fact, the sales function can record the most immediate effects, especially in terms of financial outcome and the salespeople's productivity (McLeod, 2020). To bring the purpose to the firm's customers, it is fundamental to link the sales strategy with the overall company strategy (Olson et al., 2001).

Especially when it comes to the pressure from short-term revenue targets, salespeople might let the purpose fall behind (McLeod, 2020). To have a positive impact on the planet and simultaneously yield the promising effect on profits, companies have to align their sales organization to the purpose-driven agenda.

2.2 The transformation of sales

Sales has been through immense disruption in the past decades. The traditional, firm-centric, linear way of selling is entirely outdated (Hartmann et al., 2018). Today, a salesperson is expected to be a relationship manager, which involves tasks such as account management, solution development and consultation (Storbacka et al., 2009). An adequate definition includes elements such as managing an increased number of actors involved in the selling process, and "creating, maintaining, and disrupting the institutions that enable and constrain value co-creation practices" (Hartmann et al., 2018, p. 15).

2.2.1 Key drivers

To better understand what constitutes professional sales today, the key drivers causing its transformation are elaborated. Three key drivers have been identified which are considered to be relevant for the context of this research.

Intensifying competition and globalization. Firstly, the economy is becoming significantly more complex and globalized. Markets are expanding while getting closely interconnected (Honeycutt, 2002). Suppliers have to adapt their offerings to suit both local and global requirements (Baldauf & Lee, 2011).

New information and communication technology. Secondly, advanced information and communication technology facilitates superior access to knowledge and information. Prospects and customers can easily gain insights about providers, their products and services, and even find references from current or previous customers (Cuevas, 2018; Storbacka et al., 2009). The sales professional is clearly not the main source of information anymore but steps into the role of a 'knowledge broker' (Verbeke et al., 2011). The superior availability of information also opens a huge opportunity for the sales department to gain a better

understanding of their customers and prospects and better tailor their products and services to their needs. Roles such as sales operations and customer intelligence have emerged and help the sales function to become more effective (Cuevas, 2018; Maklan & Knox, 2009).

Changing buyer behavior. These lead to the third key driver: With a more globalized and knowledge-driven economy, not only the buyers' behavior has changed, but also their expectations have significantly increased. To engage potential buyers, it requires a high level of transparency, accountability and high ethical standards (Cuevas, 2018). This results in the sophistication of what value means to them and how it needs to be created (Storbacka et al., 2009). Offerings are required to respond to specific customer needs (Viio & Grönroos, 2014), which are continually changing.

The effects of the global pandemic due to Covid-19. As the planet is currently facing a global pandemic which is intensively affecting the economy, the effects of Covid-19 on sales cannot be excluded. Temporary lockdowns and shutdowns of several companies and even entire industries lead to a change in buyers' priorities and behavior. This makes it even more essential for the sales teams to adjust with a high degree of service-orientation, flexibility and adaptability to the changing requirements. Internally, sales representatives may be affected by physical and mental health issues, such as exhaustion, anxiety and stress. Such effects might lead to volatility in the salespeople's motivation and productivity. Leaders have to provide them with transparent communication and support to ensure their physical and mental health (Hartmann & Lussier, 2020).

2.2.2 Key transformations in the concept of selling

As described above, globalization, digitalization, emerging technology, and most recently, Covid-19 have impacted and thereby led to the transformation of selling. The simple, transactional sale of a product is undoubtedly outdated (Storbacka et al., 2009). The most relevant changes in sales can be summarized in the following four dimensions that result in the most recent concept of selling:

Conceptualization and delivery of the offering. Firstly, the way the offering is conceptualized and provided to customers has changed. Organizations have shifted from selling a product to consulting customers on their issues and offering their product as an adequate solution to these issues (Storbacka et al., 2009). Referred to as *servitization*, products are now often provided together with services to ensure their successful use and implementation (Kowalkowski et al., 2015).

Ecosystem and stakeholders. To provide a significant value to customers, salespeople are required to understand their customers' business in-depth, adapt the effects of their product and features to the needs of the organizations (Cuevas, 2018), and manage a dynamic and reciprocal customer-supplier relationship with multiple actors involved. On the seller's side, besides the salespeople themselves, departments such as marketing, operations, and finance play a fundamental role as selling actors, as they possess knowledge that is important for the transaction (Storbacka et al., 2009). The same counts for the buyer's side, where departments such as purchase and legal, or even the C-level have to be involved in the selling process. According to the service ecosystem perspective, all these actors and their interactions form an ecosystem. Selling creates alignment between all these stakeholders, facilitates exchange and enables collective value co-creation (Hartmann et al., 2018).

Trust, transparency and ethics. With multiple actors involved, salespeople often face conflicts of interest, especially when looking at the responsibility towards their internal management versus their responsibility towards the customer. For this reason, ethics, transparency and trust gained significant importance in the practice of selling (Cuevas, 2018). Acting unethically has severe financial consequences for the customer, but also for the sales representative in terms of weakened trust and reputation (Pettijohn et al., 2008).

Sales organization and role. All these changes lead to a redefined role of the sales organization and selling professionals. The customer is located at the center of actions, and the objective is to contribute to the customer's success (Cuevas, 2018). This novel conceptualization of sales is referred to as responsible selling, as self-led sales professionals act on behalf of the customer's interest and take responsibility for their businesses (Singh et al., 2019). The sales department, therefore, changes to a much more integrated function within the organization. The sales process becomes significantly longer and involves dimensions such as a relational element, operational mobilization and delivering value. Simultaneously, a salesperson's profile and expected behavior changes. Sales methods focusing on understanding, collaborating and putting the customer at the center of action require strong soft skills, personal integrity and managerial competences (Cuevas, 2018). Sales leaders are expected to lead with minimum supervision (Singh et al., 2019), which contributes to the congruity between performance targets and customer interest (Badrinarayanan & Madhavaram, 2008).

Given the circumstances of Covid-19, many firms consider re-evaluating and adjusting structures within the sales organization, such as quotas, workload expectations and incentive models (Hartmann & Lussier, 2020).

2.3 Implications on purposeful selling

Combining the latest development of sales with the inferences of implementing corporate purpose, the theoretical implications on a purpose-driven concept of selling will be elaborated. As a conclusion of chapter 2.1 and 2.2 the following inferences are made about purposeful selling.

Sales leaders as cross-functional interfaces. As described in paragraph 2.1.4, a positive correlation between purpose and profits requires its diffusion through the entire organization. Middle management plays an essential role to bring purpose to every individual employee and their daily business (Gartenberg & Serafeim, 2019). Adapting this to the sales function, it lies in the sales leader's responsibility to bring purpose to the sales force. To ensure purpose acts as a common direction for all stakeholders, there is a need for greater internal communication and alignment between the sales force and other internal departments (EY Beacon Institute, 2015). Hartmann et al. (2018) suggest a two-way selling process: while internal departments provide salespeople with important information to support the value creation process, the sales force has to channel back customer information to these departments that are not in direct client contact. This way, the customers' needs reach the actors, that can put the requirements into action. To successfully adapt to the changes caused by the purpose-driven agenda, mid-managers should receive appropriate training and development (EY Beacon Institute, 2015), such as managing ambidexterity and paradoxical leadership (Cuevas, 2018).

Refined, long-term measurements. Purpose aims to create long-term shared value for all stakeholders. Value-based selling requires an in-depth understanding of the customer, which takes time. This interferes with short-term revenue targets and incentive plans, which are often implemented for the sales function (Cuevas, 2018). Generally, short-term revenue targets are perceived as coming with negative effects: under pressure salespeople are risked to act unethically for the sake of hitting their target; this behavior will also negatively affect the long-run in terms of weakened trust and reputation (Hartmann et al., 2018). Nonetheless, the sales department must bring in constant cashflows. Especially when looking at public companies, that are expected to deliver short-term shareholder value, moving away from short-term objectives might result in conflicts of interest. To ensure purpose can act as a guiding light aligning all stakeholders, more adequate performance metrics are needed (EY Beacon Institute, 2015). A great example can be found at Neste, a public company in Finland, that has transformed to a purpose-driven agenda offering clean fuel to its customers. As the long-term

success of this transformation requires to educate clients, sales measurement has been adapted from volume to value selling (Malnight et al., 2019).

Customer-centric, transparent selling behavior. What can be clearly concluded from the transformation of sales is that the customer has moved to the center of actions. While decades ago, selling was solely about the transaction, today it is about understanding the customer's business, providing significant value and contributing to the customer's success (see 2.2.2). As purpose aims to create shared value to all stakeholders, customer-centricity is expected to play a fundamental role in purposeful selling. To scale the impact of the purpose-driven organization, purpose needs to be diffused entirely into the customer's business. Therefore, the sales representative has to engage with the customer on multiple touchpoints to be able to influence internally (Cuevas, 2018). As suggested by Hartmann et al. (2018), the increased set of involved stakeholders requires additional and eventually different knowledge, skills and abilities. As proposed for sales management above, the sales force also needs to be trained and developed to clearly understand what behavior is expected to act in line with the purpose-driven agenda. With an already advancing role of ethics in sales (Cuevas, 2018), aspects such as trust, transparency and accountability are assumed to be important in the context of purposeful selling.

3. Research intention

The aim of this paper is to contribute to the purpose literature by looking specifically into the implementation process of purpose in the sales function. Following up on the literature review above, the theoretical implications on purposeful selling (2.3) will be complemented by practical insights from sales leaders of purpose-driven organizations. This way, the findings aim to have a high feasibility to be adapted to business practice. In the following, the academic and managerial relevance of this research will be further elaborated, and the problem statement and research questions will be presented.

3.1 Academic & managerial relevance

Generally, sustainable and inclusive business models are more needed than ever. With rising inequality, climate change and other environmental and societal issues, profit-driven companies have the most significant power to have a positive impact on the planet. Especially when it comes to the planet's resources and climate change, the next 15 years are critical to

develop solutions (Business & Sustainable Development Commission, 2017). For this reason, by now academic literature offers numerous researches about such sustainable and inclusive economic models. In this context, purpose has gained a lot of attention as a tool to align a firm's societal or environmental impact with its financial performance (see 2.1.3 and 2.1.4). Studies, such as the one by Fanelli et al. (2020), indicate that practitioners still lack a fully integrated, successful implementation of purpose, especially into the sales function. There already exists academic proof, that infusing purpose into the sales function is not only essential for a successful implementation but also comes with great opportunities (see 2.1.5).

Despite the critical role of the sales function within the purpose implementation process, there is barely coverage of this research field in academic literature. Therefore, academically this paper aims to contribute to the research field of purpose by adding a particular, underexplored perspective: The implementation of purpose in the sales function. Professionally, the paper aims to encourage and support practitioners within their transformation towards a purpose-driven agenda.

3.2 Problem statement & research questions

With the aim to provide insights with a high degree of practicability for sales professionals, this research will investigate purpose-driven companies where the sales force plays a critical role in the organization. The focus will be on B2B firms offering a lengthy sales cycle or a complex product or service (see Cuevas, 2018; Storbacka et al., 2009). For example, the evaluation of a B2B software solution can take up to some months to be evaluated and often requires involving other internal departments to take a decision in terms of the transaction. Such products and services are usually not sold on the spot but require a high degree of consultation and customization during the selling process. With such a complex customer-supplier-relationship, the role of the organization's sales function is even more critical. Therefore, it is even more essential to align the sales strategy with the overall business strategy. In the context of this research, this type of sales is referred to as *professional selling* (Cuevas, 2018).

Within the scope of professional selling, the **problem statement** is defined as follows: This research aims to better understand, how professional sales should be performed to reinforce the company's purpose. In this context, the impact on sales management, measurement and implications for selling process and behavior will be further investigated. The

literature review, and specifically the theoretical inferences on purposeful selling made in chapter 2.3 served as a foundation for the research questions, which are as follows:

- **RQ1:** How do sales mid-managers of purpose-driven organizations ensure the implementation of purpose in their respective sales departments?
- **RQ2:** What are the appropriate metrics and time frames to evaluate the performance of sales in a purpose-driven organization?
- **RQ3:** Which salesperson-performed tasks and behavior become more important to ensure sustainable, long-term shared value is created for all stakeholders?

4. Methodology

The following chapter will depict the methodology of the conducted study. In this context, the selected research method, the sample, the data collection method, and the study procedure will be illustrated. The chapter closes with the data evaluation method, which builds the transition to the findings presented in chapter 5.

4.1 Selected research method

As the implementation of purpose in the sales function is still a moderately explored research field, qualitative research provides a more profound understanding of the concept. Strengthening and complementing the provided literature review, the practical insights from practitioners aim to serve as a source for grounded theory (Patton, 2015). Adapted from Cuevas (2018), middle managers that lead sales teams in a purpose-driven organization have been selected as a source of valuable ideas and practices. The selection of the study sample will be further outlined in section 4.2. Combining the comprehensive academic literature review with insights from real-life experiences intend to generate hands-on, practical findings.

As a common and acknowledged data collection technique for qualitative inquiries, interviews have been chosen to gain insights from the practitioners (Patton, 2015). Following a semi-structured approach has the benefit of providing guidance during the interview. In the same time, it allows to adapt to individual circumstances and ask additional questions if necessary (Kvale, 1996). The devised interview protocol facilitated consistency among all interviews (Patton, 2015).

4.2 Sample

The interviews have been conducted with purpose-driven companies. To qualify as a purpose-driven company in the context of this research, firms have been selected that publicly communicate a purpose with an environmental or societal aspect (e.g., on their corporate website). As presented in chapter 3.2, the research focuses on B2B companies with a lengthy sales process or a complex product. Such companies, where the sales force plays a critical role for the organization, are operating in industries such as construction, power solutions, building technology, electronic and software (Storbacka et al., 2009). Based on Cuevas (2018), industries with a similar sales cycle, such as environmental services, chemicals, pharma and biotechnology, have been considered as well. To ensure the companies have developed a thought-through sales methodology, only companies operating a minimum of 20 years and having a sales force of at least 100 people have been considered. Out of 14 contacted companies, five have agreed to participate in the study, which are listed in table 1.

Company	Founded	Industry	Purpose	Headquarter	Operating	Salesforce[1]
SAP	1972	Software (business operations & customer relations)	Help the world run better and improve people's lives.	Germany	globally	12,000+
Veolia	1853	Environmental services (energy, water, waste management)	Contribute to human progress by firmly committing to the Sustainable Development Goals to achieve a better and more sustainable future for all.	France	globally	1,500+
Ethics & Compliance Firm[2]	1994	Software & consulting (ethics and compliance)	Helping people around the world do the right thing.	USA	USA, India	100+
DSM	1902	Chemicals (health, nutrition, materials)	Creating brighter lives for all.	Netherlands	globally	1,500+
Exact Sciences	1995	Biotechnology (molecular diagnostics)	We strive to change lives through earlier, smarter answers across the cancer journey.	USA	USA	800+

Table 1: *Study sample: Participating companies*[3]

[1] According to the LinkedIn Sales Navigator (filtered the number of current employees in sales within the respective company)
[2] The interviewee requested to keep the name of the organization anonymous. The company will be referred to as Ethics & Compliance Firm in the following chapters.
[3] The information was extracted from the firms' websites: sap.com, veolia.com, lrn.com, dsm.com, exactsciences.com (all accessed 27/12/2020).

As presented in section 2.1.3, middle management is responsible for bringing corporate purpose down to every employee and daily operations. Therefore, one middle manager responsible for a sales team was interviewed from each company. Roles such as heads, managers, team leads and directors were considered, as they hold a central position within the organization, being close enough to top-level strategic decisions (such as the implementation of purpose), as well as the implications and execution on employee level. Furthermore, interviewees had to bring a minimum of ten years of sales experience to allow an experienced view on professional selling practice (see Cuevas, 2018). Table 2 lists the interviewed professionals from the respective companies.

Company	Role[4]	Location	Sales experience
SAP	Head of Sales	Germany	10+ years
Veolia	Head of Business Unit	Portugal	23+ years
Ethics & Compliance Firm	Sales Director	USA	20+ years
DSM	Regional Sales Lead	Netherlands	10 years
Exact Sciences	Area Manager	USA	19+ years

Table 2: *Study sample: Interviewees*

4.3 Interview protocol

To conduct the interviews, a semi-structured approach has been chosen to allow for flexibility during the interviews but ensure that all insights have been gathered to answer the research questions (Kvale, 1996). Therefore, an interview script has been created, for which the research questions have been converted into open questions referring to the sales leaders' daily business. For each main interview question a number of sub-questions was prepared. This way, if the interviewee's response has not provided sufficient information to answer the research question, missing information could be obtained through specific follow-up questions (see table 3).

4.4 Study procedure

Companies fitting the above-mentioned criteria were researched on websites such as *conscioucapitalism.org*, *buisnessroundtable.org* and other websites demonstrating an overview of responsible organizations. If the website of the respective company presents its purpose (named as such), the LinkedIn Sales Navigator has been utilized to identify all employees working in the sales function on a manager level or above. All of these potential

[4] As requested by the interviewees, the names of the interviewees are not displayed in this paper.

interviewees were connected on LinkedIn and received an introductory message explaining the intention and objective of the research, as well as re-assuring if he/she is the right person to speak to in regards of this topic. In total, 86 individuals from 14 purpose-driven companies were contacted. Finally, interviews were executed with five key informants working for purpose driven business-to-business (B2B) organizations.

Research Question	Interview Question	Optional sub-questions
	[Introduction] What is your company's purpose beyond making profits?	• How does it contribute to a better society?
RQ1: How do sales mid-managers of purpose-driven organizations ensure the implementation of purpose in their respective sales departments?	What is required from you as a sales lead to ensure your company's purpose is thoroughly reflected in every aspect of your sales department?	• What does it imply on the required knowledge, skills and abilities of a sales leader? • How does it affect you in hiring and managing employees? • How does it affect you in your decision making? • Can you give me an example of a situation where you had to make tradeoffs because of the purpose?
RQ2: What are the appropriate metrics and time frames to evaluate the performance of sales in a purpose-driven organization?	How is sales performance measured at your company?	• How are you as a leader held accountable to act in line with the purpose? • What objectives and KPI do you have? • Do you have metrics beyond revenue? If so, which ones? • In which time frames are these metrics measured? • On which objectives and KPI are you sales representatives measured? • How does their/your incentive plan look like?
RQ3: Which salesperson-performed tasks and behavior emerge in importance to ensure sustainable, long-term shared value is created for all stakeholders?	What does your company's purpose imply on the way you sell?	• What selling behavior is expected from the salespeople to create long-term shared value? • How does the selling process look like? • Which actors are involved in a sales process? • Where/how do you find the company's purpose in your daily business? • What is the role of culture, values and ethics to activate the desired behavior? • What kind of trainings exist to ensure the implementation of purpose?
	[Outlook] What do you feel is still missing to ensure a successful implementation of purpose in sales?	

