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From Service to Sales: **KEYSPAN HOME ENERGY BUILDS CUSTOMER RELATIONSHIPS ONE AT A TIME**

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In a relatively short period, KeySpan Home Energy evolved into a full-fledged HVAC and plumbing operation, climbing from revenues of \$18 million to \$123 million.

KeySpan Home Energy Services is no stranger to growth and change. Spun off from its utility parents (Brooklyn Union Gas and Boston Gas) in 1998 as a part of deregulation, KeySpan Home Energy experienced a phase of rapid transition.

The appliance service provider initially handled heating contracts, but soon added cooling to extend business to a year-round basis, followed by an appliance installation component. In a relatively short period, KeySpan Home Energy evolved into a full-fledged HVAC and plumbing operation, climbing from revenues of \$18 million to \$123 million.

Today the company's operating model centers on service contracts that lead to installations of major appliances, from water heaters to cooling units and furnaces. Topping 16,000 per year, installations now account for 50 percent of revenue and within three years will account for 65 percent of revenue, due to continued growth.

CHALLENGES FOR THE SALES ORGANIZATION

With growth came challenges,

Since 2002, KeySpan has increased its gross profit margin by more than 10 percent, which Marazzo attributes in part to the training.

notes Joe Marazzo, president and COO of KeySpan Home Energy. The company needed to build its staff, bring in the right systems, adjust to the competitive environment, and shift its cultural focus from service to sales.

When Marazzo took stock of the company's situation in 2004 he saw strong sales but was troubled by fluctuations in closure rates – ranging from about 35 to 70 percent – and inconsistencies in the sales process among its geographic divisions. Marazzo wanted to identify best practices and incorporate them into the company's sales strategy.

"Because we started from scratch, we weren't on the same page," he says. "We needed a structured sales process that bred consistency among territories and aligned with our strategy to grow the business."

Marazzo also recognized that the large volume of leads the company receives – driven by about 210,000 service contracts – could lull its sales force into complacency. KeySpan Home Energy's salespeople see two to three times more leads per day than the industry average.

"When a customer has no heat or has water on the floor, the tech arriving to service the equipment contacts a salesperson, who often can sell a product



Joe Marazzo
President and COO,
KeySpan Home Energy

over the phone," says Marazzo. "But other times of the year they can't just function as order takers – they need to get out there and sell."

A NEED FOR ASSESSMENT

Marazzo, wanting to streamline processes and procedures before reorganizing the company to position it for future growth, sought outside help to study his sales organization. KeySpan Home Energy would soon be reorganizing and merging operations under one senior vice president, with its sales, customer relations, and back office operations under another. He also wanted to ensure a structured sales process was

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firmly in place before investing in a sales force automation system.

After reviewing several proposals, Marazzo selected international training and consulting firm AchieveGlobal. “I liked their approach,” he says. “They proposed an audit of our sales force, which would provide me with the independent feedback I needed.”

AchieveGlobal Consultant Jerry Keenan led the assessment. The intent was to answer several key questions including:

- Are lead generation and management practices sufficient to provide the sales force with high-quality opportunities in a timely way?
- Are there sufficient human resources dedicated to selling, based on the quantity (current and potential) of high-quality leads generated?
- Is there an appropriate return on investment for face-to-face selling?
- Are current time and territory management practices resulting in optimized prioritization and opportunity management?
- Are compensation and incentive practices for salespeople aligned with desired sales outcomes?
- Are sales calls managed effectively?
- Are sales management practices aligned with the desired sales outcomes? Do they result in effective forecasting and reporting, as well as improved salesperson performance?

The comprehensive assessment enabled AchieveGlobal to gain insight into best practices and weak points, which were then used to develop a blueprint for improvement.



The information in AchieveGlobal's assessment helped develop a specific hiring profile to enable KeySpan Home Energy to attract the types of sales representatives who will succeed with the organization.

A BLUEPRINT FOR IMPROVEMENT

The assessment revealed several important issues. First, the majority of sales representatives came from technical service backgrounds and had not been developed or coached in the consultative selling skills necessary to improve closing rates.

