

SAP’s Skills Assessment and Experiential Learning Programs

SAP

Best Advance in Competencies and Skill Development

January 2023



Company Background



| Company-at-a-Glance | |
|---|--|
| Headquarters | Walldorf, Germany |
| Year Founded | 1972 |
| Revenue | €28.84bn Total Revenue in FY2021 |
| Employees | 105,000+ |
| Global Scale (Regions that you operate in or provide services to) | Worldwide operations in all regions (North- and South America, Asia Pacific and Japan, Australia / New Zealand and Europe). |
| Customers/Output, etc. (Key customers and services offered) | With more than 200+ cloud subscribers worldwide (businesses of all sizes and all industries), SAP is a market leader in end-to-end enterprise application software, database, analytics, intelligent technologies and experience management. |
| Industry | Software |
| Stock Symbol | NYSE: SAP |
| Website | www.sap.com |

Budget and Timeframe

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|--|------------|
| Number of contractors involved with the implementation | 0 |
| Timeframe to implement | 2 months |
| Start date of the program | Q2 of 2016 |

Business Conditions and Business Needs

As the market leader in enterprise application software, SAP helps customers — of all sizes and across all industries—generate profit, adapt continuously, and make a difference. In fact, SAP customers generate 87% of total global commerce (\$46 Trillion) — a tremendous exchange of goods and services made simpler thanks to their machine learning, Internet of Things and advanced analytics technologies.

While SAP’s innovations are instrumental to its success, SAP’s ability to innovate with the customer allows them to help customers realize unforeseen opportunities and create a competitive advantage.

SAP’s sales executives are on the front line of this effort, guiding customers toward the Intelligent Enterprise each day. Therefore, SAP takes every step possible to ensure its sales executives and sales managers are prepared to assist customers.

And, while the SAP Sales Enablement team has built a world-class, increasingly digitized sales enablement portfolio, an analysis (first held in 2016) revealed that sales executives and managers wanted to learn, but — due to their hectic schedules — only had time for training that was easy-to-consume and, preferably, tailored to their individual learning needs.

In other words, learners needed direction and easier access to the training that would have the biggest impact on boosting their performance in the field.

SAP’s Sales Coaching Team (part of the broader SAP Sales Learning team) stepped up to meet this challenge head-on with the development of a two-pronged approach designed (in its simplest terms) to A) define, uncover and address skill and behavior gaps for sales executives and their managers and B) to, if necessary, help build upon SAP’s already robust enablement portfolio to close gaps not addressed by existing learning.

The result of their efforts—as described in the application below—led to the development of **SAP’s Skills Assessment and Experiential Learning programs**.

Overview

The SAP Skills Assessment program is designed to address sales executive and manager skill gaps. There are two, annual assessments—one for sales executives and one for managers held months apart.

- The Sales Skills Assessment (SSA) asks sales executives to self-assess their proficiency on a scale from 0-4 (Novice to Expert) across skills critical to their success such as pipeline management and deal negotiating / closing. Once complete, their managers (the sales managers) rate the participant sales executive across the same skills. Wherever the manager's rating falls below a pre-defined "target rating" (set by our global and/or Line of Business enablement leaders) a "gap" is identified.
- The Sales Leadership Assessment (SLA) follows the same concept except sales managers self-assess their proficiency across leadership and coaching skills and their manager (the Second Line Sales Manager) provides the secondary assessment.

With gaps identified, sales executive and manager participants receive a Personalized Learning Plan with training designed specifically to close identified skill gaps. Additional, targeted training based on participant gaps and changes in strategy/industry trends is added throughout the year following the release of the personalized learning plans.

Recommendations included in Personalized Learning Plans are drawn from SAP's multi-faceted and increasingly digitized SAP enablement catalog. Among the trainings suggested are the Sales Coaching team's Experiential Learning programs—designed specifically to enhance the post-learning experience at SAP and to meet an identified demand for coaching / peer-to-peer learning by the sales learning audience.