Table 3: *Interview questions*

Every confirmed interviewee has received a calendar invitation including a briefing, the five top-level interview questions (excluding the sub-questions) for preparation, and a video conferencing link. Due to the international location of every interviewee, all interviews were conducted remotely via the cloud-based web conferencing tool Zoom, Inc. The interviews took 25 up to 45 minutes each. At the beginning of the meeting, every interviewee was briefed about

the procedure, data confidentiality, and was asked for his/her consent to record the session. The recording is necessary for the subsequent transcription of the interviews. All interviewees requested the anonymization of their names. One interviewee disapproved to indicate the company's name. All requests were met to allow for a high degree of comfortability and transparency during the interview.

4.5 Data evaluation and analysis

For the data to be structured and analyzed, the interview recordings had to be transcribed first. The use of the software application Otter.ai facilitated the transcription but had to be revised afterwards. The subsequent coding of the transcripts has been executed with the use of the software tool Nvivo, which allowed to structure the data into categories. Corresponding with the research questions and the structure of the top-level interview questions, three key dimensions were defined: leadership, measurement and selling practice and behavior. Following an inductive approach, categories were not predefined but rather evolved by coding the transcripts (Patton, 2015). Each theme was classified under the best fitting top-level category. Table 4 illustrates the emerged themes and their categorization under the respective key dimension.

Leadership	Measurement	Selling practice and behavior
• Decision making guide • Hiring & onboarding • Employee training & dialogue	• Revenue • Pipeline • Incentive • Timeframe • Customer satisfaction • Customer retention • Consumption • Impact metrics • KPI: lead vs. rep	• Customer-centric advisor • Impact centricity • Transparency & honesty • Long-term • Tradeoffs • Effects

Table 4: *Category system per dimension*

5. Findings & discussion: A conceptualization of purposeful selling

The theory-based implications on purposeful selling (see 2.3) are mirrored to a large extent in the findings of this study. Nonetheless, the data obtained from the interviews has further generated new insights and brought more clarity into the conceptualization of purposeful selling in the dimensions leadership, measurements, and selling practice. These will be the object of the next three chapters. Firstly (5.1), sales leaders require clear, practical guidelines

for decision making and processes for hiring, onboarding and training of employees to be aligned with the purpose. Secondly (5.2), the key metric revenue is indispensable, but by itself not sufficient for a purpose-driven organization. It has to be complemented by value and impact metrics. Lastly (5.3), sales practice and behavior require a long-term focus, and are shaped by principles such as transparency and honesty and a high degree of customer centricity.

5.1 Sales leaders as the bridge between purpose and the salesforce

RQ1: How do sales mid-managers of purpose-driven organizations ensure the implementation of purpose in their respective sales departments?

As referred to in section 2, middle managers are key players in diffusing purpose through the organization down to every individual employee (Gartenberg & Serafeim, 2019). As discovered in the present study, so do the sales leaders within a purpose-driven organization. The discovered implications of purpose on sales management can be structured into three areas for action: clear, practical guidelines for decision making; hiring and onboarding; employee dialogue and training.

Clear, practical guidelines for decision making: Every interviewee of the conducted study stressed that corporate purpose requires tradeoffs to be made. If different interests are in conflict, one has always to decide in favor of long-term value aligned with the purpose. As stated by the interviewees, this requires a clear guideline for decision making. Some of the represented organizations (SAP; Ethics & Compliance Firm; DSM) have defined key pillars or principles that translate the purpose into behavioral qualities. Often mentioned were values such as transparency, honesty, accountability and trust. Staying true to these principles ensures to be aligned with the purpose, but also inhibits reputational risk (SAP; Ethics & Compliance Firm). Acting against such principles will not only interfere with the purpose but cause negative consequences on the customer relationship in the long run, such as damaged trust, lost credibility or a critical reputation. As mentioned by the sales director of the Ethics & Compliance Firm, these consequences have a bigger impact on the long-term financial returns than scarifying the principles for a short-term benefit:

> *"You have to have a lot of conversations going on. So, a 'no' for now, but as you build credibility, the revenue is going to come in. People are going to not only do business with you one time, but multiple times. So, it goes back to what I said earlier, it's about reputational risk. But transparency*

> *comes into play. And I think, if organizations are in for the long haul, those are two great virtues [transparency; pricing parity] to reference as you go about your daily protocols"* (Appendix: Interview#4_Ethics_Compliance).

At SAP, sales leaders additionally receive quarterly trainings to ensure they receive the required guidance on diffusing the purpose into their department.

Hiring and onboarding: Especially when it comes to new employees, it is essential to set them off to a good start and ensure they know what is expected. The interviewed Ethics & Compliance Firm runs an extensive process to evaluate the cultural fit of a candidate before hiring one. At Exact Sciences applicants are asked for a personal story that is somehow connected to the purpose of the organization:

> *"So, all of us that come into Exact Sciences were asked to share a personal story. It may be a family member, that passed away due to cancer or struggled with it. It doesn't have to be colorectal cancer necessarily, or family, friends or whatever. So, we bring people in that are already connected to a personal story. And then I think that makes us much more mission focused when we're in the doctor's office"* (Appendix: Interview#5_Exact_Sciences).

This way, the firm aims to ensure the purpose of the company matches with the individual drivers of an employee. SAP and Exact Sciences described an intensive onboarding period, to make sure new hires do not only know the firm's purpose by heart, but also what expected behavior results from it, and understand how to put it into practice.

Employee dialogue and training: All participants of the study were aligned on the importance of continuous training and communication to keep the purpose present in the sales representatives' daily business. Different approaches were shared on the type of learning environment. Veolia and DSM have built corporate learning platforms, where to find elements such as a uniformed sales pitch, to ensure every sales professional represents the company consistently and aligned with its purpose to the outside. In the case of Veolia, such a platform also collects well working customer procedures to share best practices within a big, internationally spread team of salespeople within a global organization. Another way of continuous learning that has been shared by Exact Sciences was that the sales leader accompanies the salespeople to customer meetings on a regular basis. This approach of

shadowing and coaching in the field ensures to keep track that the salespersons engage in the expected selling behavior. Besides training, a continuous employee dialogue was also referred to as important (Ethics & Compliance Firm; Exact Sciences; SAP) to ensure the purpose's presence in daily business. The surveyed Ethics & Compliance Firm organizes monthly townhall meeting, where an open dialogue between the management layer and employees is facilitated. Additionally, employees participate in quarterly training, and every sales team organizes monthly team meetings. In all of these repeating sessions, the content of the meetings is referred to the purpose. The area director of Exact Sciences shared some other practices, how they make sure to keep the salespeople constantly connected to the purpose during such recurring internal meetings. The firm sells a non-invasive test to detect colorectal cancer in earlier stages when it is still curable. The firm's customers are doctors and family practices. What they impact through their product though are the patients' lives. Therefore, the firm brings in patient testimonials on a regular basis:

> *"We have a lot of patient testimonials. We have national team conference calls about every week or every other week. And I would say, once or twice a month, we'll have a live patient that has volunteered to share their story, come on and talk about their journey. And so that is a regular thing. So, whether it's a live meeting, or if it's a zoom call, we hear from patients, and we hear from providers on specific examples of impact that our test had made"* (Appendix: Interview#5_Exact_Sciences).

Additionally, they present statistics, such as the curve of deaths due to colorectal cancer. The declining curve signalizes to the employees how their job contributes to their purpose and thereby to a better society:

> *"It's a chart that shows over the last 15 to 20 years, the number of deaths from colorectal cancer. And it's been steady to inclining, right for the last roughly 15 years. And so, what motivates us is when we come to a meeting, and we start to see that line decreasing, because we know we've had an impact, we know that some people that wouldn't have gotten screened before either saw our commercial or doctors brought up options to them, and they got screened. So that's our goal. It's to see that line continued to go down. And that's just another motivating factor from a company standpoint as well"* (Appendix: Interview#5_Exact_Sciences).

5.2 Three-dimensional metrics to incentivize purposeful selling

RQ2: What are the appropriate metrics and time frames to evaluate the performance of sales in a purpose-driven organization?

In the discussion about corporate purpose and a more sustainable economy, as well as within the transformation of professional selling, the need for more adequate measurements has been given a lot of attention (see 2.3). It is therefore not surprising that the metrics for the sales function have been mentioned extensively. The findings from the interviews reveal the indispensable importance of revenue objectives, but the necessity of complementing revenue metrics with additional dimensions: measuring value and impact.

Revenue metrics: Throughout all interviews, one aspect has been emphasized consistently: the continuous importance of revenue targets. This has been supported by the necessity of incoming revenue streams to proof the success of such a responsible business model (DSM; Ethics & Compliance Firm):

> *"I think it has to work hand in hand. Right? I think you mentioned that yourself that a company has to be effective in short term but has to also be sustainable in terms of business in long term. And to be able to be effective, of course, they have to be able to present to their investors that the result is good. And how to do that? In the end of the day, […] salespeople who are really in the field, really see customers see different people who have to make sure that the orders are in"* (Appendix: Interview#3_DSM).

What has been observed, is that the investigated companies tend to provide more long-term oriented revenue objectives with the majority of them being measured annually (SAP; Veolia; DSM), the others having quarterly targets (Ethics & Compliance Firm; Exact Sciences). In addition, the strength of the salesperson's pipeline has been stated as an additional evaluation, which can compensate a lack in revenue with a strong revenue forecast for the future (DSM; Ethics & Compliance Firm). The composition of metrics differed among the interviewees' corporations. While SAP's salespersons are only measured on revenue, at Veolia the financial metric makes a minor portion of the key performance indicator (KPI) set, and the other surveyed firms provide a combination of revenue, value and/or impact metrics, as described hereafter.

Value metrics*:* Every interviewee has mentioned some sort of value-based objectives being prescribed for the sales departments of their organizations. The exact metrics in use

differed among the surveyed practitioners. Veolia measures customer satisfaction with the Net Promoter Score (NPS). The NPS asks customers to rate how likely they are to recommend the received service on a scale from zero to ten (Satmetrix Systems Inc., 2017). SAP and Exact Sciences include customer retention as a metric for their sales department, either as a KPI or by putting both, customer acquisition and customer management, in the responsibility of the sales professional. Giving the sales representative the responsibility to take care of the customers he/she brought in, triggers a much more responsible, long-term oriented selling behavior:

> *"If you only have net new, what does it mean? If you look into the details, I win a customer now, because it's a new customer, but then I give it away from my responsibility to an installed base team taking care of him. And that actually means you do not need to follow the purpose anymore, because then it's really okay, I just sell, and I don't care what happens next year, then you only have a short-term way of thinking. So, in my team, I have net new and installed base. And this really helps. Because then you have a totally different way of thinking"* (Appendix: Interview#1_SAP).

A third value metric being mentioned is the consumption rate, meaning measuring not only what has been sold, but what the customer actually uses. Exact Sciences has just recently moved from the number of shipments as a key objective for sales individuals to the number of returns (indicates the used products):

> *"When I came on board, our reps were measured by the number of shipments. So, shipments of Colaguard [sold product for cancer screening], right. How many were shipped out, that's what they were paid on. Most recently, […] we've been measured on the number of returns. So, in other words, the patient could get a Colarguard shipped to their house, but if you never do it, the company can't build for it, right. They won't make money they can't build the insurance for it or the government or whatever"* (Appendix: Interview#5_Exact_Sciences).

SAP's head of sales also stated the necessity for consumption metrics, as too often salespeople oversell customers. He described that the consumption rate is not yet implemented as a KPI at SAP but is in discussion and perceived as an effective tool to ensure responsible selling.

Impact metrics: Two of the interviewees shared a third dimension of metrics being implemented: qualitative measures connected to their corporate purpose (SAP; Veolia). In the

context of this paper, they are referred to as impact metrics. Veolia serves as an excellent example for the variety of implemented KPI related to their purpose: *"with the purpose, there came a lot of KPIs"* (Appendix: Interview#2_Veolia). With its purpose to leave an (environmentally) better planet behind, their sales professionals are measured on qualitative measures such as the levels of CO2 in the air, the volumes of recycled plastics, the amount of generated landfill waste etc.:

> *"We have five dimensions, the environmental dimensions. And we have some KPIs on these dimensions, [such as the] reduction of CO2 emissions. So, if I promote on my client the reduction of their CO2 emissions, it's a KPI. Volumes of recycled plastic on our recycling units […] is another KPI. Efficiency of the measures of potable water, which means if I could improve the consumption, improve the water recuperation on my client, this is also a KPI for me. So, the dream is zero CO2 emissions, zero waste to landfill, and 100% of recycled water. This is our dream in our clients. Sometimes it is feasible, sometimes not. But it's a global KPI"* (Appendix: Interview#2_Veolia).

Exact Sciences gets close to providing an impact metric by the restrictions they provide to their salespeople. As their product is only licensed and most effective for a specific age group of patients, shipments only count towards their target if they have been used within the respective target group. The representant of SAP stressed that, from his perspective, the missing key requirement to ensure purposeful selling is a clear KPI connected to the purpose (SAP).

5.3 Long-term oriented, customer-centric advisors

RQ3: Which salesperson-performed tasks and behavior become more important to ensure sustainable, long-term shared value is created for all stakeholders?

As observed in the recent development of professional selling (see 2.2.2), purposeful selling behavior also included elements of consultative and value-based selling approaches. Combined with the long-term focus resulting from the implications of purpose, the findings of the collected data get close to the theoretical conceptualization of purposeful selling made in section 2.3.

Customer-centricity: All surveyed practitioners highlighted the importance of acting on behalf of the customer. This includes understanding the customer's environment, industry,

requirements, goals, plans, challenges etc. (SAP; Ethics & Compliance Firm; DSM). Only with such knowledge, it is possible to create customized, relevant added value to the clients (DSM). To ensure a successful implementation the aspect of a widened constituency was brought up (SAP; Ethics & Compliance Firm): Conversations within the selling process should not be restricted to the central buying department but involve other departments and stakeholders of the purchasing company as the conversation emerges. This way the value of the provided product and service raises in its effectiveness:

> *"Our focus, initial focus of point of contact is with the HR [Human Resources] groups and the compliance organization. But as those conversations evolve, they need to expand the conversations that we're having to their other constituents, right, because you can't promote culture or promote stakeholder value in a vacuum, it has to be consensus-based, right. There has to be a vision, there has to be something permeate from the top that, you know, opens people's eyes"* (Appendix: Interview#4_Ethics_Compliance).

Even one step further is the selling practice of Exact Sciences' sales professionals. They are directed to act as a *"fierce patient advocate"* (Appendix: Interview#5_Exact_Sciences), meaning they are expected to act on behalf of the patient, rather than their direct customer (the doctor). This matches with the condition of corporate purpose to engage all stakeholders. It thereby serves an even further advanced customer-centric selling practice.

Transparency: Similar to the assumption made in 2.3 that transparency, trust and accountability will play a superior role in purposeful selling, these values have been mentioned repeatedly in the conducted interviews:

> *"Act[ing] as a trusted adviser, […] you need to build up that trust. […] We have a difficult reputation as SAP. For smaller customers, it's very often: 'you are too big, too expensive'. […] So, you really start by convincing them, it's really convincing – I don't know a better word for that – but really convincing them, that you can also understand them and not only the big players. You have solutions for them, and you can really – now coming back to the purpose […] – you can really improve their daily business"* (Appendix: Interview#1_SAP).

Specifically, transparency, honesty, credibility and trust were raised as fundamental aspects of purposeful selling practice. These principles were framed in the context of an upfront communication with customers (Exact Sciences), proactively pointing out limitations of the sold products and services (Exact Sciences; Ethics & Compliance Firm), and a universal pricing parity for all customers (Ethics & Compliance Firm). Even if this might make a salesperson lose a potential deal in that moment, it will have a more substantial positive effect in the long run, such as a higher level of trust and credibility, resulting in an enhanced reputation, which will pay off in the future: *"You need to be grounded in your principles, if you want credibility in the marketplace"* (Appendix: Interview#4_Ethics_Compliance). *"Reputation is super important in sales, and the purpose goes hand in hand with reputation"* (Appendix: Interview#1_SAP).

Long-term focus: As brought up repeatedly in chapter 2.1, one fundamental aspect of purpose-driven organizations is the long-term orientation. This is reflected in longer timeframes in which performance is measured (see 5.2) but has also been mentioned as an aspect in sales leaders' decision making (see 5.1). Taking decision with a long-term perspective does not only affect sales management, but also the sales executives in their selling practice. Several interviewees have mentioned that professional selling is about long-term investments and therefore requires making tradeoffs (SAP; Ethics & Compliance Firm; Veolia). Scenarios accentuating this parameter in decision making can be the necessity to reject a customer relationship, if it only brings benefits in the short-term but jeopardizes the long run, e.g., extensive discount on pricing (Ethics & Compliance Firm), overselling or lying to a prospect to get a deal signed (SAP), etc. Another situation can be a prospect, that is not ready to collaborate yet, which then requires to be kind and understanding, and emphasize with the client to keep the opportunity of a partnership in the future (Veolia). Just like it has been elaborated above, the reputational risk of taking a decision in favor of the short-term and scarifying the consequences in the long run can be fatal.

6. Conclusion

In the context of this paper, the implications of corporate purpose for the practice of professional selling have been investigated. To conclude the findings, the key takeaways will be summarized (6.1). These serve as a starting point for the conceptualization of purposeful

selling and require further investigations. Therefore, the study's limitations will be elaborated (6.2) and an outlook for further research will be given (6.3).