Further, without a structured sales process, selling styles varied extensively. Whereas one representative never left a customer without asking for a contract, another would offer technical knowledge and avoid the direct sell. The two biggest skill gaps AchieveGlobal found were, specifically, identifying and selling to customer needs, followed by building rapport.

“Rather than finding the customer’s motivation – cost, safety, etc. – many sales representatives tended to take measurements and then quickly jump to a description of the equipment’s features,” says Joan Loewy, AchieveGlobal regional sales manager. “They wanted to coach salespeople to ask the right questions and develop deeper, mutually satisfying customer relationships.”

A third significant issue the assessment revealed was the need to free sales managers from excessive time spent using outdated reporting systems so they could focus on coaching and developing salespeople.

WORKING THE PLAN

Based on the findings, KeySpan Home Energy launched its training initiative with AchieveGlobal, starting with its residential sales force and then extending the training to its service techs. The initial program included 450 employees and spanned five locations – one in New England and four in New York.

GOALS FOR THE TRAINING INCLUDED:

- Develop a consistent sales process incorporating best practices across all territories, ranging from how representatives dress to the questions they ask.
- Increase sales, in part by improving closure rates by 10 percent.
- Foster a coaching culture to support the consultative sales process.

- Coach service providers to hold consultative conversations with customers to cross-sell and up-sell KeySpan Home Energy products.

Prior to the training, management spent a day with Keenan to determine the best way to communicate and build enthusiasm, as well as to identify how to follow up and measure results. “All that planning helped overcome potential barriers,” says Keenan. “They had examined their customer relationship process and identified what needed to happen to achieve success, both from a customer standpoint and a sales standpoint.”

OUTCOMES: MOVING THE DIAL

One year into the process, KeySpan Home Energy has begun to see results. “I believe we’ve been able to move the dial with the training,” says Marazzo.

For starters, the information in AchieveGlobal’s assessment helped develop a specific hiring profile to enable KeySpan Home Energy to attract the types of sales representatives who will succeed with the organization.

Further, closure rates on the low end of the range have climbed as high as 56 percent during some months, allowing representatives to spend less time acquiring customers. Since 2002 the company also increased its gross profit margin by more than 10 percent, which Marazzo attributes in part to the training.

Perhaps the most telling example of the program’s success is the story of one representative in the New England office who had struggled with the lowest closure rates on the sales team. “He had a background as a service tech and had never learned how to sell,” says Marazzo. “One of the missing skills was how to gracefully ask for the business and close the deal. He learned how to do that during training and went on to become one of our top performers.”

Keenan and Loewy attribute the program’s success in part to Marazzo’s support, his commitment to planning and communicating the initiative, and his willingness to act quickly on the findings of the assessment.

NEXT STEPS

KeySpan Home Energy has since internalized the learning and development effort, enlisting AchieveGlobal to train its sales managers to lead future classes. Currently the focus is on reinforcement and on developing KeySpan Home Energy's commercial sales force. Marazzo also is considering extending sales training to the Company's call center representatives.

Although it's clear that change will remain constant, Marazzo believes the training initiative has put KeySpan Home Energy on track to deliver on its strategic goals and enjoy further growth. "We're still evolving and growing rapidly – we haven't reached a steady state," says Marazzo. "But as we continually change and reinvent ourselves, we can rely on our consistent, world-class sales force to drive our business and help us achieve success."

ABOUT KEYSpan HOME ENERGY SERVICES

KeySpan Home Energy Services, the largest installer of residential gas, heating, and hot water equipment and the dominant provider of gas-heating service plans in Metropolitan New York and New England, is a subsidiary of KeySpan Corp.

A member of the Standard & Poor's 500 Index, KeySpan Corp. (NYSE: KSE) is the largest distributor of natural gas in the Northeast, operating regulated gas utilities in New York, Massachusetts, and New Hampshire that serve 2.6 million customers. These customer-focused businesses are complemented by a portfolio of service companies that offer energy-related products, services, and solutions to homes and businesses. KeySpan is also the largest electric generator in New York State, with approximately 6,650 megawatts of generating capacity that provides power to 1.1 million customers of the Long Island Power Authority (LIPA) on Long Island and supplies approximately 25 percent of New York City's capacity needs. KeySpan also operates LIPA's transmission and distribution system under contract to LIPA. In addition to these assets, KeySpan has strategic investments in pipeline transportation, distribution, storage, and production. KeySpan has headquarters in Brooklyn, New England, and Long Island. •



Lesson 8: Discuss the Benefits

In each issue of *Impact*, we will provide you with tips to maximize your sales results as well as ways to leverage your resources.



