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Retaining and motivating your sales force in Asia

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Agenda

- Challenges in Attracting and Motivating your Sales Force
- Practical Considerations – Getting the Basics Right

Challenges – Attraction and Retention

- **The war for talent on the Asia Pacific sales front is fierce across all industries**
 - Rapid expansion in APAC; short supply of appropriately skilled labour
 - 40% of companies have sales force turnover greater than or equal to 20%
 - Lack of robust competitive pay data for sales positions in some markets
 - Successful local corporations compete with MNCs for top (trained) talent
 - Business specific skill sets require frequent upgrade reduce the talent pool
 - **High tech/telecom:** rapid technology change influences availability of hot skills
 - **Market regulated education requirements** (Indonesia requires pharma sales to pass a state exam)

Challenges - Motivation

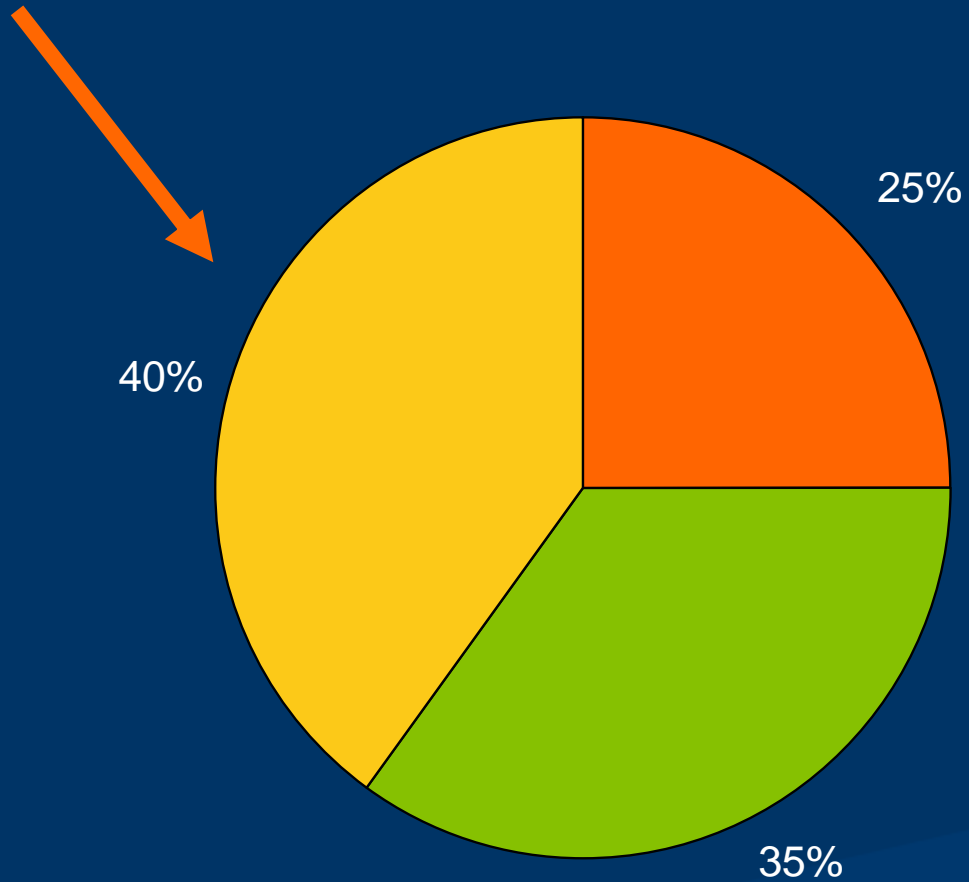
- **Operational issues:**

- Data and information may be difficult to collect and analyze due to immature markets and the type of sales channels
- Technology to track and communicate sales revenue and incentive payouts not well developed
- Sales plans often complex and not well communicated

- **Cultural issues:**

- Strong regulatory environment for US multinationals (Sarbanes Oxley) influence selling practices and models that can make it more difficult to compete against local or non-US corporations
- Some corporations take a one-size fits all approach to incentive plans that don't recognize unique cultural differences

Sales – staff turnover rates



- Staff turnover less than 10%
- Staff turnover equal to or greater than 10% but less than 20%
- Staff turnover greater or equal to 20%