6.1 Key takeaways

Complementing the academic conceptualization of purposeful selling (2.3) with the practical insights from key informants (section 5), the following key aspects of purposeful selling can be summarized:

- Sales leaders are the key transmitters to diffuse purpose into the sales function. They need clear, practical guidelines for the expected behavior and decision-making.
- The implementation of purpose is an ongoing process and has to be continuously followed-up in recurring meetings, trainings and regular stakeholder dialogue. Testimonials or statistics can be used to illustrate the impact of the organization and inspire the sales team.
- To proof the success of a purpose-driven organization, revenue remains an essential key metric for the sales function. The financial target has to be accompanied by additional qualitative, non-financial metrics, such as measuring the value created to customers, and the impact the organization has with its purpose.
- Driven by the importance of reputation and trust for long-term sales success, salespeople are required to act transparently, honestly and consult customers with a long-term perspective.
- In favor of long-term value creation, purpose-driven salespeople are expected to make tradeoffs and sacrifice short-term revenue if it interferes with the purpose. By extending targets to annual timeframes, such behavior is incentivized adequately.

Overall, the interviewees expressed that the implementation process of the purpose is ongoing and still requires continuous adaptations. In this context, they mentioned aspects such as the need for qualitative, purpose-related metrics and continuous innovation to fit the changing needs of the customers. Also, the slow transformation of customers has been mentioned as a key challenge to pursue the purpose in sales. It was impressive to observe the strong conviction with which the sales leaders spoke about the willingness to make tradeoffs. Clearly, the long-term orientation turned out to be a key aspect of purposeful selling. Interestingly, this has barely been justified with the purpose, but rather with preventing

reputational risk. Generally, reputation has been mentioned repeatedly as a critical driver for a more responsible and long-term oriented selling practice.

6.2 Limitations

With the aim to provide an appropriate outlook for further research, the limitations of the study are elaborated. Firstly, for the empirical validity of the data, a bigger sample is required. Letting one interviewee represent one company might result in biased perspectives. It would be beneficial to speak to different layers within the sales function, to understand how salespersons on the ground perceive the implementation of purpose. This would have also provided more practical insights into their selling behavior.

The investigated industries turned out to differ more than expected in terms of their selling practice. While at Veolia, a customer can pay six-digit deal values, which requires an extensive and long-lasting evaluation process, a transaction at Exact Sciences can be completed within a few days. The significant differences in deal size and sales cycle imply divergent selling processes. Focusing the research on one particular vertical or a selection of industries characterized by a similar sales process, will provide more feasible insights for the respective industry. A purpose-driven organization can be differentiated between having a stated or an activated purpose (Fanelli et al., 2020). Classifying companies as purpose-driven organization only based on their website communication has been insufficient. To receive valid, adaptable insights, further research should primarily focus on gathering insights from firms with an activated purpose, that are more advanced in their purpose implementation. Therefore, the three key elements of corporate purpose described in 2.1.3 (societal or environmental issue, guiding decision-making, activation within every employee) should be validated to qualify as a purpose-driven company.

Lastly, one challenge that has been faced during the interviews was the language barrier. Some information might have gotten lost or misinterpreted due to limited communication capacity. It is therefore important to either let interviewees speak in their native language or only include participants with a sufficient level of English.

6.3 Future research opportunities

It would be a valuable contribution to the purpose literature to replicate the present study with a quantitative approach. As proposed in the preceding section (6.2), this requires focusing on companies that are more advanced in their purpose implementation process and involving a

larger dataset overall and within each investigated organization (e.g., representatives of different hierarchy levels and roles within the sales department).

Additionally, future research could investigate the analyzed dimensions leadership, measurement, and selling practice more in-depth. With an industry specific research focus, practical industry-specific guidelines for implementing purpose in sales could be created.

In further steps, it would be beneficial to look at the effects of purposeful selling, such as the proposed effects of purpose on customer retention, customer lifetime value, employee motivation and performance. Specifically important would be understanding how particular implementation variables of purpose in sales contribute to such effects.

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Interview#1 _SAP

Dina 0:03
Perfect. So just to clarify that, again, it's fine for you to record this session, the interview about purposeful selling, right?

SAP 0:08
Yes.

Dina 0:10
Perfect. So you are one of the multiple head of sales at SAP? What is SAP's purpose beyond making profits?

SAP 0:15
So, the official statement, and you can also find it, by the way, when you go to the SAP website, is: help the word run better and improve people's life. And what does it mean in detail, so whenever we sell our products, we actually think it's not like in the past where a sales guy had maybe a bad reputation that he sold something that was not needed. So we really think that everything we sell really helps a company to perform in a better way. And because of that, of course, in background, also, the life of people is improved. That can be from the consumer, for example, we have a standard company selling - something that is consumed and makes people happy. And they get it because the company's in better shape. And of course, it also helps a company and if the company is in good shape, they can pay a higher salary, they can change everything, actually, I mean, we, with what we can offer, it was just more or less everything company needs to be successful, that can even totally change industries, for example, in the banking industry, nearly every bank is using SAP software, I think 80% of all companies in the world, some in some point touch SAP software. And we believe that our purpose is to make the world run better and improve people's lives.

Dina 1:54
You've actually mentioned one point that is that I'd like to get deeper into since you said, if a company works well, because in the first moment, I would say this is still a very economic benefit. And but you said if a company performs well, the company can pay higher salaries, they the company can maybe hire more people. So if you look at the contribution of SAP to society, what are other aspects you have in mind? How does the purpose contribute to a better society, then maybe?

SAP 2:35
Look. There are super many different aspects, actually. So, you know our CEO is Christian Klein. And I think yesterday or the day before yesterday, he even had a LinkedIn post where he said 8% of the Carbone footprint that is create on the world actually is coming from customers using SAP software. And he said, Okay, this means SAP has a super big responsibility, and also in this regards. With regards to society, I'm missing no clear example, actually, to be honest, but I mean, I don't know. I'm missing an example.

Dina 3:19
Yeah, I mean, you've mentioned one part with well-running companies, SAP indirectly contributes to society to local community, since jobs can be offered. So I think this is definitely one part of it.

SAP 3:50
If you think about who actually is using SAP software, it can be hospital, right, hospitals are running on SAP software. So if SAP software crashes, we have a problem with the whole healthcare environment. On the other side, when we have a super stable super good software, we can actually save people's life, it's not our purpose as to improve people's life, but in that example we can actually safe people's life due to our software. So this is one aspect, but you can think about that. Actually, every company you can imagine, really every company starting from a one man company, which is like, a small coffee store around the corner, to the super big players in the world, like Volkswagen, or like, BASF they run on SAP software. To a different extent of course, of course, because we have totally different softwares in our portfolio. And therefore every aspect in all societies is somehow affected by our software.

Dina 4:36
Not bad. I think that's pretty much the direction that I was aiming for. So completely fine as a response. And so when it comes to the positioning of purpose, purpose, such as mission as well vision values, this is always something that is positioned at the core of the company. And so, obviously it is positioned at the core to make sure it's implemented within every element within every aspect of the company. And the mid managers within a company, such as you are, I have to play a key role to make sure to bring it down to every individual employee within a department then. So what would you say also looking at this purpose, what is your responsibility as a sales manager as a head of sales, and to live the purpose within your department?

SAP 5:24

Also, that is pretty easy to answer, actually, because there's a clear guideline coming from the top. And this is changing now, by the way, because the CEO Christian Klein is quite new. He stepped into his CEO role, I think a year ago, but they were co-CEOs. And he took over as a single CEO, half a year ago, something like that. But even before his time, there were five key pillars or methodologies every manager not only sales manager, but of course including sales manager have to follow. And these methodologies are based on the purpose. So you can find it by the way, you can also find them on the internet. Because it's pretty transparent what we do here as SAP. So the first one is, tell it like it is. So don't lie, never lie, always be honest with customers, but also with your people. And so this is for managers as well as for the employees. Keep the promise is another one. So when you say something stick to it, obviously, build bridges, not silos. This is more like internally that we work more together within the teams, because sometimes you have different KPIs. But if you really think more the big picture of the purpose of the company. Stay curious, that's not that much regarded to the purpose of one of the things you should have, as a manager is a n employee. Embrace differences, this is going to the direction because we are a global company. And you have of course, a lot of different countries, different spirits, different religions, even diversity, or this kind of, of things you should take care about. So these were the five pillars we had in the past. And Christian Klein is even extending that. This, by the way, is an information that is not public yet, but it will be published very soon, because he is doing the change, beginning of 21. And the three additional pillars, so they're not replacing any of the others, but three additions are like unlock potential. So it's more like as a manager, I need to look more into my employees, how they I can unlock additional potential, how I can make them grow, explore possibilities is more like be creative. And what you can do to make the world run better, to find new possibilities, how SAP software can help the market, just being more creative than just sell a pure ERP. And I don't know you have a better supply chain or whatever. And make it happen together. Make it happen together is for internal, but also for external point of view. So for example, we have a super big Partner Network, we have a lot of implementation partners. So SAP is a software vendor behind that. But they are, I think nearly 1000 partners in Germany, I don't know, but definitely super big or high number of partners who help us every day to implement our projects. And now that all these methodologies are trained, actually, to the managers, I just had one of these trainings this quarter, so that you really have them on your radar, always think about them and whenever you do a decision, you think 'okay. Is it based on what they want us to do? And, is it supporting the purpose.' And what is also super important as a manager is to make sure that the daily job of every employee is somehow connected to the purpose, which is super difficult, by the way, because they sell, but when they sell they should have it somehow in the back of their mind that what is the purpose of SAP? Why do I do that? And is it also increasing my motivation doing my daily job?

Dina 9:25
Really, really interesting, especially because you've mentioned something that I was super curious personally to understand how it affects you in your decision making. And you said it actually does. So I think like, from what I understood from you, it probably like all of these pillars, the values the purpose give you a sort of feeling and a direction to guide you. But then let's say you have to take an important decision.When it comes for example to customer choice you have to you will have the possibility to win in a really big customer and then, I would say in like, obviously, you can see the revenue first like, okay, very big customer. So there is a potential to get in a lot of money. And but then let's take a very specific example. The customer is Afd, for example, how would you base your decision on the purpose? Like how would you deal with this? How would you decide whether or not to close in this customer?

SAP 10:27
Yeah, we would not sell anything. And this is pretty, pretty clear. But let's, let's take another example. So that it's not that political. But I give you very precise example that actually happened this year in the COVID situation. One of my key KPIs is of course revenue. But there are a lot of customers actually in a super difficult financial situation this year. And I mentioned that already. So we have a one time revenue when we sell our software. But there's also recurring revenue coming to SAP for the maintenance stream, for example. And one of the customers approaching me, I will not say the name, but one of the customers approached me he's doing the following. The key business of the customer is going into hospitals, when there's new kid born, and taking pictures of the babies, and then selling it to the parents. That's a key business of the customer. You can imagine now with COVID, nobody is allowed to visit new parents in the hospital. So the whole business just crashed, it does not exist anymore. There was no plan B for the customer. So the customer approached us and said, Guys, I'm really serious problem. What can you do as SAP? Can you for example, give me one year free, the maintenance, I need, I need the product. I hope I will be back next year, once Corona is gone, or in a better situation overall, but I need us as a key to support me, because I need to survive. I do everything to survive because my key business is gone. And these are the decisions or the situations where this decision is done based on the purpose. As a sales manager, just looking in my KPIs, I should say no, as long as you can't pay and if you go bankrupt, okay, does this what my KPIs telling me. But of course, that's not the way we do the decision at SAP. And so of course, we found a way together with the customer to make sure that he can survive, and that he will still be there next year. So and this is where the purpose is really prioritized versus the KPI.

Dina 12:42

Yeah, these are then I guess, as well, the sort of trade offs you have to go through. And this is exactly what I'd like to go deeper in now. The metrics and the KPI because now you've actually decided in terms of your purpose in terms of the company's purpose, and but you haven't been incentivized by it. Because you said your main KPI is revenue. So the metrics should actually incentivize you to take the right behavior?
What are overall all KPIs? Do you have project KPIs, something like that? Do you have any KPI or measurement for you as a sales lead beyond revenue?

SAP 13:27
I do I have one more. But I can also give you some transparency, because it's common sense or at least known in the market. So the sales guy, see, all my team members, the sales guy has only one KPI that's revenue. Nothing like new names, nothing, it's just revenue.

Dina 13:50
In which timeframe?

SAP 13:55
One year. So you get one target for you, let's, let's say 1 million, or 10 million doesn't matter. So he gets a number and he needs to find a way to achieve that number, it's only revenue. So it does not include maintenance. And it does also not include service revenue streams. So if we do the implementation as well, sometimes a partner does implementation, sometimes we as SAP do it. So if our consultants goes out to the customer implementation, and the sales guy is not compensated for that. So he has only one KPI revenue. Which - my personal opinion, I'm not a big fan of. Because there's much more you should pay attention to if you are a sales guy, um, of course revenue is what the company makes successful or not. And we as a stock listed company, So all of our external investors are only looking at profit, margin, revenue. So there's a big pressure on us, in particular in sales. But it should maybe from my personal opinion, not be the only KPI. But it is for the moment.

As a manager, a sales manager, I have another KPI: customer retention. So the opposite of churn rate. So I need to make sure that the customer also stays with SAP, which is already good, it's going into the right direction because it helps me to do such decisions, as I just said, with the example with the hospital, because I also have a KPI, a motivation to keep that customer and to be willing to do something for the customer, which will also support the overall purpose of SAP. And if you go up, by the way, so my reporting line up then there are additional KPIs such as profitability also. Unfortunately, I think it's important for you to understand there's no clear KPI connected to the purpose. So there's no KPI I've seen so far, which is like you need to win one nonprofit organization as a customer, for example. What I mean by winning is selling our products to them or maybe giving them our product for free. This is not a KPI offset, however, we do have organizations within SAP only taking care of these kind of organization. So there is a nonprofit organization within SAP taking care of all these customers. And they are also a lot of projects. for example, my team or two guys of my team last year went to a coding week in Ghana, because SAP was supporting schools in Ghana, to train the children in the schools and give them computers and help them with coding. And then they were looking for volunteers who are willing to go there and support the people outside, and two of my people went there. and so this is also something we can do in the team. And but it's not reflected somehow in the KPI. So they actually do it on top, but the KPI stays the same. So he still needs to bring in the 1 million or 10 million of revenue, but he spends one or two weeks in Ghana, which of course, it's not helping, actually, to achieve the KPI.

Dina 17:11
Okay, pretty, pretty challenging situation, I would say, because on the one hand, you've mentioned a few things that SAP does, to make sure that the purpose, the values, these pillars come close to you, and to create the direction and the guidance on what, what the desired behavior, I would say at SAP is. But then on the other hand, I would say that the major part for let's say, a sales rep, someone in your team to take a decision would be once of course, the culture so, so what is accepted as an behavior within my company? And then the second thing, like what do I have from it? So obviously, everyone has an individual interest as well. And when I know, or if I know that I will earn less money, because of a positive decision that is in line with the company's purpose, that might be a bit tricky, actually. And then you can't rely on every individual to stick to that correct decision. Or what do you think about that?

SAP 18:17
True, luckily, I can overrule my people. And at least I have the retention KPI. However, you know, the reputation is super important in sales, and the purpose goes hand in hand with reputation. So if you say as SAP, our purpose is to help companies (run better), but help companies and then in times of COVID, you say No, I do not support you at all. This would be public in the market. And I'm not saying we only do it because it will be a bad reputation. But you need to think a little bit wider and say okay, you cannot do such things, even if it is against your KPIs.
And you need to really stand for what you promise what the company promises. And actually what I find in my team every day is that they approached me and it's really every day because we have so many customers it's like every day. It's 'hey, the customer is asking for a license exchange or I don't know

maintenance going down or can you approve?' So I have a lot of approvals of these kind every day, which are running against our KPI revenue, but we still think it is good to do
to have that positive reputation but also support the customers which is needed and in the long term, it will also help you because the customer stays on the market. He will pay back in two years, in three years. He will grow again, and then for example buy additional users, or he will talk to another customer and say 'okay, SAP, they really stick to their purpose and really support their customers'. But of course you're right the key KPI is not supporting that. But I think if you're a smart sales guy, you know that it's not only about short-term, it's more about long-term investments you need to do.

Dina 20:14
Yeah. Is this then the trade off? Because you said now these companies will be growing in the future, it has a dip now. But it will get better. Especially during the crisis such as this we are in right now. But is this then a criteria you keep in mind? Like, how high are the chances that this company actually will be better in the future?

SAP 20:34
No, no, it was just one example. It's not a criteria. So it's not that I do that trade off, I think you just called it trade off. Yeah. I think that's a good word. I don't do it on purpose, because I know, okay, in two years, I will be paid off. So no, because actually, I don't know if I will be in my position in two years, or not. Honestly, as a sales guy, you more think from year to year, because you don't know what will happen next year. I don't know if this is good or bad, but it's what it is. And
you more think about the overall impact it might have. And that means more like reputation. And wherever you are in sales next year, if you still work for SAP, which I think will be the case, maybe in a different department maybe for different products. Bad reputation is never good. And if you stick to the purpose and the purpose is there to help us know this is what we want to do with this what we want to stand for, we want to really help the companies and not just getting the money, we really see we bring a lot of value, we support companies. And then it's also part of the job even it's not part of the KPI to find a solution for such scenarios.

Dina 21:54
I think I completely agree with you with what you said in terms of in sales, you continuously reflect about the position, you're in maybe in a one-two year frame. So I recently spoke to one of my colleagues being like, I don't know, I think in sales and especially in, in our generation, or in the way we do sales in 2021. It's super normal that every two years you change either company or position, just to get into cold water again, to try something new to learn something new, since learning is a very big value within our generation as well. And but that means that you continuously also have new people in the team. So either hired from external, I would say your team probably isn't the same team for the past five, six years.

SAP 22:45
And you are wrong.

Dina 22:50
Interesting. Okay.