Seleste Lunsford,
co-author

To help customers make an informed buying decision, expert salespeople provide information about the way in which they can address customer needs. Your goal is to help a customer understand the specific ways in which your product and organization can satisfy a need that they have.

SAFETY IN ENGLISH!

Customers may not understand the jargon you use to describe a feature of your product or service, and even if they do, they may not realize how it might benefit them. You need to make sure you describe what you have to offer in terms of both features and benefits. In general, a feature is some fact about a product or organization; a benefit is the value of a feature to a customer—the particular way in which the feature addresses the customer's needs or improves the customer's circumstances. Make sure every feature of your product or organization has at least one potential benefit associated with it.

STOP PITCHING!

Simply rattling off features and benefits will not make the sales. You need to clearly focus on the client by listening and asking questions so that you are sure the customer has expressed a need and you clearly understand the need. The best salespeople create a sense of harmony between themselves and their customers by acknowledging their understanding of the needs.

DELIVER EFFECTIVE SOLUTIONS

To deliver effective solutions and meet the customer's needs, you have to show clearly how your product or service can benefit the customer and provide value. Then

make sure to check the customer's reaction to your description—you do not want to move ahead until you know your explanation was understood and the customer accepts your benefits.

Top salespeople see the problems that the customer has, they show him solutions, and they tie it all back to high priority needs. You need to understand what customers want. You have to put yourself in their shoes because sometimes they themselves don't know what they need. Keep these options in mind:

- *Synthesize solutions.* Be creative when developing solutions to complex customer problems.
- *Adapt and customize, when necessary.* There's no universal product for all customers or for any one customer's total needs. Tailor your product or service to every customer situation, if possible.

Salespeople have to develop an increased awareness for problematic situations. They need to ask themselves, "What special solution can I offer to the customer?"

Remember, aligning the benefit with your customer's needs allows you to develop the stable, long-term relationships that are generally more profitable for your sales organizations. And it gives your customers the opportunity to work with a trusted supplier who has their best interests in mind. •

In the next issue:

Lesson 9: Close the Sale

The Service Doctor

with Todd Beck, Senior Product Manager

The Service Doctor is featured in the AchieveGlobal e-Newsletter *the StellarService@Edge*. To subscribe, please visit www.achieveglobal.com/enewsletter.

QUESTION: If we are really going to improve service, we need to try something new and exciting. What should we do to get the "biggest bang for our training buck"?

ANSWER: Organizations are always looking for creative ways to change behavior, from blended solutions, to assessment, to innovation in the classroom. But don't get caught up in the "training gimmicks" and forget to focus on the basic strategy for delivering quality service.

To achieve long-term results, training must be systemic as well as systematic, cascading from level to level within the organization to create lasting behavioral change on the part of the entire workforce—from the front line through to supervisors and senior managers.

How many of your training initiatives are fully supported from the top down and properly aligned with organizational strategy? If not all of them, how much could you increase training ROI by investing a greater percentage of your budget toward that alignment?

In recent years, there has been an increase in training customer service supervisors—a group that has largely been ignored for a long time. This group can make or break a training initiative at the front line. That shift seems like a clear sign of executive influence—strategic investment toward a broader organizational goal. If this trend continues, all organizations will need to adjust accordingly and raise their standards of customer service quality and satisfaction. •

Waking Up to the Changing Expectations of Your Customers

By Sharon Daniels *This article appeared in the March/April 2007 issue of Contact Professional.*

As customers become increasingly savvy, products more commoditized and choices more abundant, organizations are finding that creating customer loyalty is harder now than ever before. With new technologies, demographic shifts, and the rise of enhanced customer experiences, buyers' expectations are changing. Simply meeting those expectations or satisfying the customer doesn't automatically translate into repeat business.

Indeed, among customers who switch to a competitor, as many as 80 percent report being satisfied before making the move. It's when customers feel loyal to an organization that they behave in ways that help grow the business.