Data collected through the SSA and SLA also provide SAP sales enablement teams with invaluable insight into the major skill gaps and trends impacting entire regions, market units and roles. The data is also used by all levels of the sales enablement organization when planning new enablement, tailoring existing enablement, and allocating resources to meet identified needs.

The competency/skill model

The skills assessed on both the SSA and SLA evolve year-to-year in close alignment with SAP's organizational objectives and strategic initiatives. The skills undergo an intense yearly review (see Design section below) to ensure participants are assessed on the skills that matter most to their success in the field (both for sales executives and managers).

SAP's goals:

SAP created a series of ambitious goals for the Skills Assessment and Experiential Learning programs, including:

1. Improve upon Key Performance Indicators (KPIs) vital to sales success, including:
 - Pipeline value
 - Accounts won
 - Win ratio
 - Time to close a successful deal
 - Average deal size
 - Net-new customers won

2. (Closely tied to point #1): Improve sales executive and manager performance, and productivity and help drive quota attainment

3. Empower sales leaders with data that can be used to help coach their teams

4. Maximize and scale enablement offerings to drive business impact

The Skills Assessment Program is integrated across all Sales and Services Sales roles and is closely tied to organizational and strategic sales objectives. As noted above, every aspect of the program and the skills assessed undergo a multi-level review process to ensure relevancy and impact.

Design of the Program

The Skills Assessment Program:

The Skills Assessments (SSA and SLA) undergo a yearly business and learning needs analysis.

Each year, in the months leading up to an assessment rollout, a rough draft of skills is created (typically comprised of the previous year's skills with new topics included). Then, an extensive review process begins in which regional sales enablement leads (each of whom maintain close contact with the needs of the field), SMEs and global sales specialists edit the list of skills.

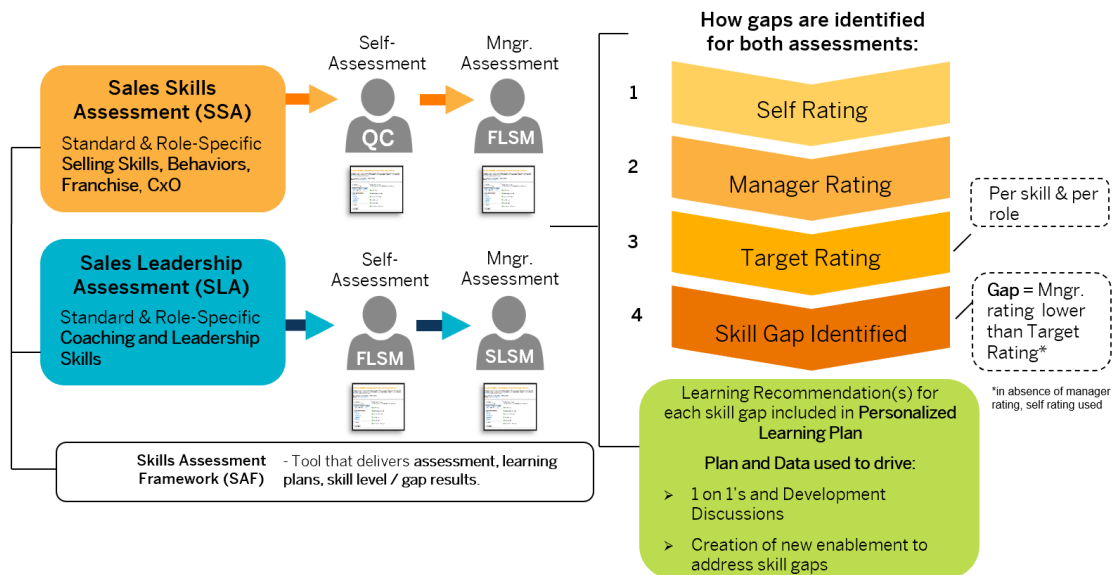
As part of the review, editors, along with a Steering Committee of learning leaders (all of whom are very familiar with previous year results/analytics) pinpoint the KPIs and skills (such as forecasting, pipeline management and territory planning) that, if improved upon, would help us reach our quota and revenue targets. Interviews are also held with top-performing sales executives to identify what they were doing differently along with the characteristic skills they employed when winning deals.