SAP 22:55
I'm the sales manager for three years now. And everybody in my team is with SAP for at least five years. So youngest for five years now. I mentioned that I have 9 people in my team – I won't go through the details, just that you get a feeling right. So one is in that team, not with SAP, but in that team for 11 years. One for 12. Three, actually, for seven, roughly. Two are quite new meaning two years, and this is the rest somewhere in the middle. So my team is super stable, which is also from my perspective, to some extent important for customer relationship and for partner relationship. Because I'm in the SME business, so we do a lot of partner business. And the partners are also there for 20 years, they do not change, the CEO of the partner will never change. There are smaller partners like partners doing I don't know 10-20 million of revenue, having like, like 60 employees, something like that. And the CEO stays the same CEO that what that 20 years ago, he's still in his position, maybe now preparing everything to give it to a son or to a successor. But it helps a lot if you then have also some kind of stability in the team. So that they also have a super good level of trust. But you are right in many other teams also in SAP, you have a high fluctuation. So a lot of people changing their job regularly. In particular, by the way younger ones. Somehow they have the feeling they need to do that. I think it's a different discussion. But in my team, it's not the case. Luckily, because it really helps. And just coming back to the topic, if you own a team for 12 years, you know exactly if you do something wrong, it will pay back in a negative way.

Dina 25:00
And this is interestingly what my question was referring to, because what I would still like to understand. And so how do you bring this purpose and this behavior to your employees? Because obviously, you have quarterly trainings, as you mentioned before. So you have another KPI that incentivizes you on, like, guiding your decisions on this purpose and on these five pillars, but how do you bring this down to the team? And I would say, it's particularly interesting when it comes to new hires, because then

someone from the outside I would say in SAP, usually someone who has experienced at other companies before you do not hire someone without any experience. And so they come with particular practices and, and behavior. So maybe then going a little bit back from new hires, but still, how do you bring the purpose and the right behavior to your team?

SAP 26:00
Interestingly, I again, would need not to agree with you. For new hires it's easier. Why? as a new hire, you get training, they go to Walldorf where our headquarter is, and you get minimum two weeks and then ongoing over the next weeks in onboarding and training. And they put a lot of
attention that you know the purpose that you know the culture of SAP, that you understand really what is expected from you. For them, they are like brainwashed. They really know, this is what I should do. For people in my team, like I just described that are in the team for 12 years, it's much more difficult because they've got that kind of training like 12 years ago. And let's be honest, the purpose in that time was a totally different one, most likely, I don't know. And they don't necessarily get a refresher. It's up to me to do that. If they care, let's be difficult in my wording. So the problem is, if you have a super senior sales guy being in the company for 12 years, he is not paying so much attention to the overall purpose. He's not making a decision based on purpose, he's making a decision based on what he thinks is the right thing to do to be successful in the next years as well. Luckily, in SAP, the purpose naturally goes hand in hand with his success, to some extent, because we really think okay, if you sell the product to the company, so if the sales guy only has a KPI selling, then it's fulfilling the purpose, to some extent, at least. So this helps. Still, I believe, if I would ask out of my nine people, Do you know the purpose of SAP? They, most likely 80% would know it. they could quote it. 20 to 30% would say it's in some extent affecting my daily job. I think not more. Because they're too long with the company.

Unknown Speaker 28:21
Would you say it doesn't impact their job, or they're not aware that it actually impacts their job?

SAP 28:26
They're not aware. They're not aware. Luckily, our smart CEO said a purpose that is somehow very easy to fulfill. But they are not aware. And because they anyways fulfill it to some extent, they do not pay attention to that. It's not that they need to go an extra mile on extra ray of thinking to say, Okay, how can I fulfill the purpose now, I do it naturally. So I just keep on what I'm doing anyway.

Dina 28:57
But that's even the idea of it. So if you look at purpose literature, for example, and the the main thought of is is also not like just doing good, but doing good by doing well. So you have to be able to be profitable to perform to generate revenue from what you do, you have to be healthy as a company. Because if you do good, and you by doing good, are able to perform well as well. Then it matches and then you can do that in the long term. Cool. So I've got two smaller questions left. You have to leave at 6pm sharp, right? No? Okay, even better.

SAP 29:41
Let me quickly go on my headset because there was background noise. No, I do not. I do have a couple of more minutes.

Dina 29:50
Okay, perfect. As I said two questions left. So one of them is we've been talking about how it impacts your people. And I think one important thing to look at as well is how sales has transformed. so obviously sales has been through massive transformation within the past decades. And looking at it like 30-40 years ago where this was really like a transaction. And people that that can very well communicate, pitch, like the be pushy, and advertise their things. These are the great sales people to look at today, it's definitely different. So we're moving more into trends into consultative selling, listening, understanding. So which pretty much changes the profile of salespeople as well. And but my question now is asking for the sales process. So maybe the easiest way for you to like get me through is, could you guide me, what are the major parts of the sales process at SAP, that then make sure that you actually achieve your purpose that you actually help people.

SAP 30:50
So we have actually two different ways of selling. The first one is, we win what we call net new customers, which is a totally different process. And then we have our installed base. I'm not sure if you can, if I'm allowed to give you the percentage, most likely not. But let's say high level, most of the revenue we do with our installed base. Let's start with the installed base, because it's easier. So for example, we have a customer such as, for example Volkswagen, they already use SAP software. But we as SAP, we are so big, we develop new products, we also buy or acquire additional companies and they bring in additional software we can sell. So, to our existing customers we sell additional software every day. And then of course, there needs to be super high level of trust. So we have we are like a trusted advisor. This is pretty much what you just described. This is a totally different way of selling then selling to net new customers. Because net new, I mean, how does it work here for installed base, we know the customer for many years. We know the CEO, the CIO, we know every line of business, we know actually everything. And so we openly discuss with them a long term strategy, where do they want to be

in five years? What are necessary steps for them in terms of software investment to be there, and what are the key drivers in their market. So for example, if you talk to volkswagen, cars are changing, so there will be cars driving without a driver anymore, like Tesla is doing today. So you can sell software to support these kind of customers in being competitive with Tesla, for example. Net new, totally different, we don't necessarily know these customers, we have lists of all the customers who are not an SAP customer today, the big ones, they are not an SAP customers on purpose, at some point of time, they did a decision No, I will not go with SAP. Still, we try to win them, try to convince them hey, it makes sense. This happens from time to time but it's super difficult it happened for example, with Aldi just two years ago became an SAP customer for the first time I guess. And everybody knows Aldi, but they never wanted to be an SAP customer. That changed luckily, but if you go down there are much more I mean, like in terms of going down in terms of company size. The smaller the company, the more customers are there. So in that segment there are like 40,000 customers who could potentially be an SAP customer, but are not today. And here, the selling process is totally different. As we don't know them, we really start with standard marketing, like advertising, lead management, top of funnel right. the standard marketing approach. We do it based on the vertical industry because we think in SAP that you need to understand the customer and speak some to some extent customer language. And you cannot do that by an horizontal approach. You really need to go into the industry and say okay, you are - don't know – *a* professional service company. This is how we approach you and you are I don't know a retail company. This is the value proposition we have. But then it's pretty much that we need the customer to approach us. Also with GDPR, roules, etc. with all we have in place right now. And then we can follow up. And this is a totally different discussion because with that customer you start from zero there is no level of trust. Of course you can act as a trusted adviser, but at the beginning there is no level of trust and you need to build up that trust, which the installed base already has, they know exactly what we can do and what we cannot do what we are capable of and not capable of. The new ones, they don't know. And we have a difficult reputation as SAP. For smaller customers, it's very often, okay, you are too big, too expensive. All these kind of things, they don't know that we also have software just for them. We have software for big customers, we have a software for smaller customers, we have prices for the big ones and for the smaller ones. So you really start by convincing them, it's really convincing – I don't know a better word for that, but really, really convincing them, okay, you can also understand them and not only the big players, and you have solutions for them, and you can really - now coming back to the purpose after a long speech - you can really improve their daily business. And I can tell you, I have one customer I met myself. Luckily, it was a one man company building… How do you say that? Scratching posts for cats. That customer was looking for an ERP software and actually, I was in a discussion with him. So why, I mean, why do you need it? And he said, Well, nobody knows me. But I have a super good product, high price by the way, like 500 euro for such a thing. And the only way I could sell it is via Amazon. So I need to have some kind of software with an Amazon integration. And we said okay, makes sense. We definitely did improve his life, because in the meantime, he's like, I think it's a 10 or 20 Employee company. There are a lot of people super happy with his scratching posts for cats. That's a good to understand story, what we can also deliver to such a kind of customer. And then I don't know if you go to Amazon, you can exactly see okay, there are still 10 pieces available, or 20 pieces available. If you buy from Amazon directly. It seems to be like it's unlimited pieces available. But if there's a third party vendor, it's like okay, there are 10 pieces, it always works with our kind of software that there's some kind of integration into what is really available in the warehouse? Or do they need to buy additional things from China? Or Well, they build it? Or do they build it themselves? like that guy did. He was really building it himself. But of course, Amazon needs to know okay, how many do you have on stock, can we sell more or not. you can also do that manually, you can go to Amazon every evening and upload an Excel and download it but to some extent it will not work anymore. And this is actually how we also support very small customers. And but this is like I said a totally different sales cycle, it has nothing to do with installed base, it's really, you need to also tell these kind of stories so that the customer really understands, okay, what can be the value the benefit for me to use an SAP software.

Dina 38:04
Before we've been speaking about trade offs. And the example before was maybe a bit too extreme with a political party. But now, let's say for such a customer, a one man show that requests to look at your software and considers buying it. And this customer is completely convinced. Yeah, I think I need this. And you realize, as, as you described, when you challenge this this person, like, why do you do that? Like what do you want from software? Where do you see the value for yourself? And what if you realize the value is not big enough, it would be a wrong decision for this person to buy? Would you reject or advise the person to not buy? Although you are measured on revenue.

SAP 38:52
Yes. Very easy. Yes. Because it will bounce back, he will just, at some point in time, pick the phone and say what did you sell me? Doesn't work, it's too big for me. And then we have an escalation. And in particular with the smaller ones, by the way, and this, again, with my KPIs and escalation is much more time consuming than the value of I don't know, one or two licenses would bring. So there's also that kind of motivation, which is not 100% because of the purpose, it's more because of being distracted by these customers and focusing on I want to sell right? I cannot handle escalations all the time. But this is one reason and another one, like I said, the reputation that customer would talk to another customer and another customer would also say okay, then I don't buy from SAP because they just want to sell to

me. And this is something we cannot do. Because then the phrase I just mentioned that SAP is too big, too expensive and so on will actually become true and that is nothing we can let happen.

Dina 39:56
So you actually really look at the long term, long term value.

SAP 40:00
Yes. Yes. Actually we really do. Yeah.

Dina 40:12
But you're, also measured on a yearly target. So the yearly revenue also counts on you. And just one follow up question, because I'm not sure I understood correctly. Basically, the installed base and new biz, both for your product category, relies in your responsibility.

SAP 40:25
Yes, correct.

Dina 40:27
Okay, and this is like this for all sales teams at SAP?

SAP 40:30
No, no. So I am, I'm what we call a line of business sales. So responsible for two products, we also have, but this is new since last year, by the way, we also have dedicated teams in Germany, just in the mid market for new customers and for installed base. But before last year, we did not have it. So before that the only category was actually revenue size. So there were people responsible for companies up to 200 million euro of revenue, and then from 200 to 500. And then above, so but since last year, actually, we realized, okay, we need to have much more focus on the new names. Because there will be a point where you cannot sell anything new to the installed base, if you do not acquire new company yourself. So there's a limit here. And so you need net new names. And of course, also the new names will grow. Not many of them, by the way, only like 1 or 2% will really become a big company. But if you do not win these 1 or 2% in the beginning, then our competitor will, and they will also then have an installed base customer at one point in time that is super big. And this is what we cannot let happen. So this is why the new names base is super important.

Dina 41:52
So would you say having the newbiz and the installed base responsibility within one team within the same team actually, that this affects the behavior and also, then coming back to the purpose again, incentivizes people to behave on the purpose.

SAP 42:11
Yes. Because if you only have net new, what does it mean? If you look into the details, I win a customer now, because it's a new customer, but then I give it away from my responsibility to an installed base team taking care of him. And that actually means you do not need to follow the purpose anymore, because then it's really okay, I just sell, and I don't care what happens next year, then you only have a short term way of thinking. So in my team, I have net new and installed base. And this really helps. Because then you have a totally different way of thinking.

Dina 42:44
This is so interesting, because I have been always working within teams. Obviously like smaller software companies. So and account management in new Biz were always separated. And I'm someone that really cares for my reputation as a sales rep, I want people to trust me, and therefore I know I have to go the extra mile to make sure I also say no towards the client to show them that I really stick to my values. But what I perceive very often, I think this is what most salespeople see, especially account managers/success manager perceive, and that salespeople sometimes tend to close too quickly or too irresponsibly, because they know that not even in a bad way, but they have the pressure of a short term target maybe a monthly target to hit and the sales cycle normally is longer than a month. So you have somehow to get these customers in to hit your target to earn money. And then it affects customer success with churn which is not good for customer success, which is not good for the company overall. And but most importantly, the new business department is not measured on it. So they are measured on revenue. Thumbs up you got in a new customer in the time that we were expecting you to do that. You don't care about what happens afterwards. And that is something that should be changed. But it's very interesting to see that because by incorporating it in one department, it obviously it does exactly that without adding different KPIs in that sense.

SAP 44:19
Yeah. Yeah, it does. But the opposite is, which is the bad side for us is that you maybe do not have enough focus on the new names. Right. This is why some departments in SAP changed it because when you can make all your numbers here with the installed base, you do not focus on the new names and winning a new name is much more difficult. That takes much more money, marketing money, much more effort, and here (installed base) it's much easier. So this is the easy sell. And if you have a combined target, it

actually, the most of the account executives will go for the installed base. However, you can push your team a little bit. Also for the new names, even if it's not in the KPI, this is also something, I mean, KPIs are everything. You can also as a manager give a direction, which is also important. And if your team is smart, and they know, okay, if I wouldn't get a new name here, in long term, I have an installed base here. And in two years, I'm still in the position, and then I get even more revenue on the installed base side. That can also work, even if it's not really KPI.

Dina 45:39
Very, very insightful. Thanks a lot. One last question that I'd like to ask, since you've mentioned in the beginning already, what would you say - if there is something - that is still missing or that would be helpful to make sure you can entirely live purpose within your sales team?

SAP 45:58
Different KPIs. Different KPIs, actually. And the good thing is also giving you some insight information now, but our new CEO is looking into that. It's in discussions. I cannot share more detail. Even my team doesn't know. So the account executives don't know, but I as a manager do, obviously. But we are really thinking of additional KPIs. And you know, I mentioned I have a KPI such as customer retention rate. So this is something we also think to give to the team, for example, just as an idea, that would make sense definitely. Or we have thoughts about consumption, consumption rate. And what do I mean by that, I need to give you a little bit more details. In the past very often, account executives sold a lot of licenses, because the more you buy, the better the prices, obviously. So you as a customer, you maybe buy more than you need, with the expectation, okay, I grow and then I need the licenses, and then I already have them for super good price. But very often you do not grow. And then you have much too many licenses, and maybe you even decline with the employees. And then you have too many licenses. And you pay the same price or maybe super good price. But after some time you forget it. And then you are unhappy. You're unhappy as a customer, and then you pick up the phone and again, you are complaining to SAP Why do I have 200 licenses if I only need 100? What can we do? And actually we cannot do anything. Because our end user license agreements do not allow to terminate just a part of the licenses. So then you have unhappy customers and on a long term does not help. So we are thinking for example about KPIs such as consumption, so that the sales guy really only sells the licenses that are needed, and really in consumption. And we can track it. You know, in the past, software was always on premise you just mentioned you work for SaaS companies. So we also as a PR, doing a big cloud shift most of our software to the cloud in the meantime. So in cloud the benefit is that you can really see how much it's really used. And we have customers having a lot of licenses, which are not in use. And that's not good. Why? Because they will not renew. After three years or so they will say yeah, nice, I close maybe a three year contract for cloud product, but after three years, I step out, or I only extend the contract with half of the licenses. And that's not good at all. So we really need to make sure that we sell what is really in use because then the customers happy we are happy and we can also make sure that the customer extending and renewing the software and then better give less discount. But there's a sustainable revenue streams and also predictive revenue streams, which is by the way, super important for SAP that you can really say, okay, most of our revenue is predictable in some point in time.

Dina 49:14
So to generalize this, outside of the SAP world, I would say understanding what affects long term revenue, which KPI, and then add them up as a measurement/as a KPI to make sure it incentivizes the people to take the right decisions.

SAP 49:32
Correct.

Dina 49:36
Nice one, like, very insightful, very interesting. I could talk like two more hours about this, since I'm personally very interested in it, but I think we've already extended the time a bit. Thanks a lot. For your insights. I'll stop the recording here.

Transcribed by https://otter.ai

Interview#2 _Veolia

Dina 0:00
So it's recording now.
There is no right or wrong answer. So literally your perspective matters. So this is not about analyzing which company does it wrong or right. We just want to understand the status quo of how you are - actually your team - does sales at Veolia to better understand where we stand right now, and take learnings from that.

Veolia 0:31
go ahead. What are you doing in my country? In such a day like that one way?

Dina 0:42
I guess it's it's worse in Berlin. It's grey and cold.

Veolia 0:47
You are from Germany?

Dina 0:49
I'm from Germany. Yes. I just moved back this summer. So I was living in Portugal when I did my master at Católica.
Nice. And one last thing, I might ask some questions that are available online, such as the purpose question, what is the purpose? The main reason why I'm asking it is to also understand how you frame it and how you communicate it. And that's exactly how we start. So what is Veolia purpose beyond making profits?

Veolia 1:28
Beyond the making profit, like as another company, multinational company, we are trying to leave a better world. And we measure it. So we have KPIs to measure what we are doing. So beyond the profits, we have the innovation, and we try to innovate every day. And of course, because also with innovation, we can have more profits. Of course, it's this is this is clear, crystal clear. We have also KPIs to measure the client satisfaction, and we use normally use the NPS - Net Promoter Score. And finally, we have a new one a new KPI that we are using since last year, I believe, which is to measure the quantity of dangerous waste on our plants here in Veolia, so, I don't know if I'm answering exactly to your question, but there is no wrong and no right way I think. we can resume beyond profits, we are trying to innovate and we are trying to satisfy our customers.