Consider the example of a customer who contacts a bank's call center with a billing issue. The customer already expects to have his or her business needs—the practical reason for the call—satisfied. If a customer service representative answers the call promptly and successfully addresses the issue, that interaction does little to inspire loyalty. The customer called the contact center expecting that the situation would be resolved. Meeting that expectation won't guarantee the customer will choose to continue using that bank in the future.

Some of the most significant changes in expectations center on customization and the absolute availability of service. With quicker turnaround in production and equipment to make one-off products, customers have come to have even higher expectations about buying and experiencing products and services developed just for them. What's more, the proliferation of Web sites and the ability to do many types of transactions around the clock have led customers to expect organizations to provide longer service hours to meet their needs. It's not unusual for a customer to count on access to service 24 hours a day, 7 days a week.

As technological advances continue, customer expectations for customization and round-the-clock service will expand, in terms of what products and services can be customized and the level of service that can be handled 24/7.

IMPLICATIONS OF NEW TECHNOLOGIES

Without question, technology has dramatically altered customer expectations. Today's customers expect organizations to know about their last service call and how it was handled, along with any number of other details that can ensure a smooth transaction. As such, customer relationship management tools are becoming even more important for growing organizations. Companies often find themselves asking, "How can we leverage this new technology to better serve the customer? And when we do, will that change the way we train our customer service agents?"

Fortunately, the foundational principles of customer service remain the same. For example, the need to address customers'



Sharon Daniels

human and business needs or the need to create positive defining moments to build loyalty don't go away simply because a company has implemented new service-related technology. Companies should avoid falling into the trap of believing that human skills are unnecessary because technology will fill the gap. While technology can enhance the customer experience, organizations still must create customer-friendly processes and provide employees who have exceptional sales and service skills. Agents must not be so focused on using technology that they are unable to interact with customers on a human level, or forget to apply key interpersonal skills that can have a great impact on the customer's behavior.

For instance, an agent on a call who is still learning how to use new software cannot let it impede his or her ability to be attentive to the customer. It is important to remember that although the context has changed for putting soft skills into action, the skills themselves are still the same.

Another change brought about by advances in technology is a new breed of highly educated customers, who often know more than the call center agent. They research products and services and often reference the company's Web site while speaking to the agent. With this in mind, organizations must arm their agents with the organizational and product knowledge that will

allow them to deliver the kind of service experience that exceeds the customers' expectations.

THE CHANGING FACE OF CUSTOMERS

Like technological change, demographic shifts also are impacting how customers expect their needs to be met, and how companies are approaching their customers. Organizations are spending more resources on identifying their target markets and testing new ideas with them before launching new products and services. This requires a whole new level of knowledge about these target markets and what and who impacts the decision-making process of their buyers.

For example, Generation X and the Millennials don't just expect to buy goods and services. These two groups are interested in the complete customer experience—how they feel when they do business with a company. It's incumbent upon organizations to adjust to these changing expectations but without losing sight of the fact that ultimately, the foundational principles of providing good service haven't changed. The baseline of providing excellent customer service should remain the priority.

WHAT CUSTOMERS WANT

With the lip service paid to customer loyalty in today's marketplace, it would seem to be a given that organizations understand the value of a loyal customer base. However, few companies manage to serve customers in the ways those customers would like. The challenge lies in human nature and the ability of service providers to develop the right attitudes and supporting behaviors.

To deliver service performance that inspires customer loyalty, organizations must first understand what customers really want from a service transaction. This has remained constant, even as new technologies arise or customer demographics shift.

Research has shown that, regardless of industry, product, age, gender, or location in the world, consumers want the following four qualities:

1.) Seamless: A service provider must be able to manage service factors that are behind the scenes and invisible to the customer, sparing customers the need to deal with multiple organizational layers or complicated procedures.

For example, when customers call a bank's call center with questions about their billing statements, they don't want to be transferred from department to department, or to repeat basic information for every new voice on the other end of the phone. They expect the initial service provider to coordinate everything for them.

2.) Trustworthy: Customers want to feel that they are in capable hands, and that a company will keep its promises. They also want and expect things to be correct the first time. Should something go amiss, they expect a quick and thorough recovery.