By end of each year’s review process, SAP has a globally standardized list of skills that are crucial to sales executive success in the field (or managerial success in the case of the SLA), such as prospecting, territory planning, account planning, business and financial acumen (plus many more).

Role-specific skills are also added to each assessment in close alignment with the Line of Business leaders. The mix between standard and LoB skills ensures that all participants are assessed on the most critical skills—both in terms of global sales objectives and skills specific to each participating sales/services role.

The following diagram helps to illustrate how gaps are identified for both the SSA and SLA:

Skill Assessment Overview: Two Assessments, Each Held Once Per Year



Experiential Learning programs:

It’s no secret that experiential learning can be an extremely effective learning tool. In fact, one Columbia University study revealed that post-learning experiential learning activities contribute to 50% of overall learning effectiveness (Richardson, 2020).

With this important finding in-mind, the Sales Coaching team at SAP also designed the following Experiential Learning programs to help support learners. Each recommendation is included in participant Personalized Learning Plans.

1. **Data-Driven Coaching** is available for sales executives *and* sales managers. Participants are paired with a certified, internal coach (fellow employees from a range of backgrounds) and both are provided with highly personalized performance data specific to the coachee. The reports reveal gaps against KPIs and specific learning recommendations to address opportunity areas. Coaches

do not propose solutions to sales executive or manager coachees. Instead, coaches ask the right questions to help guide coachees toward finding their *own* solutions.

2. **Learning Lounge** is a peer-to-peer development opportunity for sales managers, in which each participant chooses one topic to share with peers. Coaching principles are used by a facilitator to foster discussion and learning.
3. **Mentor's Table** is a peer-to-peer program for sales executives focused on a specific deal or customer situation. Participants collaborate on a plan and immediate call to action.

Delivery of the Program

Both the SSA and SLA are delivered using an advanced internal platform called the “Skills Assessment Framework”, allowing sales executives and managers to take the assessment quickly and easily and then view their results, skills gaps, and associated learning recommendations.

The platform provides a “one-stop shop” for all assessment and personalized learning plan-related content.

As part of the Sales Skills Assessment managers have access to a “Manager View”—also located in the platform described above—which allows them to compare skill gaps across each of their team member sales executives.

Sales executives and managers can also view “top skill gaps”, which are the skills that share the highest correlation to quota attainment and overall performance (see Measurable Benefits section below for more details).

The ability to view these top skill gaps, gives sales executives and their managers a clear starting point on which skill gaps to address first in their quest for overall proficiency development.

The same platform is then used throughout the year to deliver personalized, timely learning recommendations as they become available on top of training included in Personalized Learning Plans.

Change Management Efforts

As predicted, SAP faced initial challenges when it came to encouraging sales executives and managers to complete their self-assessments. Given that the assessments were purely voluntary, a well-orchestrated communications effort was used to increase adoption.

Over the past few years, adoption has steadily increased due to the program's popularity — both among sales executives and managers who now rely on Personalized Learning Plans for their enablement and among sales leadership who use the vast amounts of skill gap data and analysis to determine how best to allocate budget and resources in the months/year ahead.

Aside from encouraging participation, change management was also needed to help sales executives and managers navigate the Skills Assessment Platform — a necessary step for participants to get the most out of their Personalized Learning Plan.

SAP created step-by-step guides and video tutorials to make understanding and utilizing the Platform as easy as possible. These guides are sent to participants via email and are always available on an internal social media site.

Measurable Benefits

CRM Pipeline Data Analysis results taken from Skill Assessment and Personalized Learning Programs reveal the programs' significant impact on both sales executives' and managers' performance as well as SAP's bottom line.

To isolate the programs' impact, SAP compared sales executives who participated in the Sales Skill Assessment and Personalized Learning programs vs a control group of non-participants. Because sales executives are quota carriers, the impact was measured by analyzing their performance in the field.