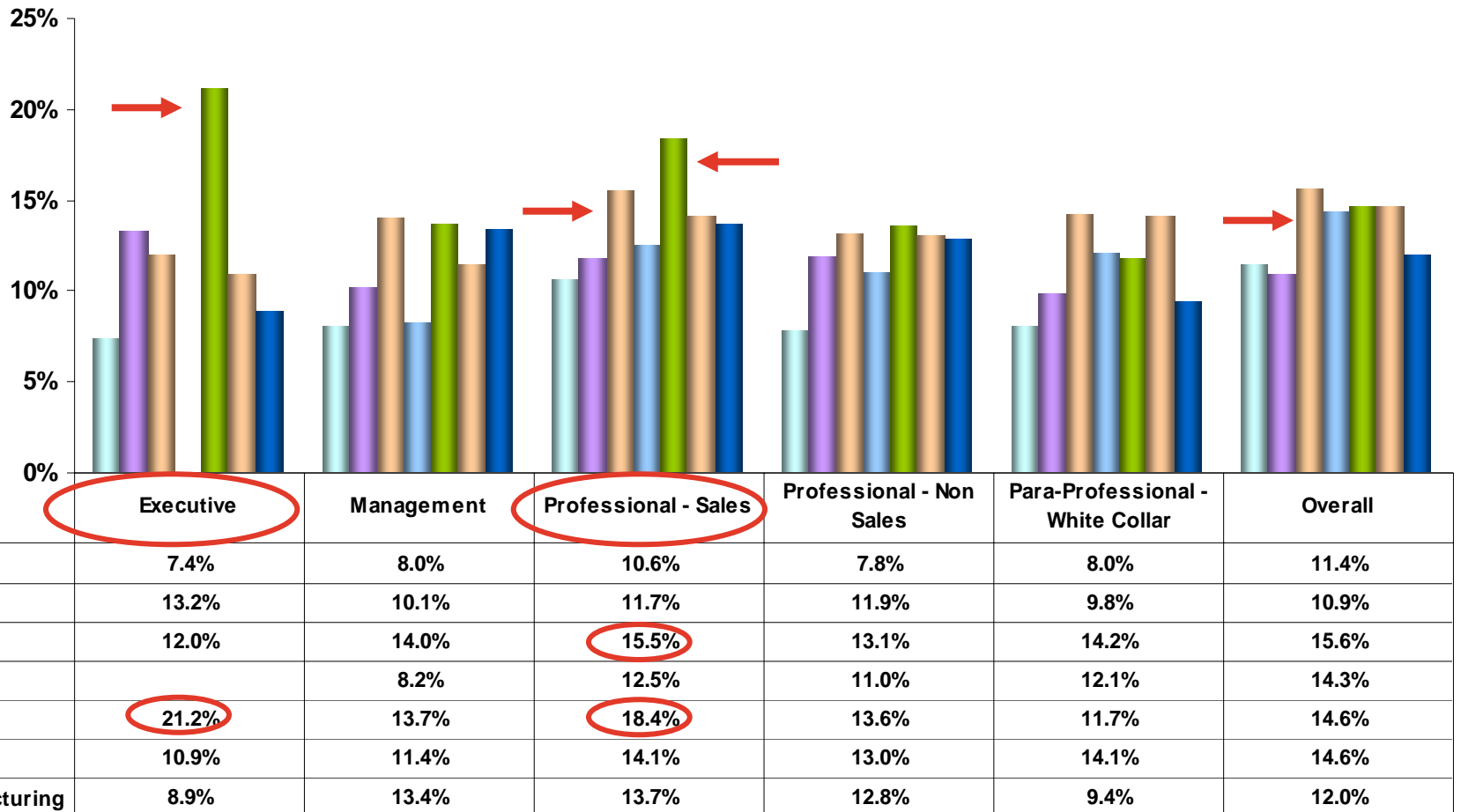
Asia Pacific turnover rates

% Staff Turnover: All Industry

	2004	2005	2006	2007
AU	12.8	12.0	21.6	15.0
CN	13.0	13.1	13.5	14.6
HK	10.7	12.1	6.4	14.0
IN	12.8	14.5	15.8	16.0
ID	5.3	8.5	NA	6.0
JP	6.2	10.0	6.0	9.5
NZ	19.1	18.1	11.1	15.0
MY	10.6	13.1	10.7	14.0
PH	10.7	11.1	12.0	13.0
SG	7.2	10.6	11.6	13.3
SK	12.1	13.5	12.2	10.8
TW	12.2	12.5	11.0	11.0
TH	12.0	12.0	13.4	13.0
VN*	9.5	9.9	9.5	15.6