In the case of the bank, the customer wants assurance that the new options offered by the service representative are available as promised and will be reflected on next month's bill.

3.) Attentive: Customers want to be recognized quickly, politely, and with respect. Although this may seem like the foundation of customer service, attentive service—the quality valued most highly by some customers—tends to be the point at which many organizations fall short. We know from our own experience that if someone tells a story about being ignored by a customer service representative, listeners often respond with their own "horror stories," each worse than the one before.

4.) Resourceful: Providers who take a fast, flexible approach to the service interaction appeal to the customer's desire for

resourceful service. If needed, customers also expect prompt and creative problem solving in the service recovery.

For example, that bank customer wants the service provider to be able to suggest other options that would alleviate the billing issue. If the solution offered isn't reflected on the next billing statement, that customer expects the provider to fix the problem quickly and without complication.

Successful service providers learn to assess each customer's service expectations and adjust their approach according to that person's predispositions. Some customers like simplistic chitchat, while others prefer business transactions with only limited personal interaction. While finding the balance is not easy, it is essential to creating the positive defining moments that inspire customer loyalty.

For example, if the agent from the bank solves the billing issue, but is also friendly, behaves professionally, and takes the time to detail a different set of options that would avoid the problem in the future, that interaction exceeds the customer's expectations, makes an impression, and increases the likelihood that the customer will, continue doing business with the company.

FINAL THOUGHTS

While it is important to recognize customers' changing expectations, it's equally important to stay connected to the foundation of providing good service. Companies that instill the right customer service attitudes and behaviors into their workplace culture and daily practices will be well positioned to improve customer loyalty, drive business growth, and ultimately achieve and maintain a leadership position in the marketplace.

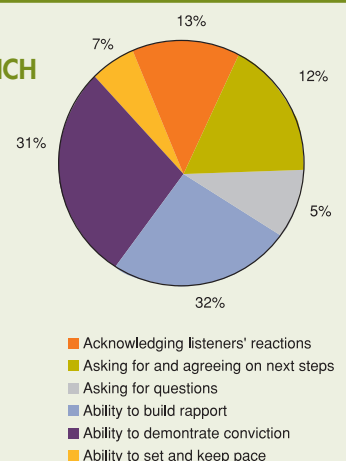
FACTOID

Q: WE ASKED:
THINK OF A RECENT TIME WHEN YOU LISTENED TO SOMEONE PRESENT THEIR IDEAS. WHICH OF THE FOLLOWING HAD THE MOST IMPACT ON THE EFFECTIVENESS OF THE MESSAGE?

A: YOU ANSWERED:
When a person is speaking to others, presenting an important concept or idea, all the actions on the suggested list are of importance. However, it appears two of the suggested actions seem to most impact the effectiveness of the message:

- 1.) the ability to build rapport,
- 2.) the ability to demonstrate conviction

Rapport with an audience is, without a doubt, a connection that is vital to successful delivery of ideas. Equally as important is the presenter's ability to demonstrate conviction—a speaker must truly believe in and understand what's being communicated.



Source: AchieveGlobal's LeadingEdge eNewsletter

From Culture Clash to Extra Cash

Aligning Functions to Sell Through Service

For most organizations, generating revenue through service functions is a receding mirage.

The simple goal of getting service and fulfillment staff to offer additional products and services seems constantly thwarted by historical and organizational forces. Yet some organizations do reach that distant oasis. Their leaders create a culture that aligns sales, service, and fulfillment to cross-sell and up-sell, creating new opportunities for profits and growth.

“WHY CAN’T SALES, SERVICE, AND FULFILLMENT JUST WORK TOGETHER?”

In one form or another, that frustrated question occurs to everyone charged with increasing revenue through service. After all, expanding a customer relationship improves business performance and the prospect of continued employment. In our experience, the answer to that question has deep historical roots.

Mom and Pop Storekeepers, who owned and operated the small-town general store of yesteryear, knew that they alone were responsible for the complete customer relationship. They personally handled the sale, delivery, and service, all with loving care. They knew all their customers by name, and they kept a mental database of individual preferences. That way, they could make relevant and timely offers tailored to individual needs. Mom and Pop were the perfect Customer Relationship Management (CRM) model!