When compared to non-participants, sales executives who participated in the Sales Skills Assessment program and, most importantly, completed at least two of the recommended learnings in their Personalized Learning Plan achieved:

- 79% higher pipeline value
- 68% increase in accounts won
- 15% higher win-ratio
- 17% less time to successfully close a deal

A sampling of business impact from the team's Experiential Learning programs also shows tremendous impact on the organization.

Specifically, an analysis of the Data-Driven Coaching program reveals that, when compared to a control group of non-participant sales executives, coached (participant) sales executives achieved:

- +13% higher average deal size
- +32% net-new customers won

Beyond the numbers, yearly analysis conducted via the Sales Skills Assessment data (the assessment designed to uncover sales executive skill gaps) helps SAP pinpoint a wide range of skill gap trends at global, regional, market unit and role-specific levels. SAP then uses that information to build specific and highly relevant training to help close gaps in the near term.

SAP also compares individual sales executive proficiency skill levels (gathered from the Sales Skills Assessment) against sales executive performance data and quota attainment statistics. Doing so, allows SAP management to pinpoint, for example, 3-5 skills that have the highest correlation to quota attainment and high performance (defined as those who regularly attain at least 80% of their quota).

These “top skills” are included in Personalized Learning plans with direct links to course registration and event opportunities. The data is also shared with regional and line of business-level enablement leads to use in their performance discussions with managers—information that is then reinforced during 1 on 1’s with sales executives and used in development plans.

YoY, when comparing 2020 to 2021 results, SAP recorded a 1-point proficiency level growth increase in the “Top 5 Skills that correlate most highly to high performance and quota attainment” across all SSA participants.

Note: A 1-point move on a 0-4 scale (e.g. moving from 2 to 3) signifies a move from intermediate to advanced proficiency and, 3 to 4, from advanced to “expert”—a significant sign of growth for participants and a testimony to the effectiveness of recommended learning.

SAP is also using the great benefits and insight from the program to help drive awareness throughout the organization. By sharing results via internal publications, newsletters, and webinars (to name a few), SAP has secured a dedicated community of sales executives, managers and executive leadership who rely on the assessments and recommended learning (including Experiential Learning) each year as a foundation for their professional development.

Overall

The implementation of the Skills Assessment and Experiential Learning programs has taught SAP many lessons—particularly when it comes to harnessing the power of relevant data to boost sales performance. Key lessons include:

Stakeholder Management:

- Executive alignment was especially helpful given the innovative/untried nature of the Skills Assessment program
- Meet early and frequently with stakeholders to ensure alignment with changing business and learning needs.

Align with Regional and Line of Business leaders:

- Close alignment with both groups ensures that learning recommendations are relevant to the challenges faced by quota carriers across all LoBs.

Build Awareness:

- As previously mentioned, effective promotion (from sharing participant results to simply explaining the program’s basics) is key to ensuring sales executives and managers take the assessment—a critical first step to the program’s success. Business impact can only be achieved through participation and through learning recommendations that are recognized as worthwhile and effective.

Future/Outlook:

The Skills Assessments have gained so much popularity within SAP that even other departments, outside of sales, are expressing interest in replicating the approach to uncover skill gaps for their colleagues.

For sales, the Skills Assessment will continue to hone its data analysis capabilities, measuring YoY improvement in proficiency level and defining the skills that have the highest correlation to quota attainment/productivity.

SAP is also developing Learning Roadmaps for each skill assessed in the SSA and SLA. The roadmaps will clearly outline the exact path of relevant training (virtual, f2f and experiential) needed to proceed from L0 (no knowledge) to L4 (expert). Roadmaps will further simplify the learning process for sales executives and managers.

Experiential Learning programs have proven extremely effective and highly impactful for SAP—both for participants and the organization. While most sales enablement is built around a structured workshop with periodic interaction, the Experiential Learning

portfolio promotes 100% interaction and is uniquely focused on immediately applicable solutions and approaches to the challenges participants face.

The programs will continue to grow and impact an increasing audience across the organization.

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