Source: TRS All Industry Survey 2005 – 2007

China 2007/2008 Staff Turnover Rate by Industry

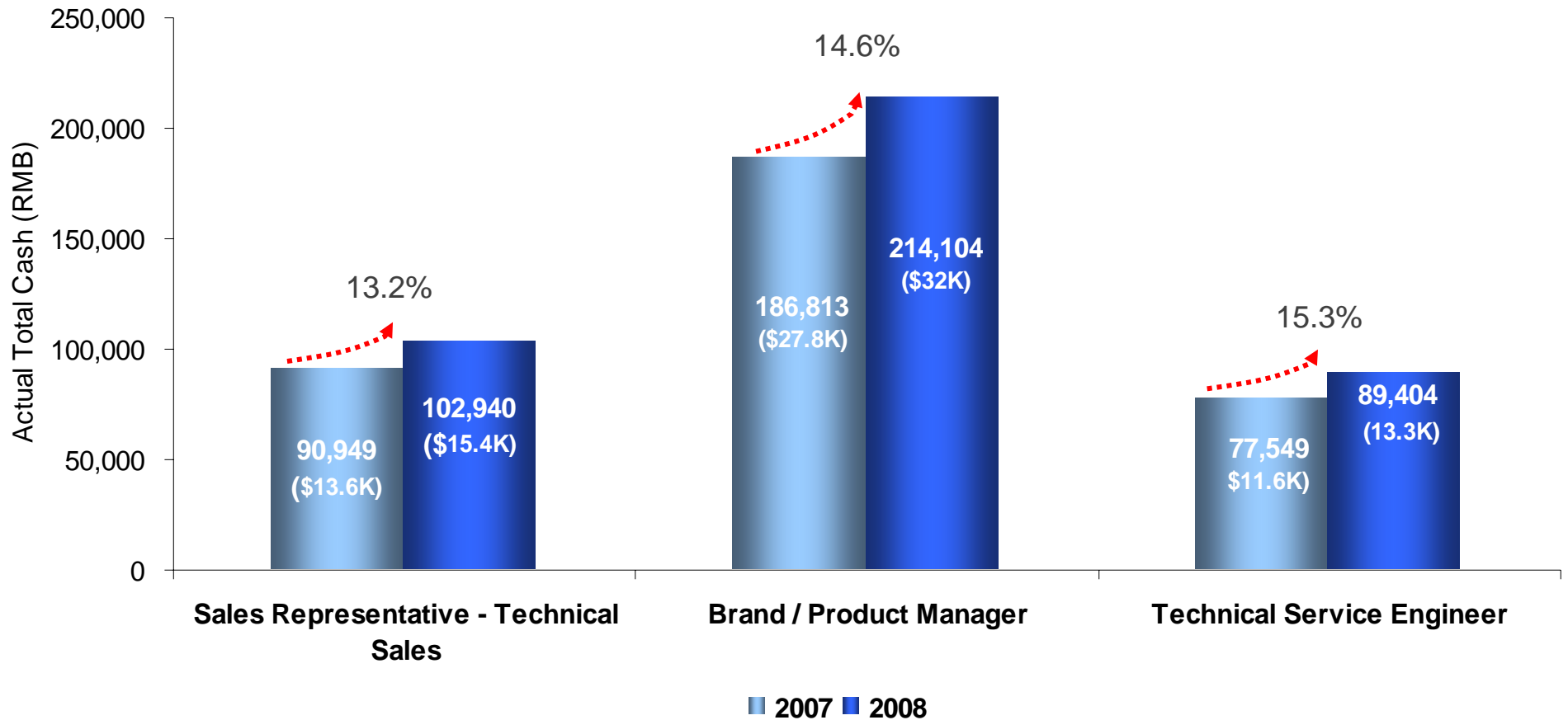


Source: Mercer 2008 Shanghai All Industry TRS

China - Market Movement of Hottest Positions

Most different to recruit

The Most Difficult to Recruit



Source: Mercer 2008 Shanghai Air Industry TRS

Getting the Basics Right

Focus on Talent

- **Pay top performers competitively** – high correlation between high sales results and high earners
- **Maximize the right engagement levers** – invest in education and career and leadership development of the sales force
- **Recognition** – build formal and informal mechanisms into the work environment
- **Org. Structure:** Roles should match the growth of the company; Should be a platform to develop and enable leadership
- **Embrace Cultural norms**