Dina 3:26
Yeah, you said the main purpose is to make the world a better place.

Veolia 3:31
this is the purpose since this year.

Dina 3:38
and so that just happened this year that you define the purpose.

Veolia 3:45
I can share with you the whole process because in the beginning of this year 2020 we are really let's say involving all the people in veolia. We had a big challenge to where the board tried to involve all the countries and all the people from Veolia wherever they were. And in the end of the day in July, we communicate to the media our purpose, our new purpose. we had a mission, it is not the same. As you know, we had the mission, it's like a claim the researching the world. but the purpose is A little bit different. So it's something new in Veolia, something very fresh. Actually, in next year, I will try to cascade these purpose to all my team. All technicians, all the people into the field. So it's something that we are trying to be familiar with.

Dina 5:34
Yeah. So many, many questions popping up to my mind. So you've been mentioning that you changed or like you have measurements in place, for example, to measure the customer satisfaction with an NPS. Did you implement that after changing towards purpose? Or did you have that before?

Veolia 5:58
Yes. And no. We are talking about many Veolias. And in some countries, yes, we had the NPS before and in another geographies. We don't have we don't. We don't had the NPS in, we were not using the NPS. That's why the… because as you know, Veolia is in Portugal, is in Germany, but it's also in Mexico, Brazil. There are differences between the countries. And sometimes, meaning every time it's quite difficult – you probably know, talking about ethics, and purpose in some geographies that don't have the same codes, if I can say it's different. But that's why the NPS is something we are now using all over the world. But then we had countries in which we had already the NPS score.

Dina 7:20
And now it's standardized. So now, it is rolled out over the entire operation.

Veolia 7:30
Yes it is. In 2021 it will be standardized.

Dina 7:35
Ah, okay. Interesting. Okay. Would you say this is connected to the purpose implementation? So that, purpose was the reason why you change the measurements?

Veolia 7:50
Yeah. It's a good question, the answer is, I don't know.
I really don't know. I'm thinking about it. Because with the purpose, we came a lot of KPIs to I don't know if I can say to measure the purpose. But in fact, NPS I don't know if is a related KPI with purpose.

Dina 8:32
Yeah, I mean, could could come as well, just from the overall shifts that the company is changing towards a more responsible and sustainable business, but doesn't actually matter. It was out of interest. And so I saw you're the head of energy business. And you've said already that you have technicians in your team as well. Your original background when I look very much back at your time at Galp as well, and you worked in sales. So is there are you still responsible for a sales team within your unit?

Veolia 9:07
Yes, yes, yes, it is true I spent 20 years in the oil and gas industry but in the right side, so in the power side, in the beautiful side, in the natural gas, when natural gas was the big thing. And because 20 years ago, natural gas was something really great because we had carbon and fuel oil and something like those kinds of fuels. and natural gas was well, something very good. And now we have hydro carbon, so not the sexy one. And I changed again. So I am in Veolia two, three years ago.

Dina 10:09
Yeah. In one month, it will be three years. If we assume that LinkedIn is correct. Okay, so now you are responsible partly as well, or like within your business unit for the sales team, as well. So what I'm interested in within our conversation right now, is mainly how it affects how the purpose affects you as a sales leader. So this is the main perspective we will take within our interview. And when it comes to decisions that you have to make for the sales department, for the employees you have in the sales department, how would you say they're the purpose changed, the way you decide?

Veolia 11:02
Veolia’s purpose is, if I can resume, it's to contribute to human progress. And then, committing with the SDGs of the United Nations, and with that achieving a better and more sustainable world. and with a purpose like this, what can I say I, in fact, the purpose is on our DNA, which means, in fact, I can't work or I can't try to propose to the board, let's say, to work with the company, providing fuel oil, or making a cogeneration with fuel oil, you know, it's so clear in which side we are. Tthe purpose is completely linked to the business, we are on the sustainability side.

Dina 12:39
So, I would say it… if you have an example, that would help.

Veolia 12:44
let me try to explain in other words. When I think to go to the industrial market in my portfolio, I just have biomass, energy conservation measures, less hydrogen, that's my portfolio. So I don't have the possibility to go to a site plant and trying to sell something outside of this portfolio. So my portfolio is completely addressed and completely focused in sustainable measures and sustainable products. So I don't have in my portfolio since the beginning because, as you probably know, the history of Veolia, since the beginning the business of Veolia, started on the water side. Now, we have the water side, the waste side and the energy side. And in some clients of course, we can have all of them. And we can we can go to a client to let's say an industrial client and sell the three Veolia products: waste - and we can treat the waste and trying to recuperate it and the same from the water, reuse the water trying to have less water in the process. And finally, the energy savings.

Dina 14:54
Yeah. And so if I understand correctly, so with the purpose, obviously The top level management is educated is trained is briefed, on what the purpose is; the products, the products and services, I would say, are adjusted. So you make sure that you provide your customers, your b2b customers with sustainable sort of product and services. And so this is how you roll out the purpose. And then the idea of having a better, a clean future into the customers. But I would say it's easy to have it on a top level, because of course you are involved in the discussions. And you know what's happening. But then to make sure that the entire company of Veolia is acting correctly, and is acting on behalf of the purpose. Every single employee has to know this and has to live with this. So how do you make sure that within the sales team,

every sales manager that works for Veolia in your team, in your business unit acts correctly and beyond the product and the service like this is clear what Veolia does is clean, this is nothing that can be changed, but still, I think there's also a side on how do the sales managers behave? What do they say towards the clients? How do they engage with the client? Or what's your thought on this?

Veolia 16:25
Well, firstly, we have, we are in on the b2b market. So we don't have a million of clients each year in Portugal, and same all over all over the world. We are mainly in the in the b2b business to business. We have mainly business to business clients. And so I think I have the whole vision of each client in where we are. And we have a plan, let's say for this year, and for the next year, we call it the sales Academy, in which we have the all - of course we did all the needed adaptations all over the world - as I told you before, but it's this sales Academy is something that is very uniform in the company. We have the boosters, For example, we call it the boosters. So when we go to the client site we have a description. We have a sales pitch, absolutely uniformized all over the company. And of course, we try and I think we achieved this to have the purpose absolutely linked to the pitch.
I'm sorry, my English is not so… it's not perfect.

Dina 18:34
No, no, no, it's totally alright. I think it's a very complex topic. And so sometimes I have to ask deeper, because I can assume that I understand what you say. But it's better to ask another question and make sure I understand correctly, but your English is completely fine.
And so, so the sales Academy just so that I'm not just assuming what I think it is, is like a learning program.

Veolia 19:02
A learning program. Yes.

Dina 19:04
Okay. So that's how you make sure that what you thought on the management layer comes to every single employee.

Veolia 19:17
yes and yes. For example, if I have a client, let's say, an international client, let's say Nestle, for example, or Nespresso, if you like coffee, of course, you know, Nespresso. And with Nespresso, imagine we work with Nespresso in Portugal. So we make the recovery of the little capsules and we divide the capsules, we have the aluminium in one side and the coffee in the other side

Dina 20:10
so that they are recycled correctly.

Veolia 20:12
Yeah. And if anyone in Asia would like to work with Nespresso, we have linked, for example, you have a link for industrial sites, I don't know, customer centric teams. And if I have any question, and sometimes the question is, oh, mayday, mayday, I have a problem with a turbine, and I need to replace the I don't know what the engine or the valve or something like that. The time for delivery is three weeks, and I can't wait two weeks, we have that there. So this link between everywhere in the world, there will be something so simple as that. But normally is Okay guys, I'm working with the Nestle. And I, for example, this is a real example, we are working with Nestle to use the spent coffee grains, the waste of the coffee grains, and we will use it as biomass. And if we have the biomass, we don't have natural gas to produce steam and electricity into the site. We have that experience in Nestle sites. And in the end of the day, I am sure I will have someone from Spain saying oh, okay, take attention. Take attention, because this is a big issue. You must have that regard to the sink. And then another thing, and I'm going to sleep and in the morning or during the night, I have the guys from United States providing information about the same team about the same question I asked for and it is very strong. Because in the end of the day, I have the same problems all over the world. And I can use the information of my colleagues from I don't know where telling me make attention because this is not a good idea. Or Yes, go ahead. I will share with you the detail of the project. And this is very powerful.

Dina 23:10
Yeah, I can imagine. And you said as well, like many things are also put into the right direction or lead into the right direction. Because of the measurements you have in place. You already said that you're measuring NPS I mean, the standard KPI for sales, obviously, is revenue. So how much money do we make? A year? A quarter? I think in your situation, it makes more sense to measure yearly. Since there are not customers coming in a small deal time. And so first of all, do you still have revenue targets?

Veolia 23:51
Yes, of course. We have revenue targets. As you can imagine, yeah. But the thing is that each year the revenue targets are smaller in the final… the portion/the percentage of the revenue KPIs each year are smaller than the last year…

Dina 24:31
Because there are more KPI coming besides revenue?

Veolia 24:36
Yeah. In fact, those new KPIs in the end of the day, they represent money. We divide our businesses as forests, trees and seeds. Well, we are a visual, we take a visual perspective.
And the forest we call it, I don't know, the energy plants, the business, water distribution in cities for example. And the seeds are new businesses, I don't know how to sell it, I don't know how much it can be in next two or three years. But it's a KPI. Those KPIs related to the seeds, what he call the seeds, that could be for example, the quality of the interior air in the in the interior spaces. we can measure the quality of the interior air and make sometimes it's just to inform the client make attention, the quality of your air is poor, or you need more comfort for your people, or you have levels you high levels of co2 in the space. So just an information. And I have KPIs to develop those small businesses in much of those small business, I don't know how to sell it, I don't know what is the right way to sell it to the clients. It's a copy and adapt all over all the world. And that's it. So it's a really important KPI. But at the end of the day, I don't know nothing about KPI, it's a good idea. But I don't need to prove in the next year that I will have money in this seed, thissmall project.

Dina 27:29
Okay, so you so if I understand correctly, you have a revenue target. But besides that, it's not just a number, you have to make 5 million, whatever, in this year, it's more like you will have to make a specific amount of money. And you have to achieve qualitative goals for example, bringing like, I don't know, as you said, like the examples with pollution or something like that. And this is then the outcome of your clients. So you are measured on the outcome of your clients? Or is it what Veolia does, I didn't understand that.

Veolia 28:12
It could be a mix. It could be how I improve the client satisfaction, and how many new little things I can sell in addition to the big businesses that I have in my client.

Dina 28:38
but then this is not as a revenue number. So we have to make an upsell of, I don't know, like 20%, or like 60 million, I don't know, it's more like, we have to make an upsell, in the sense that it achieves this and that goal.

Veolia 28:55
That's it.

Dina 28:57
Interesting. Okay. And this is yearly or in which timeframe?

Veolia 29:11
Yearly.
And the next 10 minutes, we will speak in Portuguese to try your portuguese.

Dina 29:18
Oh my god. My Portuguese is very bad. So, um, actually, just one or two more questions. Regarding performance. So you said revenue still there, and qualitative goals as well to be achieved, and the NPS of customers, and is there anything else that you measure?

Veolia 29:52
I have a paper here. Well, let me count. We have five dimensions, the environmental dimension. And we have some KPIs on these dimension, reduction of co2 emissions. So if I promote on my client, the reduction of the co2 emissions, it's a KPI.
Volumes of plastic, recycled plastic. on our recycling units. We have in Portugal, we have a plastic plant in which we recuperate and divide the plastics. In fact, we don't, we don't recycle it in Portugal, we can do it in France, and also in Germany, I think. But it's another KPI.
Efficiency of the measures of potable water, which means if I could improve the consumption, improve the direct the water recuperation on my client, this is also a KPI for me. So if the dream is zero co2 emissions, zero waste to landfill, and 0 - or 100% of recycled water. This is our dream in our clients. Sometimes is feasible, sometimes not. But it's a global KPI. Another, another dimension.

Dina 32:27
Sorry, sorry to interrupt you. There was one question. So I understand correctly. And so is this connected to specific numbers, for example, when it comes to co2 emissions, and that your goal as a manager is to ensure to decrease the co2 emissions of your clients and your business unit by 10% for example, or is it not connected to a specific number?

Veolia 32:54
It's connected to a specific number. For example, we are working with Nova SBE here in Portugal.

Dina 33:05
The bad University. Católica is the good one.

Veolia 33:11
Yeah, Nova is the bad one. They are near the beach and that's the difference. And we as Veolia Portugal are working with Nova SBE, we think one day we will work with with Católica. And the plan is it's exactly zero emissions and we are improving the photovoltaic panels into the ceiling of Nova SBE and they have today is not a good day for saying it, but a lot of sun. We are recuperating the water, because they use part of the water to - they use it in the green gardens. And we are trying to recycle that water and use it in another logistics. For example we are using the co2 produced in the classroom, we recuperate the co2 and use it to produce vegetables, vegetables that are not so bad. They are the good ones. You can imagine, imagine when you produce vegetables on a controlled environment… I don't know the word, but we use the co2, we put it into to produce vegetables. And finally, they sell the vegetables, the tomatoes and don't know what into the groceries they had inside the university. And I believe also in the restaurants. Sorry…

Dina 35:59
No worries. Really, really interesting. And so when it comes to measurements, these are the KPIs and goals that you have as a business unit manager. but when it comes to a salesperson, how is the salesperson at Veolia in your business unit measured? Is it only revenue? Or does the salesperson have as well other KPIs? Oh, they have these KPIs as well.

Veolia 36:26
That Yes, this is a cascade.

Dina 36:29
Every single salesperson?

Veolia 36:34
Yeah, yes. Of course, the the percentage is not the same. Yeah. But for example, let's go to another dimension, the security dimension. They have all commercials, all the team and myself, we have a KPI for security
teams. So if some of my workers have an accident, I will be penalized because it's not normal, don't have my team provide them with all security options. So, if I have a problem with someone on of my team, we can we can measure the we call it the frequency rate of work accidents.

Dina 37:54
Okay. And are the employees, the sales managers, incentivized as well? So normally in sales, you get a commission, so when you reach your targets, you get a bonus and earn more salary. Right. And in this case, are they incentivized only on revenue or are they incentivized as well on all their KPIs? So on the qualitative measures as well?

Veolia 38:23
The KPIs? Sorry, Dina, the question is?

Dina 38:29
So I don't know how it works at Veolia. But normally in sales, you don't only get a salary every month. So you earn your money, you normally get a base salary. And then as a salesperson, you can get commissions. So if you bring more clients more…

Veolia 38:48
No. we don't have commissions. We only have a fixed salary. And in the end of the year, we have KPIs for each person.

Dina 39:00
so they get a bonus?

Veolia 39:02
This is an annual bonus, not a monthly bonus. But an annual bonus.

Dina 39:11
Okay, and this is related not only to the revenue target, but to all the KPIs that they have.

Veolia 39:18
Yes.
Dina 39:20
Okay, so they know if they act correctly, in line with the purpose of the company and they achieve their goals. They earn more money.

Veolia 39:25
Yep.

Dina 39:27
Okay. Okay. Great, then it's actually just one question left from my side. So this is now your personal perspective that I'm asking for. And I feel like from what you told me, Veolia is already doing a lot to make sure the purpose is lived not only from the managers, but also from the employees from the customers as well. And so what would you say is still missing to make sure that Purpose is lved, especially within the sales department or the sales customer relationship? Is there actually anything missing from your side?

Veolia 40:10
The only thing is missing is to have our clients aligned with our vision. Because we are in this year, for example, the price of the Brand, you know, what I'm talking about, is very, very low. So we have brands in levels of 25-$30 per barrel. And for example, like last year, we had brands doubling it, which means we had brands at the levels of $65 per barrel. And some of our clients, they change their mind. So as the price of the energy decreases, the sexiness of our business decreases also. If the energy is cheap, or cheaper than the last year, it's normal to lose businesses that we were working with. And I think this is normal, shouldn't be but this is normal. And the client likes more the Veolia business, as the energy prices are higher. And if I could say, what is missing in our business, it certainly is to have clients aligned with this way of seeing the businesses. And clients who could think not in this year, but clients that can think in a more long-term perspective.

Dina 40:40
Do you think this is something Veolia can impact? so if Veolia had changes processes, or like collaborations with the customers with the b2b firms that you're working with, that you can impact the customers and you can change their thinking?

Veolia 40:56
I wonder Yes. But in real life, I don't think so. It's a lot of work.
And in the end of the day, for example, we had a lot of business in line with hotels. And I can say all of those work in progress business are absolutely stopped. Because as they like… yesterday, I was with a big group of hotels. They have hotels in Madeira, as well as in the Acores, in Algarve, all over the country. And they say, now 90% of my hotels are stopped, my people are at home, or disappeared. the only thing I want is to survive for the next month. We had a beautiful project for… You know the wood of the coconuts? Palm trees. Yeah. And we can use it as a biomass to produce electricity. And it's a beautiful project, but it's completely stopped. Because the clients, okay, it's a good idea. But in fact, in the hotel, that we are trying to put that solution is closed. So there is nobody there to open the door for you make your studies. so it's exposed. We don't know, maybe next year, maybe next summer, we can think about this project again. And this is real life. I can say Oh, you are not seeing the business. You are stupid, because you don't see the long term of what I'm proposing to you. But the end of the day it's right because I'm trying to survive.
Especially in these times. So there's there are some factors if I understand you correctly, that you can't influence you can do a good job as Veolia you can do the right things. And, and besides situation that could oh no where like hotels and other industries literally don't have the money. There also are some factors where you, for example, I think it also needs to be a trend. So like education and like a transformation of the economy in general, is probably also a part that you can't really influence you can do the right thing but still the decision to work with you, it has to come from the client.

Veolia 46:14
One thing is to empathize, with the client. Be kind and telling Okay, I understand, I will be back next year, or call me next summer, and we will try to develop the job.

