Data Driven Talent Management Solutions

How Tall is Success?



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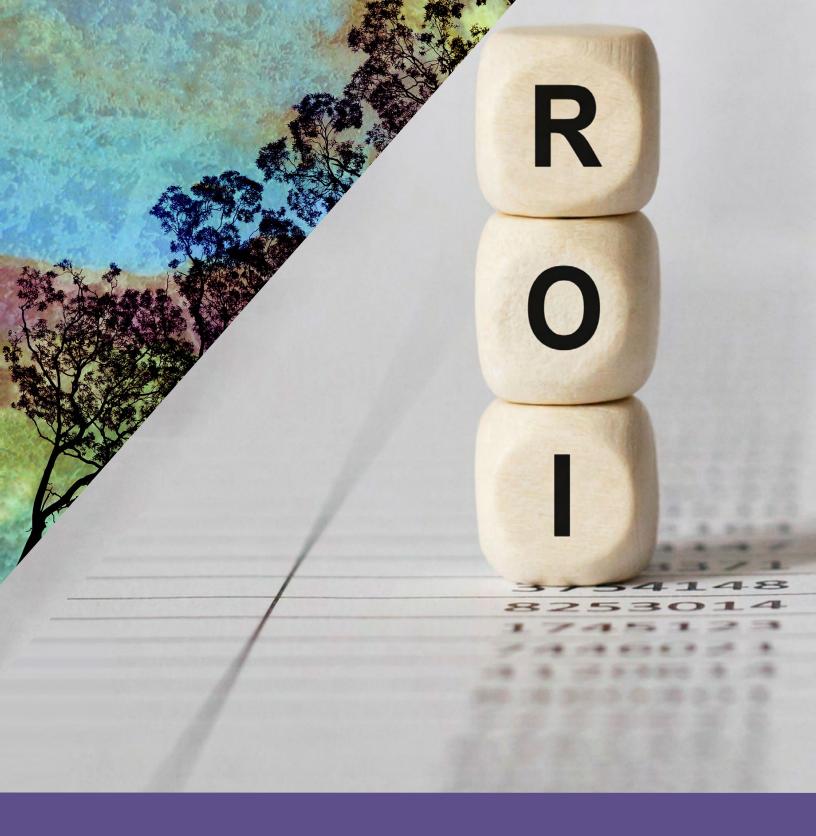
LIMRA's Talent Solutions



We've seen an entire new industry grow up around data and analytics — tracking, monitoring, and compiling data from sources located throughout an organization.



The "democratization" of data through dashboards and other utilities puts powerful information at the fingertips of leaders at all levels. Decision makers are not only better informed. They are also able to measure the effectiveness of their decisions over time. Now, using data analytics and metrics, it's possible to give a quantitative answer to the all-important question: "Did we succeed?"



Rather than relying on anecdotal evidence or "gut feel," organizations are confidently and systematically able to calculate return on investment (ROI) for tangibles like opening a new manufacturing site or purchasing a new systems platform. This type of robust evaluation can drive long-term strategic planning. But what about the heretofore "intangibles" like success and leadership? Can we really catch lightning in a bottle . . . and then measure it?

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In fact, we have.

The Quality of Talent in a Quantitative World

Talent management offers a key case in point. Historically a qualitative arena, talent management now increasingly implements evidence-based practices to evaluate processes, manage change, and analyze results in terms of key performance indicators (KPIs).

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For example, an organization interested in evaluating the quality of job applicants can rank recruiting sources by the number and retention of hires, job performance, career advancement, etc.

By identifying sources with the highest yield on these metrics, talent managers are able to make informed decisions about investing in various recruitment channels.

With ongoing monitoring, they can continue to track quality gains (and losses) and then begin the process again — a data-based cycle of continuous improvement.

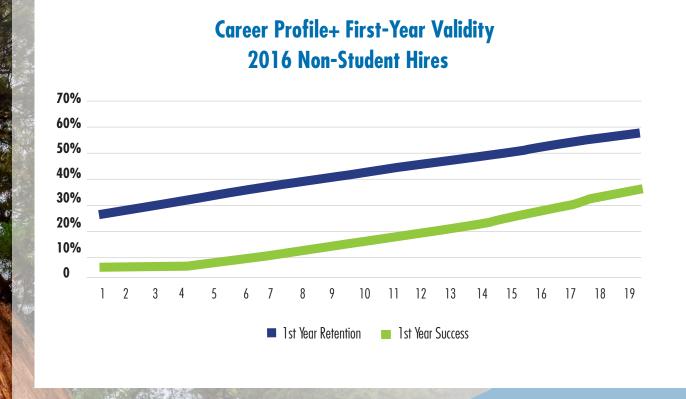


LIMRA'S Yardstick

the **Career Profile**+™

With our extensive research-based products and services, LIMRA is strategically positioned to provide data-driven solutions to the financial services industry and our members.