Operations

Speed-Control Trade Off

- Create efficient control processes & systems
- Optimize Sales Incentive Design
- Enable delegation of responsibility beyond region parameters
- Standardize and automate sales operations and effectiveness

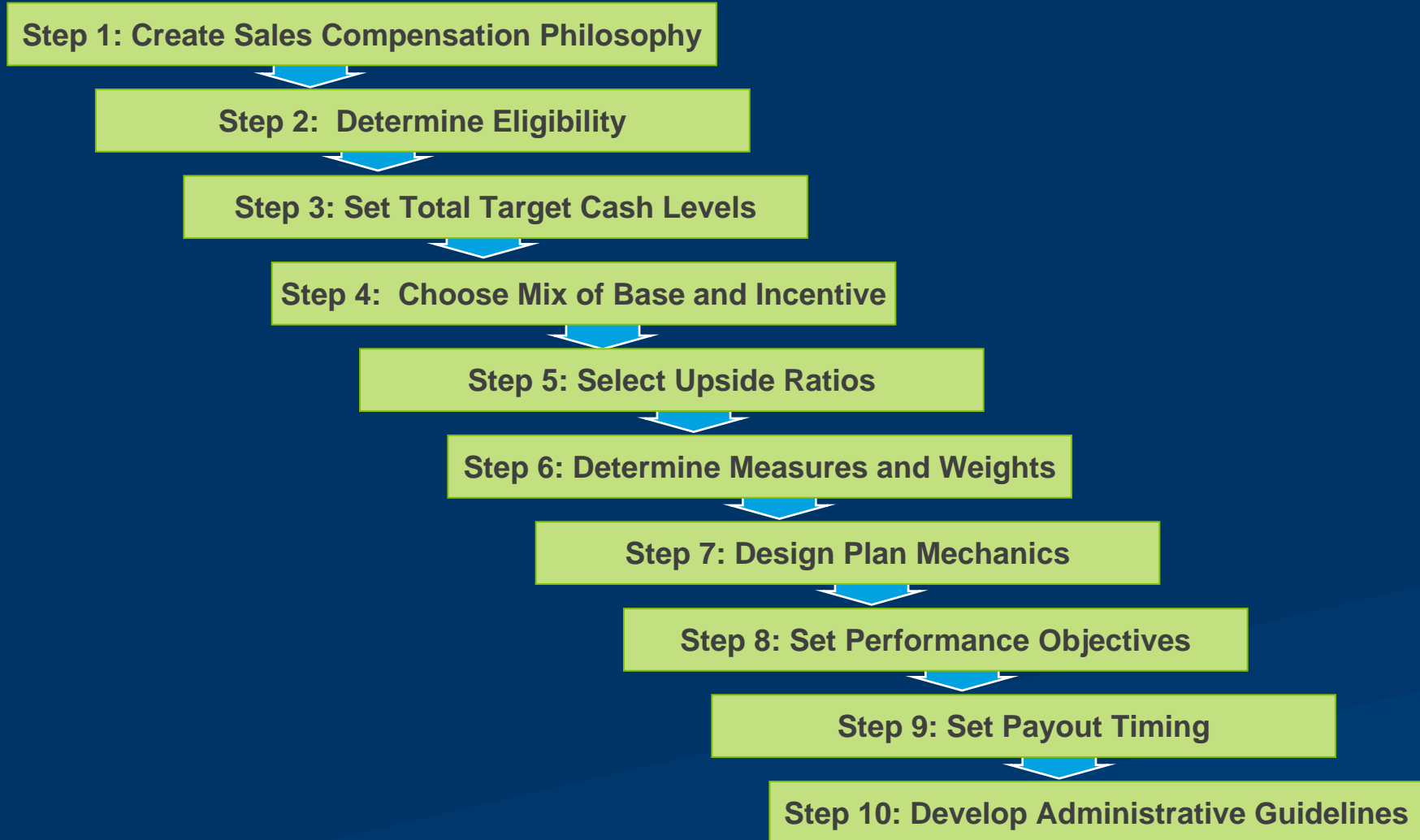
Resources

Leverage and integration

- Maximize internal resources – Marketing and Brand management; sales effectiveness and sales training
- Maximize external resources – Distributor knowledge
- Best practice from other subsidiaries/ affiliates

Design the right Sales Incentive Plans

What are the key steps?





Questions?

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