Dina 46:37
Perfect. So this again goes in line with a long term perspective that you mentioned.
Perfect. This was so so helpful. Thanks a lot for the insights. I've definitely learned a lot and I'm very excited to look at the overall results. All the best.

Veolia 47:00
All the best for you. Thank you. And if you need something, if you need something more, you have my e-mail and I will be glad to help your and your work. And we are here to help you. Okay, thanks a lot.

Dina 47:16
Thank you. Bye bye.

Transcribed by https://otter.ai

Interview#3_DSM

DSM 0:00
If I send you I know that you send some questionnaire to prepare, but to be honest, it didn't have time to read it yet. So in a brief, we can have a decision to discuss. That will be good if you're okay with that as well,

Dina 0:13
completely Okay. So anyways, I think most of the questions are about the way you do sales about things that like you are aware of. So it doesn't matter at all. And that you're you haven't read them before.

DSM 0:27
Sure. Yeah.

Dina 0:28
Nice one. So as I said, how I got aware of DSM is actually through a web seminar at university, because our professors always showing the video of your CEO, when he speaks about the transformation from DSM. I think this is definitely one of the leaders when it comes to purpose driven businesses. And since you've been like going through a very massive change from one extreme direction to another, but in your words, what is the purpose of DSM as a company?

DSM 1:07
For DSM itself, I think this is, if I can describe it in the word, then I will put it as a company that really cares about sustainability. But make sure as well that the business is also working very well, because we also have some investors. But that is we have to work hand in hand to make sure that it also can be done in the long run, which is in the case is why the sustainability also come important together on how the business will be effective at the same time and also be manageable on the long run. So that's the way how to describe DSM for the time being. So it cares about three things actually people profit and planet. So it's a tree combination of all

Dina 1:55
How does it affect people profit and plants profit, obviously, like be healthy as a company. But how does it affect as an industrial company the planet and people?

DSM 2:08
planet, we do have a lot of plan to really go into sustainability like it has been mentioned, I think in Europe, this sustainability part is very important. People look into how we can be more sustainable, we do see that plant based type of meat is also been there much more now. Because if people do to make sure that the animal are still there, meat are consumed just enough, not too much. electricity, now we also see that the electric car is also there were a lot. So that's also where you mentioning about planet, that's where the DSM is a take into consideration a lot on how we help. For an example as how we really give to the planet: we incorporating with some of other, BU another business unit to really clean up the plastic in the ocean. So there is one of the ideas to really help. And I think some part of it as well, we also care about this planet, right on how to be able to help the earth to make sure that we do not over exploited them in a certain way. So we work a lot in that social responsibility. Corporate with WHO as well in certain activities in several countries as well, we look at the people where people are not really doesn't have enough food. So that's also where we really look into how are we able to continue to help some countries, for example, in Africa, we do have some rice fortification project as well, to be able to provide a rice or food that is fortified for some regions in Africa where they are not. So it's just more than just a profit. But it's also about planet as well, in this case, how to make sure that we are still as a business having a healthy performance. But also at the same time we care about the environment. So I think this is the thing, for the time being.

Dina 4:05
I think that was also what really interested me within the video when he said that, obviously, shareholders were worried when you as a company went towards the shift. But now actually, your numbers as a company are very, very healthy. And you found the perfect spot within the economy where you can grow healthy as a company and you still do well. And you can do good in that sense.

DSM 4:30
It's not easy, of course, because then you at certain point, I think I'm not sure you when we have to digest some business, which just might be not fully beneficial for us, but that's also part of being responsible to take care of the profit. So that's also another action that's being taken care to make sure that. Balancing both in certain ways, that's very, very difficult. I will not say that's easy, especially for our CEO, I'm not sure if you're listening to the previous CEO or the current one. The previous one was the Feike? Because the current one, we recently have a new CEO.

Dina 5:05
Yeah, Feike, exactly. Look, I didn't even know.

DSM 5:06
Because the current one, we recently have a new CEO. We change since 14th February 2020, we actually have changed the CEO into a dual team, Geraldine and Dimitri. These are now 2 CEOs that will cooperate to continue the DSM business.

Dina 5:28
Interesting. Okay. Nice one. So as you said, like the the challenge lies in managing doing well and doing good in the same time. So obviously, the numbers have to be there, you have to earn money as a company to be able to survive. And I think we as salespeople are mostly affected by that, because we are the one deciding which customers to bring in and which not and how to bring them in. And so just to clarify, because you're got a pretty long job title: regional sales manager and and the commercial CTS lead, can you maybe explain, like what exactly lies within your tasks?

DSM 6:06
Yeah, my current responsibility is, well, I've been actually changing role recently as well from that. So I used to be both my life has been most likely in the last nine years. Yeah, for the last nine or 10 years, I've been doing sales, and what core responsibility I have I ever been in also supporting the current market of Europe, Middle East in Africa. So together with the rest of the team, really looking into how to optimize the existing sales, how to even onboard new customers, I think you mentioned that as well how to be able to onboard new customers. So this is one of the idea that we really look into getting a new development in new customers, that's also one of being a hunter or hunting part in EMEA region. So that's my current responsibility. That was my previous responsibility. And I also in touch with Southeast Asia region as well, at the same time to bring value. Looking at my background, I'm Indonesian by blood, but I was moving in several places. Well, obviously, before I moved to the Netherland, I work in Singapore. And there's also variety here in Southeast Asia market. And when I moved here, I was still taking care of the Southeast Asia market as well, recently, I was really changed my role, which is looking into the several global key account that is covered by DSM and taking care of that from globally, which is really, also how to connect the dots from one to another contact to one global, but then you have to be able to cover all regional, and make sure to maintain, defend the business during the contract negotiation to care about the possibility to really be able to grow and even not defend the market. So that is the current responsibility that I have now as a global key account, as well, it was just recently, I pick it up that row for the time being as well.

Dina 8:04
Nice one, like many responsibilities, and especially many markets, which differ a lot I would say in terms of the way - especially in sales. Like I think culture matters a lot here, how to deal with the different people. So since I work in sales, as well, and I think like the way like I say all the organizational principles within a company really affect the way you do sales for a company. So I would say you never do just sales in one specific way. But you are obviously affected by the company, the vision, the mission, the purpose that this company comes with. So how would you say does the purpose of DSM affect the way you do sales with your clients?

DSM 8:51
Obviously, I mentioned for a start, sustainability is one big thing that we really see this is really people planet profit. That's really where it come back again. It depends I think you mentioned that in your comment that if we talk about EMEA - Europa Middle East Africa - sustainability or maybe even Europe only is a big things or maybe if I could put the scope smaller it's probably only in Benelux where sustainability really matters. It is the unrest part of the world for example if you talk even Middle East or Africa or even Asia, sustainability is not something that is very important in this case. Right. So I think the approach will be that it's important to still see the balance, like I mentioned, in Europe, obviously, the sustainability is one of the key elements that add our value for them. Because then we are also companies that have a sustainability they also some of the certain customers, they also really look into sustainability, this is where we approach together we have a same vision, so why don't we partner up in that, in that sense to go to be able to partner as a seller and a buyer for the other regions? How can DSM being able to add value: I myself come from food specialty, so products that can give a solution in some of the functionality and that's where DSM itself really bring a value, we really would like to make sure that we bring value to the market. And that's where we approach to say that hey, we're going to help you we are as a big company that we would like to support your development, what is your pain point how can we support in DSM so big time on that we also take care of the people this is where I mentioned as well for Africa we give the fortification of rice and certain market as well in Thailand for example on Myanmar, we also do that so that's also where we support them to be able to partner up to go to the market. So this is something that we look together as well. So what I would like to say here is that approaches have to be customized, relevant, but then of course, different element of DSM can be used to be able to approach markets in this case.

Dina 11:49
Okay, so in one one point you mentioned that different countries and especially when it comes to your responsibility for very different markets, and our I would say in a different stage when it comes to sustainability. so obviously in Asian countries they wouldn't be that advanced when it comes to

sustainability measures and incentives then Benelux for example or Germany and so I think this will also heavily affect sales cycles and the amount of new customers you get in. so what what what are your measures in sales at this end? Like are you measured on monthly revenue like the standard sales KPI or is there anything else to make sure you can actually really act on your purpose?

DSM 12:39
for the time being it is obviously a sales is about a sales revenue in the end of the day. so it's a year to date sales on the total year target and where are we year to date performance? So that's where we are really being measured, of course. Yeah

Dina 12:58
Is there any other KPI or measurement or incentive like like project KPIs for example or or anything that goes beyond revenue as a as a goal?

DSM 13:12
Development is also important so it's like I mentioned project users are some part that we are also be measured. how many pipelines do we built up? I think at the end of the day, you know, sales is really be measured by the performance by the result we can always say there is an answer of certain attributes that - what is it. around this first main objective which is numbers and result and performance. Yes, and I will say some projects how do we build up the pipeline and that's how to build up the road to success or how the road to commercialize the projects so being measured, but in the end of the day, it's really about the number itself and some part is about how we engage how we find new customers in the market. How do we find them? It depends. because for us it's really about profit in a lot way because you're referring talking to salespeople and your sales by yourself so that's where it is really, really matters. I think when then we do have a sustainability manager by the way here. So when you're talking to a sustainability manager obviously number and result is not going to be important at all maybe for them is really their KPI and interest it's really hard to be able to make sure DSM is under several organizationy we are recognized to become a sustainable maybe we receive some award we have a pitch on how to present how our company's really sustainable so that's something different but if you ask me in person, I think the sales although of course my word doesn't really represent the whole DSM. DSM is a big company we have a whole different business unit. So it's a lot of a business unit inside and one to another sales in different business unit might have different KPI or different objective, but obviously for my business unit is really about number and performance and of course, the project pipeline.

Dina 15:10
Yeah. Do you think that this brings you sometimes to situations where you have to make a trade off? So, um, I would say, for example, when you feel like the customer is not ready yet, to go for the entire implementation, you have to start slowly after maybe keep engaging with this customer, to make sure you educate them step by step to make sure they actually become more sustainable in the long term. But do you feel like these revenue targets sometimes maybe get in conflict with with the purpose that DSM has as a company?

DSM 15:42
No, because I think it has to be work hand in hand. Right? It's important to be I think you mentioned that yourself that a company has to be effective in short term, that has to also be sustainable in terms of business in long term. And to be able to be effective, of course, they have to be able to present to their investors that the result is good. And how to do that. It's in the end of the day, it goes to the eyes that comes in the field. And referring to sales people who are really in the field, really see customers see different people who has to make sure that the orders are in. And I think if you ask me, is it have a conflict? I don't think so. Because the way how we sell how do we how do we run the businesses apart, we defend our efficiency with regard to mention profit. So it has to be as well in line with that vision. So why I think the balance is so important, because then everything is the only measure number, we also have to take care about the people, how is the we are itself, the employee itself has to be fully taken care as well. We are also not a robot that only can live 24 hours for selling DSM ingredients. But I think that's being taken care well, to be honest, by DSM in that sense.

Dina 17:03
How do they take care of their people? are there like specific incentives or programs or what what is like the DSM culture then like?

DSM 17:13
for its for for the people orientation part, I think for now we have a new cultures that we don't really like to change, well necessarily change. But it's about collaborative. It's about action, and it's about deliver. So I think that's accountability, collaboration, and deliver. So that's the initial cultures. And of course, what we would like to keep continue is to stay courageous as one to another and being able to think out of the box. But also what is important they put in a tagline recently is about caring. One of the example is that during this Covid time, actually everyone is worked from home, but we try as the company tried to stay connected, update each time to time, contact to everybody, give flexibility to us, they were even given some vitamins as well from them for free to be able to buy from the market. And then you can get some vitamin measures to help you. we have an in house checking for the corona. So

that if you feel something you want to be tested, you don't need to go certain places that you need to register, you can obviously go in house Covid place where you can actually have the tests. So that's really part of how I think DSM really care about their business. I also have to say, Yeah, we do also have to let go certain number of people during this time, I don't know if you read in the news or not, but in a certain part of a south of the Netherlands for certain business unit, we have to let go. But they are still of course being taken care, as I understand, based on the correct rule on how is term of the labor. Yeah, reorganization and how they are still have to be taken care.

Dina 19:09
You've mentioned before, and as well a little bit about training. So obviously, you have like a specific pitch on how to present this and to the outside. And I think especially when a company is transforming from one direction to the other, you have to make sure that every sales rep which is representing the company to the outside to the customers is representing DSM correctly. So what does like training, onboarding, all that stuff look like and how do they make sure that everyone is aware how to represent DSM to the outside.

DSM 19:46
We do have acollab self learning we are in our share system point where everyone can actually be able to learn about how to lead ourselves how to lead others, how to also have a sales pitch, even we had a Corona time DSM were inviting us to have a virtual meeting, training on how to reconnect when some customers you know you don't see each other You don't really be able to well feed your calls sometimes. Some of them they don't even turn on the video. So how to encourage and how to still connection, this kind of trainings is available online in the internal web of DSM and then we can actually eventually explore and serve ourself. And nowadays everything is about being an independent and not necessarily the minute you have to tell, hey, you have to take this training now but then it's also about really, for each of us have to be independently see what is our development part and then learn to how to improve that and all of the options, elements that we need to pick up and improve is available in the web. And the training is there by ourselves. Yeah.

Dina 20:54
Perfect. So let me see if there's anything missing. I think you've answered everything so far. Just one last question actually. And so just from your personal perspective, what would you say is still missing or would be in addition to what DSM has already, be helpful for you to to really implement the purpose of DSM into your daily sales practice

DSM 21:28
In my personal daily sales? I think I'm personally the speed of transform innovation products - that could be improved. in a sense you know, I think DSM is a company that is in biotechnology, right they are really do a lot of research I think they have a lot of different cooperation, obviously with a different university here as well for food or for business management. But in terms of making a new innovation come to the market to be able to cope with the ultra trend that happening in the market that could be improved. Not to compare but if compared to US-brand company. I think Europe is a little bit slower or a little bit more conservative. I have to be very careful mentioning this. Because I'm not alone I work from a US company before so I know how fast they are but of course there's a lot of different consequences when you work for US company or European company. I think US companies is about enterpreneurship is about speed is about delivery is about fun, but it's also about taking risk also risk for yourself. in European base I think is a little bit careful somehow could be conservative. Take a little bit more time longer time to make it happen. Yeah, but stability is also there so that's the element that probably could be blended to find the between that will be best.

Dina 23:08
Yeah, but how would you say does this like if DSM would increase its speed when it gets to new innovation, how would it affect you in sales then?

DSM 23:17
Of course then we can catch up more because then we can come to the customers we have new products to present. We are not behind the competitor I think that's one part of the creative, being fast. That's really something that we my personal opinion the European need to be a little bit catching up on that. Yeah, yeah. Well, obviously maybe not Germany, but because I'm in the car and just kind of things right. but yeah, we look everything, Amazon Facebook, Google, where is it coming from. Yeah. You know, I will not even something that is a thing. Yeah, to be able to come up with a new idea. I think that will be helpful for the market or even world globally. Yeah.

Dina 24:08
Perfect. Thanks so much, even though that's that's actually it. So finishing pretty much on time. Thanks.

Transcribed by https://otter.ai

Interview#4_Ethics_Compliance

Dina 0:04
So basically, as I said, it's about purposeful selling, or how purposeful selling might be looking at in the future. So everything I'm asking you is literally about your personal opinion, your personal perspective on it. And but since you're working for a company that has defined a purpose beyond making profit what would you say? How does this impact you in your daily decision making, for example, or in your daily daily tasks that you have as a sans manager?

LRN 0:41
Well, you know, just the culture that my organization has, you know, we're focused on driving principle performance, right. So we're also looking to see how we can make an impact for the organization that we're, we're discussing we're speaking with. And, you know, we look at how the paradigm has changed. And now, you know, we've gone away from shareholder value to more of stakeholder value, right? And organizations need to lead with a purpose. And the biggest thing that we see is reputational risk. So, you know, looking, and how we navigate our discussions, it's understanding of the values that these organizations have, and how we can help them better articulate them, and provide their employees with that insight, so they really have some meaningful purpose in terms of how they go about their day.

Dina 1:54
So since you're saying, away from from shareholder value to stakeholder value, so shareholder value is pretty clear. You've got investors, you have to make sure to get money in stakeholders isn't necessarily obvious in that sense. Because there can be multiple different stakeholders. So for your company, what stakeholders would you think do you have in mind or is your purpose related to.

LRN 2:47
it's, so it's cross department, functional, right? So it's all the stakeholders within the organization, right? So the stakeholder value needs to permeate from the top and that that needs to transcend down to the middle tiers of the organization, right, the middle tier of your organization, are really ambassadors of the company's culture. So it's an opportunity for them to engage the frontline workers since that middle management is the face of the organization, that everybody has access to the C suite. So when we talk about stakeholder value, we're not focused just on one area of the organization. In terms of our discussion, you know, we're talking to the compliance people, we're talking to the HR people, those are the folks that drive you know, the culture, if you will, the organization, as well as what the what the bylaws and what the rules are. So to answer your question in two parts, you know, our focus, initial focus of point of contact is with the HR groups and the compliance organization. But as those conversations evolve, they need to expand the conversations that we're having to their other constituents, right, because you can't promote culture or promote stakeholder value in a vacuum, it has to be consensus based, right? There has to be a vision, there has to be something permeate from the top that, you know, opens people's eyes.

Dina 4:25
Yeah. And when you say HR departments, you mean the HR departments of your customers and prospects, right?

LRN 4:32
That's correct.

Dina 4:33
Yeah. And so, like, so there are two things when it comes to purpose. One thing is like having different stakeholders involved, so not only looking at the money we generate, but also looking at, like creating value and benefits to multiple stakeholders. That's something you mentioned already, and a second part of purpose is more looking at the long term value. is created rather than the short term. And since I'm working in sales as well, I've been working in it for a few years. So what I was always really used to is having like a monthly revenue target. So now the question is, do you think, like, first of all, what are what are the measurements you have at your company? And and then do you think this, like monthly revenue target does interfere with, with creating long term shared value?