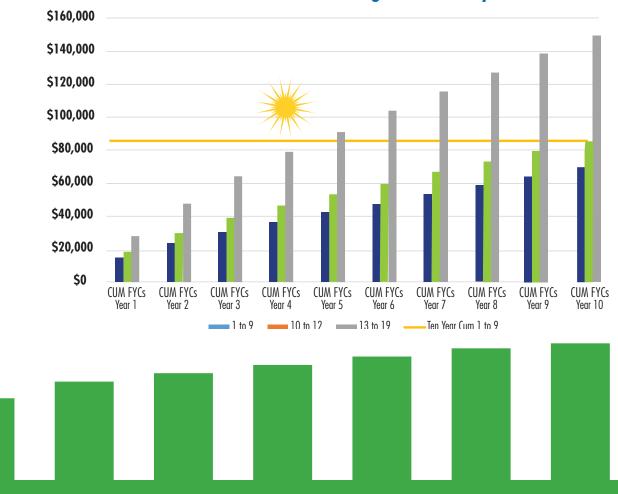
LIMRA's flagship assessment product, the Career Profile+, is a decision-making tool that incorporates industry data on sales representative (rep) retention and productivity into predictive algorithms. The result is an evaluation of the candidate's probability of success in a financial services sales career. Or, to frame it in actuarial terms, the Career Profile+ (CP+) provides an estimate of the degree of risk a recruiter would be assuming in offering a contract to an individual candidate.



This graph illustrates the relationship between the Career Profile + rating and expected first-year performance. Higher Career Profile + ratings are associated with significantly higher levels of first-year retention and success (where a successful rep is defined as one who survives 12 months under contract and produces in the top half of all surviving first-year sales reps within the company). LIMRA works with Career Profile+ users on an annual basis to collect the data necessary to ensure that the Career Profile+ scoring algorithms reflect the current state of the industry.

In addition, we collaborate with companies that are interested in exploring the relationship between the Career Profile + rating and additional metrics.

For example, one Career Profile + (CP+) user provides LIMRA with retention and production data for the first ten years of a sales rep's tenure. This table depicts the relationship between the CP+ rating and cumulative performance over ten years.



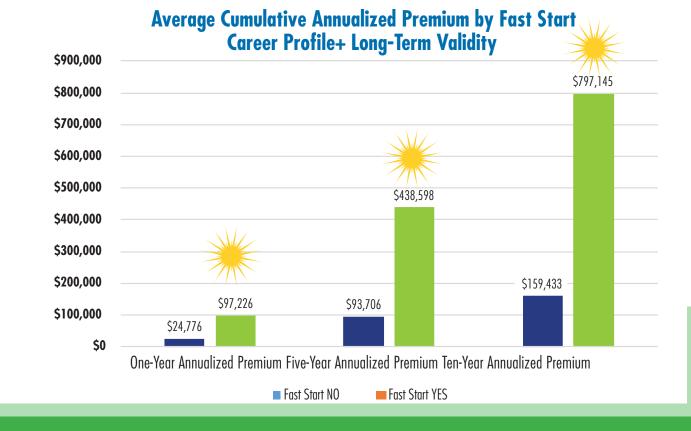
Career Profile+ Long-Term Validity



One Key Finding

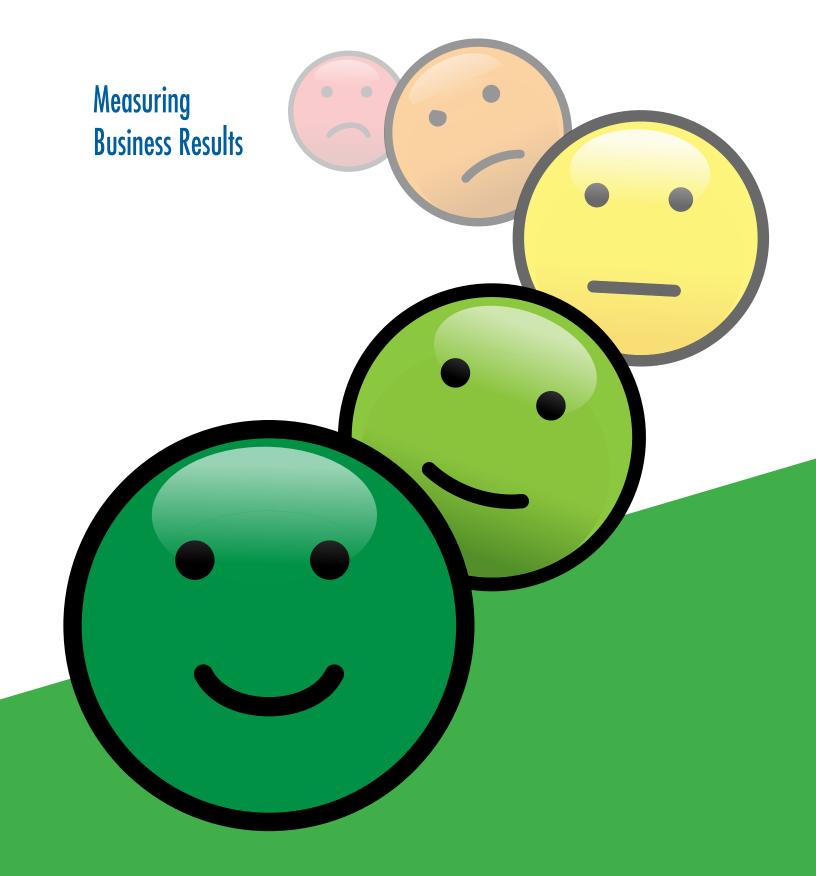
Sales reps with high Career Profile + ratings earn more in four years than reps with low ratings earn in 10. Individuals in the lowest Career Profile + rating range earn just under \$70,000 across ten years. Individuals in the highest Career Profile + rating range earn an average of approximately \$79,000 in four years. This company is also interested in the long-term impact of sales reps' early career performance. They define sales reps as getting off to a "fast start" if they sell 40 or more policies in the first six months under contract. Compared with those who do not meet this definition, sales reps who get off to a fast start are:

<u>Three</u> times more productive in their first contract year <u>Four</u> times more productive in their first five years <u>Five</u> times more productive in their first ten years





Clearly, a data-driven approach to decision-making encourages a cycle of continuous improvement, where outcomes are tracked and monitored.



Almost all training vendors will conduct follow-up surveys to assess their sales program's effectiveness. These very often are limited to "smile sheets" administered to participants immediately after training, soliciting evaluations of the facilitator, the content, etc.

Trustworthy[®] Selling

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 LIMRA has added an entirely new, data-driven dimension to the assessment process. We have taken an empirical approach to measuring the effectiveness of one of our most widely known and used sales effectiveness programs, Trustworthy Selling. We launched a long-term formal evaluation process, the Business Impact Results Tracking study (BIRT), to measure the performance of Trustworthy Selling program graduates.

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Using this tool and our access to information given our standing as a respected industry research organization, we use objective, real-world sales metrics to evaluate the effects of Trustworthy Selling training on the actual performance of a group of program graduates. For purposes of comparison, we established control groups using sales performance information provided by participating companies. The control group was composed of sales reps who did not go through Trustworthy Selling training but were similar to the program group in terms of office location, management, products sold, and tenure.

Trustworthy[®] Selling

The assumption is that, absent Trustworthy Selling training, the two groups would have similar patterns of production. The difference between the patterns displayed by the two groups is interpreted as the impact of Trustworthy Selling.

The difference between the patterns displayed by the two groups is interpreted as the impact of Trustworthy Selling. The graphic summarizes the results from a BIRT evaluation of a Trustworthy Selling Quick Start program. Trainees were tracked for one year after the program and compared with a control group consisting of sales reps, contracted by the same company during the previous year, who did not go through Quick Start. As a group, the Quick Start reps had a 59 percent better first-year survival rate and a 66 percent higher first-year production rate than the control group.

Trustworthy Selling Quick Start Training Has A Positive Impact On Early Survival And Productivity

Comparison Between QS Participants and Control Group

GROUP n		Survival	Average Annualized Premium	Survival	Average Annualized Premium	
PARTICIPANTS	296	35%	\$7,367	59%	66%	
CONTROL GROUP	600	22%	\$4,427			

This type of analysis helps business leaders understand the impact a specific program has on profitability metrics. This information is critical to making informed decisions about the future of a particular program and to weighing its utility against competing organizational priorities.

Effective Resource Management

How much more efficiently could you allocate your sales-training dollars if you knew whom to train for the greatest impact on sales performance?



LIMRA's data-driven solutions show, empirically, how you can create high-performance synergies.



The accompanying graphic demonstrates how to use evidence-based metrics to select the most promising candidates for creating a return on investment of your career-development dollars. In this case, individuals with higher Career Profile + ratings delivered markedly higher production levels following Trustworthy Selling Professional training. The benefit of the program was magnified even more for individuals with higher potential ratings.

Comparison Between TSPRO Participants and Control Group by Career Profile+ Rating Range

PARTICIPANTS		Before Training	After Training	% Change	% Impact	
RATING RANGE	n	NSC	NSC			
16 to 19	140	2,065	2,710	31%	34%	
1 to 15	135	2,034	2,582	27%	23%	/\\
All	275	2,050	2,647	29 %	27%	

Average Monthly Production per Rep

CONTROL GROUP		Before Training	After Training	% Change	
RATING RANGE	n	NSC	NSC		
16 to 19	147	2,248	2,189	-3%	
1 to 15	256	2,000	2,089	4%	
All	403	2,091	2,125	2%	

Answers You're Looking For

So, admittedly, we can't really tell you how tall success is. We can, however, help tell you if you succeeded in terms of your KPIs, by what margin, and how much it cost you. Those are most likely the answers you're really looking for. Through the use of LIMRA's evidence-based tools and talent-management solutions you can create a data-based cycle of continuous improvement. And this is just one area where data and analytics can inform strategic planning. Organizations that understand the potential and embrace the opportunity may well be the first to put the power of lightning to work to create competitive edge.

> If you would like to know more, please contact us at Talentsolutions@limraloma.com









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