LRN 5:32
Well, I think you always need to have metrics in place to see you know, what you're doing. Anything that's meaningful, you have to have metrics around right. So I think, you know, having a monthly revenue or quarterly revenue metrics to tie back to is important. So, you know, that I think that's par for the course, when you're in any type of business development role, you know, the company needs revenue to sustain itself to promote its mission. So I think the to go hand in hand, if that answers your question.

Dina 6:13
Yeah. So you've got revenue targets as well, right?

LRN 6:19

Of course, yep.

Dina 6:20
In which timeframe.?

LRN 6:24
So we're measured, we're measured quarterly. And so we actually meet monthly, but then we do a roll up quarterly, and then we work against an annual target. So in terms of leading by example, you know, one of the ways that we see and how we can we can promote success is to have meaningful conversations with stakeholders, right? So you're not, you're selling something that they need for a compliance purpose, right, you know, every publicly traded company needs a ethics and compliance program, and they can get that from a variety of providers. But really, you need to focus on elevating the conversation, right, you have to take it beyond the tactical, and really look at the strategy and understand the culture of the organization that you're dealing with. And how you can drive to accomplish internally. So you know, the process in how you go about elevating the conversation. There are many avenues in which to go about it, you can leverage social media, you can leverage your network, similar to what you're doing here today to gather information, and doing your own diligence. So there are many ways to kind of skin that proverbial cat, as they say.

Dina 7:58
Yeah, I agree with you. And so and so you've said, the quarterly revenue targets, are there any other, I don't know, goals or measurement, that the sales reps are measured on? Like beyonf money?

LRN 8:16
No, for sure. So it's, you know, you may have a conversation and it's a no for now, right? But it's, it's a long conversation, you're taking somebody on a journey, right? You're building credibility with each conversation. So it's the validity of the pipeline, in the conversations that you're having, how, how deep are you? Within those conversations? Are you talking with people that are beyond just shopping you for a quote? Or are you having more meaningful discussions? So you're looking at the pipeline, right? So what's it look like, you know, next year, so you're kind of, you know, you're anticipating what your pipeline and your revenue targets are going to be for next year. So it's all about, you know, building that pipeline, building those conversations, and taking that forward. So really two ways you're looking at the immediate return on investment. But you're also looking at the longer term, right? The relationships that are being established with with each organization.

Dina 9:18
Yeah, so like, literally educating a client, even though the client might be not or the prospect might be not ready to sign yet. And to start the collaboration is also a step forward, then?

LRN 9:29
Absolutely.

Dina 9:30
Yeah, I'd completely agree with you. Then and something you've started talking about already. And but I would say like if you have a purpose as a company, and you clearly say that our goal is not only to make money, but to create value and benefit for our customers for people. And this implies specific things on the way you do sales. So I mean, professional sales has been through major disruption in the last decades. So we're definitely not the salespeople anymore that literally just sell for the sake of money. But what would you say? What? What makes sales in a purpose driven organization? So what are maybe some key criteria that are important to be aware of?

LRN 10:19
You know, that's, that's a good question. Um, you know, I think, you know, how you impact an organization, right? So it's, you know, everything's about reputational risk right now. Right? It's, um, it's going beyond the transaction. So I think things that you need to be cognizant of, are really the operating environment that your customer works in. And really going back to what I said earlier, you know, how you can help them amplify the positives. What solutions can you bring to help them amplify the positives, and then really mitigate, you know, the, the risks that they have that prevent them from from accomplishing those goals. I'm not sure if I'm answering your question.

Dina 11:25
So I think you're you are, but I'd like to understand it more like, literally on daily business. So imagine now I've started in your team as a sales rep. And selling the product to prospects and potential customers? What, what will I be tired of? So what would you brief me about to make sure I do my job correctly?

LRN 12:02
Yeah, so you know, in the ethics and compliance space, you're not you're not selling a product, per se, you are, you know, there's certainly a product associated with what we're selling, but you're selling more, you're selling knowledge, right? You're selling consultative services. And what I would advise any

seasoned business development professional is that it goes back to what I said earlier. Every public, be traded organization needs an ethics and compliance program. And there are many facets to that. There's certainly the training, right. But beyond that, there are risk assessments, there are codes of conduct, there are policies, so you need to be well versed in terms of the legal landscape and, and what those operating environments look like, you know, a compliance department, their priority is risk mitigation. So I would advise somebody to brush up on their studies and understand what risk mitigation means in terms of having a discussion with the Chief Compliance Officer or a general counsel, understanding what their environment looks like, and then correlating that to the advisory services that our organization provides, to support those needs. So if you look at it holistically, no matter where an organization is, on the continuum of their compliance journey, our organization has an asset, or a solution, or something that can greatly enhance the infrastructure that a client has today. And the purpose of the salesperson here at this organization is to demonstrate to the compliance officer over a series of discussions what the differentiated value of what we provide, can be.

Dina 14:05
Yeah, so it's a when you started explaining, you've started with the customer, actually, you've not even started with, with like, teaching or explaining the sales rep how to behave within the company or like what you need to know about the product features or the solution, but you'd start with the customer.

LRN 14:27
Right. your purpose in your - not only your purpose, but your objective is really to solve a problem, right, identify, identify the issue, the underlying issue, and then the problems that that issue is causing right, and then weave your conversation to start articulating the potential solutions that you can bring that really tie into The the assets that your organization has. And that's what I mean by driving a differentiated type of solution.

Dina 15:11
Yeah. And therefore, you have to understand the problem in depth. So that's why you have to properly understand like, how is your customer working? What kind of problem is he or she facing? So So where can we actually add value?

LRN 15:27
Exactly, exactly. Because if you go in to just show a product, show a demo, you know, the, you've commoditized yourself, oh, you're not positioning yourself as a partner in it. It, there's no instant gratification in this business. It's building credibility, you're talking to sophisticated buyers, and, and you have people that have gone to school for seven plus years. So they have a wealth of knowledge, you can't pretend to know their business better than they do. But you certainly need to have an understanding of how their environment works, and speak with some sense of credibility. And as the conversations get more substantive, you can bring in some internal subject matter experts that can really lend more credibility to the conversation.

Dina 16:21
Yeah, completely agree. Actually, there's just one or two questions left one thing that I'd be really curious about: so I think, when you say it, like making business is not only about profit anymore, we're working in sales. So like, we're pretty much on the front, like we are measured on revenue, we are responsible to get revenue into make sure that the organization can actually continue its business. The purpose doesn't help if we're not doing well. So do you think it sometimes gets you in situations where you have to make trade offs? So where you have to decide between should we get that prospect in, and for this deal size? Or I don't know, like any any kind of trade off between profits and the purpose?

LRN 17:22
I think that's where, you know, I work for a great organization. And I think, you know, that is a common dilemma that lots of organizations face, but we're an ethics and compliance company. And one of our pillars is transparency. It's not, you know, when we're fully transparent, so transparency carries over to pricing parity, right? So, if it's not, we believe in driving principle performance, right. So it's not fair for me to sell something to a person in the middle of the year for, you know, $100. But, you know, at the end of the year, and, you know, COVID, 2020 is a great example, you know, we need to hit our numbers, we're gonna come in, I'm just saying, you know, it's not going to be a great year in terms of previous years. But we have an opportunity with another person, and he's buying the same product as the first person who paid $100, but we want to get the sale, book the revenue, let's discount it by 8. Well, that goes against our principles. And if both persons are talking at a trade show, and you know, talking about the, the virtues of the the solution that this company provided, and, you know, it gets really more granular, and you find out that you paid us, you know, $20 more, you're going to be upset, and then you're going to question really the philosophy and in how you were, you're approached and how you were sold to and, you know, our organization loses credibility. So I think it's, it's a mindset, I think, if you're able to properly articulate your value, and it goes back to you know, it's a numbers game like anything, right? You have to have a lot of conversations going on. So a 'no' for now, but as you build credibility, you know, the revenue is going to come in, people are going to not only do business with you one time, but multiple times. So it's goes back to what I said earlier, it's about reputational risk, but, you know, transparency comes into play. And I think, you know, if organizations

are in for the long haul, you know, those are two great virtues to kind of You know, reference as you go about your daily protocols.

Dina 20:07
Yeah. So do you maybe have like an example where you say, this is a situation where we had to decide between profit and purpose? Maybe had to get either decide for the one or the other direction?

LRN 20:31
Yeah. No, we've we've walked away from business because of that.

Dina 20:40
You actually say no to a prospect to make sure to stay aligned with your purpose?

LRN 20:50
Yes. And we've done it. We've, you know, these are principles, because we haven't wavered on our principles. And if now we make an exception, What message does that send to the hundreds of other folks that we've done business with where we've, you know, stated our mantra in our principles, right? So, you know, you can have your principles you can, you need to make adjustments as the market adapts, right, you can't be rigid. But, you know, you need to be grounded in your principles, if you want credibility in the marketplace. I mean, a great example is, you know, the second amendment here in the United States and the right to bear arms. Everybody has the right to bear arms. So it doesn't mean you can own a machine gun, right? It's, you know, there's certain you know, parameters that you have to bear in mind, and you can certainly be flexible without compromising your principles.

Dina 22:00
Yeah, I think that's a that's a tough one. Because it's surely not easy, especially as you said, like, in times, like COVID, like, you're definitely sacrificing revenue. And then like getting into a situation when you feel like there is a chance to make money. And we need money as a business, of course, and then like being strong enough to say no, and if it interferes with your principles, or your values are your purpose.

LRN 22:29
Yeah, no, it's, it's certainly challenging at times, especially when you're on the front lines, right, and you have an opportunity. You can always change the solution to align to a prospects budget, but you know, it has to be different for the price to be different, right? If you're looking to benchmark against what you've sold previously.

Dina 23:02
Yeah. Cool. Do you have anything in place - Or maybe more specific, what kind of training do you have in place? Or like recurring meetings or something like that, to make sure every team member within the sales department is actually aware of your purpose of your principles and really act on it, because I think on a leadership level, like on a director level, it's easier, because these are things that are discussed on a regular basis, normally in a leadership team. But like, for an individual contributor, a salesperson, sometimes these things might get things might get lost. So do you have like any, any training any Yeah, any any recurring meetings in place to make sure the people actually keep staying aware of it? And, and really decide based on the company's principles, for example?

LRN 24:11
Yeah, so for sure. We have you know, so we're an ethics and compliance organization. So you know, we have to, we have a taste test what we sell, right? So we have trainings that go out that really speak to navigating the grey areas that we all encounter binary is that there's always grey in the mix. And so it's relying on the universal values that we all are familiar with, but then translating that into action. So one of the ways that we do that is, you know, through through some of the online training that we we send out internally, but more We have monthly town hall meetings, and it's an opportunity to speak to different areas of the business and really get candid feedback from people. But we always talk about, you know, our purpose. And the challenges that we're seeing, and how do we combat those challenges and still hold true to our, to our company values. So it's that type of candid conversation, that really helps us. And it's a culture that's just kind of been, you know, woven in the fabric of the organization. And, you know, when we have our onboarding with people, you know, there's a huge vetting process before you even get hired here. So we really like to understand the individual understand about us the culture that they have, how the well they assimilate, because then they'll be able to, you know, readily assimilate with a lot of their a lot of their peers within the organization. So it's it's multiple touch points during the month, I would say the two biggest ones are the town hall meeting. And then, you know, some of the trainings that we do on a, on a quarterly basis, but I think each group within the organization has their, you know, their monthly meetings where, you know, there's an opportunity again, for those, those middle managers who are the face of the organization to really get feedback and hear what's going on and bring those sentiments to a town hall discussion.

Dina 26:48

Yeah, I feel like because you've mentioned it a few times now that the values are really like an essential principle to make sure to bring the purpose into action and like, make it easier for for the people to, to really base their behavior on it. Right.

LRN 27:07
That's exactly it. Right.

Dina 27:10
Nice. So there's just one last question. And this is like, this is really about your personal opinion. So when it comes to the implementation of purpose, and obviously, purpose is a big buzzword nowadays, it's implementation, though, is really, really challenging and can be really difficult. When it comes to the implementation of purpose into sales and sales habits, what do you feel is still missing? Or might be, like, helpful to really make sure you sell purposefully?

LRN 27:51
You know, I have to really give that some thought it's, I would be lying to your face, if I said salespeople didn't, weren't driven by the carrot, right. It's a carrot and stick mentality. Right. But then that's the motivation, right? And then, you know, operating against a framework that holds true to the the organization's purpose and values and, and really, what's missing today to, to hold true to that. And, you know, I think, you know, I'd have to give that some thought, you know, I really, I couldn't answer that for you right now.

Dina 28:39
But would you say we say they're, like, from your first gut feeling that there is something missing? So there can be things changed? Or would you say actually, we're on a pretty good path in terms of sales in 2020?

LRN 28:57
Yeah, I think we're on a good path. I mean, that's, like, you know, needs to be improved upon. But I'm a firm believer that anything can be enhanced. And, um, you know, I would have to just really, you know, give it some meaningful introspective to, to really, you know, give you a solid answer.

Dina 29:26
Yeah. No worries about that. So like, if it comes up to your mind or like, any, any thoughts come up to your mind regarding this, feel free to just text me about it. And but yeah, besides that, I would say, I've got all the insights that that I had on my list and with with all my bullet points, and, yeah, as I as I can only say again, thanks so much for taking the time, especially during these busy times. I really appreciat it and I'm very much looking forward. I had a few interviews now. And heard very different perspectives from the different companies. And of course, I will I will happily share the thesis then with you so you can have a look at it as well if you're interested in the results. And yeah, I can only I can only repeat again. Thank you so much!

Transcribed by https://otter.ai

Interview#5_Exact_Sciences

Dina 0:01
Amazing. So. So basically, first of all, of course, I've seen the purpose on your website for exact scientists, but in your words, what's the purpose beyond profits of exact sciences?

Exact Sciences 0:19
So we're definitely very a very mission focused company. And at the end of the day, our purpose is really to improve lives through earlier detection of cancer, and to provide better answers along the cancer journey. So in that second part really became because we just acquired a company, Genomic Health about a year and a half ago. And they're a global company where we were just local in the US. And they're a company that tests for specific genes and DNA biomarkers to help like, for example, of somebody diagnosed with breast cancer, if they test for a certain genetic composition, it provides the patient, the doctor better answers on whether or not they would respond better to chemotherapy and radiation. Or if they can forego that, and not worry about the side effects of chemotherapy and choose a different route. So that part is kind of new to us. So our primary purpose before was to win the war on cancer through early detection. And that was primarily because we have a product called 'Colaguard', which helps detect colorectal cancer in the early stages. And so we were primarily focused there. So that was the early detection component. Now that we bought a company called Genomic Health about a year and a half ago, it's in addition to that it's to provide smarter answers for the patient and the doctors about treatment moving forward. I know that's a lot of words, but it's it.

Dina 1:50
Yeah, like just to make sure I understand it correctly. It's it's medical, medical technology that you provide, for example, hospitals and doctors and stuff like that with to make sure that you detect detect cancer, right?

Exact Sciences 2:02
Yes, you got it. And for example, like our colorectal cancer screening test is one that's done at home. So it's a non invasive test. So that's our number one product right now. And that's the area that I'm focused on. So most people traditionally have gone for colonoscopies. And the problem is that there's at least in the US, there's 44 million people that are avoiding colonoscopies that need to get screened that aren't going because they don't like the traditional medical prep of a colonoscopy, they don't want to take time off work, they're afraid of the procedure. And really, our company's focused, at least in my division is to really persuade physicians to give patients options or choices. So in the old days, it was, 'hey, you're 50, it's time to go get your colonoscopy.' And now the recommendations are, 'hey, you're 50, it's time to get screened for colorectal cancer, you've got a couple of options, you've got a colonoscopy, here's the advantages and disadvantages. And then you've got a product like ours Colaguard, here are the advantages and disadvantages. Which one will you actually commit to doing?' That's, that's pretty much our whole sales pitch is to get doctors to offer choice to average risk patients.

Dina 3:26
And these are basically as well your, your buying persona. So like your you mainly sell to hospitals. It's a b2b business.

Exact Sciences 3:34
No, yeah. So actually, we call it we call on doctors, so we call mainly on family practice doctors in their private practices, their offices, and in a lot of them these days are connected to big health systems and everything. Yes. a one on one with the actual doctors themselves.

Dina 3:51
Yeah. Okay, that makes that makes total sense. And it's been a very interesting field to work in, I can imagine. Because you really feel like you don't only go in the office to make money to make the company survive, but you really contribute to a bigger picture to a purpose, then?

Exact Sciences 4:09
Absolutely, absolutely. We're very purpose driven. It's estimated that there's about 52,000 deaths a year because of colorectal cancer. And that particular disease, it's considered to be the most preventable, but least prevented cancer out there. So all of us that come into exact sciences, were asked to share a personal story. It may be a family member, that passed away due to cancer or struggled with it. It doesn't have to be colorectal cancer, necessarily, or, you know, family, friends or whatever. So we bring people in that are already connected to a personal story. And then I think that makes us much more mission focused when we're in the doctor's office, because it's not so transactional, like hey, I just want you to use my product. So I can make money.

Dina 4:58
Yeah, but in And this is something you you obviously need to do as well, if you're an area director, right, so you're responsible for a team of sales people within a specific region or like, what's within your responsibility exactly?

Exact Sciences 5:14
Yes. Yes, I have, I have 10 sales people that call on physicians throughout the Chicagoland area.

Dina 5:20
Perfect. So this is then exactly what interests me.How does that purpose affect you then as a sales leader? So how do you make sure if you hire someone, or if you manage someone that you can make sure that this person doesn't only care about selling this product but makes sure to actually contribute to the purpose?

Exact Sciences 5:40
Yeah, yeah. So so there's a number of ways that we do that. And it's different than other sales that I've been involved in my career. Because when I was involved in other sales, for example, I sold wine a number of years ago in California, and it was you're just trying to get them to buy as much as he could, right. And it was, there was no thought behind purpose or mission necessarily there. So this is very different. So one of the ways that we pull through our mission is we're very upfront with doctors, and letting them know that this Colaguard test, this test, it's not for all your patients, by any means, if you've got patients that are high risk. In other words, they've got a personal family history of colorectal cancer, or maybe they're symptomatic right now having symptoms, they need to go get a colonoscopy, our product is not for them. So I think that is one way as we build credibility upfront that we're not saying that our product is for everybody. And in fact, it could be harmful. Because if somebody has a family history of colorectal cancer, it's possible that they've there, maybe already contracted it, or their stage two or stage three, and that needs to be taken care of right away. So we stay within our indications. And we reiterate that anybody under 45, this product is not intended for, you know, it's 45 and above average risk. So I think that's one of the ways we do it. Another way is I try to train my my reps to be what we call a fierce patient advocate. So a fierce patient advocate. So they're always advocating on the patient's behalf. It's not about they're trying to make their sales numbers or winning the contest or things like that. And when we tell the doctor, our purpose for being that right, our purpose is to is to get more people screened, so that less people die because of colorectal cancer. And when we talk to them about offering choice, as opposed just to colonoscopy, offering choice. We talked about how that will significantly increase the number of patients that get screened, because we have data that shows that there were independent studies that said when you offered choice, and ask the patient to choose which one they were committed to doing, the screening rates almost doubled. So we tell the doctors to we say, look, Doctor, if if you offer choice in 10, out of 10, patients pick colonoscopy, we've done our job, because they got screened, and they followed through with something right, they follow through. We didn't make any money on that all 10 patients chose colonoscopy, and that's great. Now from a business standpoint, and just a human behavior standpoint, because I was one of those patients. I was one that when my health care provider told me three years ago that I was going to be turning 50 and that I needed to talk to the staff about signing up for a colonoscopy. At that time, I didn't work at this company. I didn't know much about the disease state, I figured I was healthy. And so I told her, I said, well, Lisa, I said, Hey, I travel a lot. I'm really busy. I'll check my schedule, and I'll call in right, I had no intention of getting screened. But if he would have told me that there was because I was average risk, there was a screening test that I could do at home, I would have gotten screened three years earlier. So um, so like I said, I think that's how we pull through our purpose and mission without being just focused on making money is again reiterating. If everybody picks colonoscopy Doc, that's great. We've done our job. We just know that it's not the case because of like patients like me or others that maybe they've got good intentions, but they don't follow through. So there's a lot of cancellations with colonoscopies, because life gets in the way people get busy, so on and so forth. So that's where our product really has a nice niche.

Dina 9:31
Yeah, I really see that point. So like, basically not, not trying to to see the market your potential customers as literally every doctor, but every doctor who fits the, let's say the criteria that makes him benefit from this, not only him but then also his patients from your product, then.

Exact Sciences 9:52
Yes, right. That's correct.

Dina 9:54
You mentioned one thing: you said for the sales reps, it's not only about making money. But then what are they measured on? Because it takes normally you have KPIs you have a revenue target, you have to hit. And then sometimes you've got a monthly revenue target. So pressure is really high, I need to get that customer in. Because otherwise i don't i don't hit my target. So what does measurement look like at exact sciences, then?

Exact Sciences 10:18
Yeah. And so you're right. The reality is, so we're measured a couple ways. And sometimes it involves and evolves and changes a little bit. At one point. So I've been here for almost two years a year, a little over a year and a half. And when I came on board, our reps were measured by the number of shipments. So shipments of Colaguard, right? How many were shipped out, that's what that's what they

were paid on. Most recently, in light of the COVID situation, we've been measured on the number of returns. So in other words, unless the patient like you could get a Colarguard shipped to your house, but if you never do it, the company can't build for it. Right? They won't make money they can't build the insurance for it or the government for Medicare or whatever.

Dina 11:03
like a like a usage KPI like how much is used then?

Exact Sciences 11:08
Correct. Yes, yeah, absolutely. So really, it's based on volumes of shipments and a combination of shipments and returns. Now the qualitative component is we've got to do business the right way. So when I'm in the field with my reps, and we're calling on four or five, six doctors a day, I need to make sure from a behavioral standpoint that we are selling in the right way, we're staying within label, we're communicating the things that I mentioned too early, that this product is not for everyone. And in really communicating that, again, if everybody picks colonoscopy Doc, that's great. You know, we know that's likely not going to be the case, because a lot of people don't want to do colonoscopy. So making sure that we're still commuting or communicating the right things and doing business in the right way. So that qualitative part of it, that gets recorded on my coaching reports, when I write down or type out what I observed over the two days and I spent with the rep is is number one, are we doing business ethically in the right way? And then number two, right, are we following the plan in terms of like the messaging I just shared with you. So um, oh, and that's another thing too. So you mentioned how we get paid. So whether it's orders, shipments or returns, one thing our company does, too, is if a physician were to use our product off label, in other words, so doctors, as you probably know, they're able to use medicines that in a different way, right. So over here, we have FDA, I think Europe has NICE. And they determine the guardrails for how a product can be promoted. So if any of our doctors use our product off label, our reps do not get paid for it. So there's no incentive to say, I we have doctors sometimes say, hey, I'd like to start testing my patients in their 30s. And we're not indicated for that. We're only indicated illegally for 45 and above. So we let the doctor know that now the doctor has the legal right to use medicines in different ways. Because there's, you know, certain scientific variants on their part clinical experience where they use stuff off label. So if those shipments were to come into exact sciences, in my rep, it shows up under their territory, that it was like a 35 year old patient, they do not get credit for that. So anything that's off label, they they take that out at the end of the quarter, and there's no financial payout for that. So I think that's one way that we also stay, you know, ethical in on label and keep people focused on doing business the right way.

Dina 13:54
But you also do have a revenue target, right?

Exact Sciences 13:57
Yeah, absolutely. Absolutely. So yep, yep. So my team will get we'll get a number. So like on average right now, my reps on average, the goal is about 100 a week. So as we're closing out the fourth quarter now, October, November, December, most of their goals, on average, were 100 Colarguard kits per week. So like right now, my team on average, we're like 102%, of quota. So we're a little bit over quota right now.

Dina 14:27
Nice. Congrats.

Exact Sciences 14:28
Yeah, thank you.

Dina 14:31
So it's a it's a weekly target. So like, do they do they have any incentives to like, reach 100 every week?Doesn't make a difference if they get like a 400 in the first week of the month, and then nothing else in the rest? I know. This is like very extreme, but like, just to better understand.

Exact Sciences 14:51
Yep, no, good. Good question. So no, it's actually a quarterly target.

Dina 14:55
Okay quarterly.

Exact Sciences 14:56
Yeah, oftentimes, I'll just kind of break it down in weeks for them to To help them kind of have an idea of how they're trending and what they need to be averaging approximately.

Dina 15:05
Exactly. It's easier to drill down the goals into like tangible steps then.

Exact Sciences 15:11

You got it. That's right.

Dina 15:14
Good. So one thing I was interested in, because you said they are, in my language, I would say 'they're measured on usage". So like, basically how much how many people are then doing actually the test at home using using your product? And does it then mean...? Because some companies and sales separate between NewBiz and let's call it account management, customer success? I'm not deep enough in the medical industry. So I'm not 100% sure how it's there. But is a sales rep responsible for the customer after selling as well? So is he then - because if you say he's married on usage, it means that these are things after the actual sale has happened? So are you divided structurally into new business and and existing customers? Or does this lie all within one person's responsibility?

Exact Sciences 16:12
Yes, so the way we're divided up in mostly in this industry, it's we're given our customer, so we have like, right now, my reps have 150 customers, roughly, that they focus on, those are their focus customers, they've also got another couple 100 customers that are in their area as well. And they get paid on all those customers, whether they see them or not. So they're divided up by zip codes. So if you know, if my doctors were all in a certain city, even the ones I don't see, if they order Colaguard, I would still get paid on it. So from an account management standpoint, we do a lot of account management, but if we're not necessarily paid on it, but it helps with our sales. So for example, we do a lot with these electronic medical records, in terms of, - I'm sorry, EMR electronic medical records. So there's different ways that you can order our product. The first way is you can order it off a requisition form, and just fax it to our company. Okay, so that's a little bit laborious, tedious, etc. So what we do is we try to get them to sign up are lab exact labs in their left electronic medical records. So they can just order electronically. And it's much easier. And we see that when we get them to to transfer from paper ordering to electronic ordering, there's often a lot more utilization, because the doctors often don't have time to look for paper and forms like that. So that part of account management, my reps do, they don't get paid for it separately. But it obviously the side benefit, it usually increases ordering. The second component is we do a lot of patient education, and educating the doctor and the nurses on how to educate the patient about the risk of colorectal cancer, the importance of getting screened, and then certainly instructions and demonstration videos on how to use our test at home. So there's a lot of educating the staff on how to educate the patient. So all that falls under account management, but again, they're not directly incentivized on on any of those initiatives.

Dina 17:04
Okay, interesting. How do the sales reps like get the the understanding of how to coach the doctors, specifically? Because, as you said, your background is in wineries. So we're like pretty far away from from medical, I would say, assume, like I've been working in software sales, but if I would join exact sciences now as a sales rep still, like understanding how to educate a doctor on a very specific field, which is pretty complex, and might be difficult. And also, like, you've got a lot of responsibility to make sure you educate them correctly. Because if you don't, it might have a very bad impact.

Exact Sciences 19:14
Yeah, absolutely. So look, generally speaking, as long as you've got sales experience, and you know how to sell, we will teach you the clinical part of it. So so we go through a rigorous training when we're brought on board. And it's the same thing really with any like a pharmaceutical company or anything like that. I spent 15 years in pharma, and in they teach you very thoroughly on the disease state, on the drugs on you know the body in terms of how drugs react and act upon the body. And then we all get certified. so we have to be certified on our knowledge before we're ever able to go out in the field and interact with a doctor and believe it or not like the level of detail question that we have, like, for instance, for this product, it's relatively simple. I've been when I was in pharmaceuticals, sometimes it would be a little bit more complex with how drugs affected different neurotransmitters and things like that. This is a little bit more straightforward, because like, there's no side effects with this, because it's a device essentially, right? They're providing a stool sample at home. And that stool sample is then analyzed for DNA for blood to look for the presence of colorectal cancer. So there's no side effects, which makes it a little bit you know, easier to discuss. And then really the coaching, a lot of it is just statistics, you know, we're reminding the doctors that look, you know, remind the patient that this is such a curable disease, if it's caught early, it's so important to get screened. If it's caught in the early stages, it's almost 100% curable. But if it's caught in stages, three and four, it's much more difficult to treat. So I mean, that's an example of how we educate the doctor and staff on what to say to the patient. So it's not quite as complex as you might think it would be.

Dina 21:10
Yeah, okay, perfect. And then like, how do the sales people - again, I can, I can only relate to how I perceived sales so far in my career, and like, we're celebrating deals with each other we are, we're announcing that we have a big deal closed. We in the company, where I am working right now, we also share customer stories, for example, to better understand why did a customer buy? How does he or she implement it right now? And what value do they get out of it? And I think, at least for myself, this can be very motivating, because then I understand what a product actually brings to people. In a medical perspective, I mean, it's, it's even more important, but I guess there's a lot of sensitive data in it

as well. So how can - let me think how I can ask the question correctly. How do you show the impact of your work as a company to the sales people? How do you bring the purpose in that sense closer to them?

Exact Sciences 22:13
Yeah, so So we do a lot, we have a lot of patient testimonials. And sometimes we have, like, we have team national team conference calls about every week or every other week. And I would say, once or twice a month, we'll have a live patient that has volunteered to share their story, come on and talk about their journey. And so that is a regular thing. So whether it's a live meeting, or if it's a zoom call, we hear from patients, and we hear from providers on specific examples of impact that our test had made. So we'll hear from a patient we heard from one a couple weeks ago, that had put off, that was fearful of doing colonoscopy, they thought they were healthy. They told their doctor two or three times that they would follow through the colonoscopy and never did. And then finally, I think at this point, the patient was 56 years old, for the first time ever saw a commercial on TV for our product Colaguard. And it was the first time he even realized there was a test you could do at home. And he's thinking, Okay, well, I could do that. Right. So he did it. And he actually had a positive test, he was diagnosed stage two colorectal cancer, because it was stage two, it was very, very treatable. So he came on and shared his story of how important our work is. You know, like, let doctors know that it colonoscopy isn't the only thing out there because of patients like me. So we see a lot of stories like that. We see some that are more unfortunate, where they tested positive, and they were already at stage four. And occasionally we do get updates of patients that have unfortunately passed away because they were diagnosed too late. And that's that's another way just to motivate us for what we do. Like I said, it's much more purpose driven, mission driven than like other types of transactional sales, I've been involved in my past.

Dina 24:10
Yeah, actually, when you when you told that story about the guy that that has been tested himself and could be treated as well. So he got me goosebumps. I can imagine, this really can can can drive a Salesforce done as well to do the job correctly, because you know about your responsibility.

Exact Sciences 24:29
Absolutely. Yep.

Dina 24:30
Let me quickly check what I still had in mind. So I think we're pretty much through just one or two more questions. So regarding the sales performance measurement or the KPIs and I'm not sure I understood you correctly, so I'm just going to re-ask. So you've got the quarterly revenue target. Well, is it a revenue target?

Exact Sciences 25:03
Yeah, technically it's volume. Yeah. Just based on volume.

Dina 25:07
Volume. Okay. Yeah. And do you have any other KPIs not specifically for the sales reps, but maybe for you as an area director that you're measured on?

Exact Sciences 25:17
Yeah. So no, not not really, in terms of being paid monetarily. My pay is just a roll up of all my 10 reps and what that volume is for my area. So that's how I'm paid. But I'm also measured from a qualitative standpoint, in terms of how I develop my representatives, how I hire and recruit, do I retain good representatives? Do I get them promoted if they have aspirations of advancing their career? So from a qualitative standpoint, in terms of how I'm measured, that's included, but it's not necessarily part of my monetary compensation, if that makes sense?

Dina 25:58
Yeah, completely. Yeah. And then, last two things. So purpose, if you look at it academically, and I've been reading a lot of papers and research about it right now. The main two elements about purpose is, first of all, we look at long term contribution. So this is basically also the difference between profit and purpose, then, like short term profit can interfere with a long term contribution to the society then, for example.

Exact Sciences 26:33
That's right.

Dina 26:34
... and it makes sure to involve all stakeholders. I think what I've what I've definitely saw from you right now, is not only looking at the doctors as the customer,that you are selling to in the first place, but also the patients, the ones that will actually carry it out or use it. So what else would you say? Are there any stake or any any other stakeholders within the process that you include within the sales process, or you make sure to be engaged with as a company?

Exact Sciences 27:08

Yeah, um, I guess in terms of other stakeholders, that it's not necessarily at my level that this engagement takes place. But but there's a lot done, certainly with insurance companies, with advocacy groups, making sure that our patients have access to screening. Right now we have a big focus on there's a big disparity in terms of health care, not just here, in a lot of places, we have a lot of underserved populations, and Chicago land, we have a big African American community. And unfortunately, their health outcomes are much more negative than the general population. And oftentimes, they don't have access to providers or tests or the best test. And so we do have special focus, people that work specifically with those communities, to make sure that they get access to screening and to test to improve health outcomes. at my level, it's it's kind of more what I described to you. I'm out in the field four days a week with my reps, calling on doctors, talking to nurses, educating and so on and so forth. But, yeah.

Dina 28:19
That makes makes completely sense. Last question: Do you think there's anything missing? Like, do you feel like there's something not working ideally yet, and would be supportive to make sure you can sell purposefully within your organization?

Exact Sciences 28:35
Um, so good question. It's, um, you know, I can't point to anything specifically. Um, the thing that frustrates us most is that a lot of physicians are set in their ways. And they were they were trained a particular way. And in this case, it was that colonoscopy is the gold standard. And we're just going to keep trying to encourage patients get a colonoscopy, and then after three, four or five times, we see that they didn't do it, then we'll talk about another option, like us. So what we battle is, and that's what we're paid to do, is to change their mindset, and help them realize that that status quo, that thinking is contributing to more than 53,000 deaths a year. Because, again, oftentimes the patient will go: Okay, sure, I'll do it. They never do it. And then the doctor sees them 5, 6, 7 years later, and maybe they're symptomatic. And they're already stages three or four. So I know that's more granular and at the doctor's level, but um, yeah, I can't think of anything else would be missing other than, again, dealing with these insurance companies. Not all insurance companies will pay for a non invasive test. They'll sometimes only pay for colonoscopy and And I think that is short sighted. And it doesn't afford a big group of patients who are not getting screened because they don't want to do colonoscopies, it's not giving them any other options. So I think there's a disconnect sometimes where the medical industry is saying we need to get more patients screened. But insurance companies are looking at the bottom line only at dollars. And they're not always aligned with what, you know, the medical recommendations are.

Dina 30:30
Yeah. But so it feels like that you from from your perspective especially, you are actually enabled within your company to sell purposefully, and to make sure to contribute to a better good than just to make money and be seen as someone to contribute to money for the company.

Exact Sciences 30:51
That's correct. And one thing that motivates us too is you mentioned kind of celebrating as a company or celebrating a sale, one chart that we see at every meeting. And it starts when you're hired here. It's a chart that shows over the last 15 to 20 years, the number of deaths from colorectal cancer. And it's it's been steady to inclining, right for the last roughly 15 years. And so what motivates us is when we come to a meeting, and we start to see that line decreasing, because we know we've had an impact, we know that some people that wouldn't have gotten screen before either saw our commercial or doctor brought up options to them, and they got screened. So that's our goal is to see that line continued to go down. And that's just another motivating factor from a company standpoint as well.

Dina 31:42
That's perfect. Like you got me really excited about Exact Sciences is now

Exact Sciences 31:48
It is a great company, it is.

Dina 31:50
A whole different way of of working in sales, I can imagine.

Exact Sciences 31:55
For sure, for sure.

Dina 31:57
Perfect, then that's it. I've even extended a few minutes. Thanks so much, like not only in terms of the research, but also personally like this was so interesting. I could definitely talk to you so much longer and ask them so many more questions. But I think for now, you've definitely helped me and contributed to the research and I'll definitely send you the final thesis then. So if you're interested, see what other companies do.

Excellent, please do!

Yeah, that's it. Thanks a lot and have a good day.

Exact Sciences 32:30
Thank you, Dina. Take care. Bye

Dina 32:32
Bye bye.

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