Today’s mega-corporations achieve cost efficiencies through specialization. The quality of the customer’s experience depends on different departments working intelligently together: Manufacturing, Sales, Marketing, Fulfillment, Service, and other functions outsourced to low-cost subcontractors far removed from direct customer contact. In many companies, this functional segmentation results in dysfunctional customer relationships.

Consider the woman who walks into a big-box retailer and orders a customized computer. To inquire about her order status, she must contact the manufacturer or third-party shipper. If she receives the wrong computer, she must call the manufacturer’s serv-



ice group—yet another third party. So three different organizations and four functions manage this customer’s relationship. No wonder organizations struggle to retain valued customers, and customers struggle to remain loyal.

WHAT HAPPENS WHEN METRICS COLLIDE

Compounding the problem, different functions measure their performance with different indicators. Sales measures itself by generating profitable revenue; marketing by generating leads and launching effective campaigns; fulfillment by cycle time and errors; and service by productivity, cost control, and transactional customer satisfaction. While these indicators help each function articulate its own value, none of them measure the quality of the complete customer relationship.

In the end, colliding metrics not only damage the customer relationship, they also prevent the collaboration required to sell effectively through service. Service blames Sales for overpromising just to make the sale; Sales blames Fulfillment and Service for failures that impede sales. These deeprooted conflicts, which produce costly rework and damage the customer experience, cannot be fixed by a tactical band-aid, or simply urging people in different groups to “get along.” Leaders must take a strategic view. Still

accounting for distinct functional goals, leaders must promote a culture of collaboration. For the customer, the central payoff is a more satisfying long-term relationship with your organization. For you, the central payoff is increased revenue through increased customer receptivity to additional offers.

The following best practices, with relevant examples, distill our long-term experience, helping thousands of leaders worldwide to align functional metrics and break down the cultural and historical barriers to selling through service.

1. ASK THE RIGHT QUESTIONS TO CREATE A STRATEGIC PLAN.

A financial services company wanted to generate incremental revenue through customer contacts with their call center. After limited success in training customer service reps to offer additional products and services, leaders realized they needed a broader plan to break down organizational and process barriers. They focused their thinking by considering the following questions:

- Which products and services can be appropriately positioned for sale through service and fulfillment?
- How do we select, train, motivate, reinforce, and support service and fulfillment staff in this new direction?
- What needs to be modified to allow effi-

cient processing of orders placed through the telephone service and fulfillment center?

- How can we ensure that the customer experience remains positive and builds loyalty, and that additional sales offers are not perceived as hard sell?
- What results can we realistically expect, and how do we measure them?

These leaders spent time and money to thoroughly explore these critical questions. Their answers led them to create new procedures and a workable implementation plan, which paid off as incremental call-center sales rose steadily.

2. MAKE ADDITIONAL OFFERS ONLY TO RECEPTIVE CUSTOMERS.

A credit card company insisted that service reps offer an additional product or service at the end of each conversation with a customer. Reps were measured purely on the number of offers, rather than on the quality and relevance of the offer. As a result, reps offered additional services to already un-happy customers precisely when they were least receptive, creating few sales, but plenty of hostility and alienation.

Acknowledging their failure, leaders devised a new plan to train reps to be sensitive to customers' feelings. Reps now offer additional products and services only after doing everything possible to satisfy the original customer need. This organization discovered that when the customer is satisfied and happy, they are much more receptive to a new offer.

3. MAKE RELEVANT OFFERS TO ENHANCE THE CUSTOMER RELATIONSHIP.

In our experience, organizations able to position products and services relevant to individual customer needs are more likely to close the sale. This approach is a stark contrast to the "special of the day" pitched indiscriminately to every customer. When service reps are able to uncover a genuine customer need, they feel good about making an offer. When they cannot associate an offer with a benefit, they feel uncomfortable making an offer and, as a result, close far fewer sales. Further, we've observed relevant offers greatly reduce early cancellations and returns. Customer Relationship Management (CRM) systems can flash suggestions on the screen to help service reps identify potential solutions for an individual customer. Still, computer software cannot pick up human nuances. Software is no substitute for good judgment based on training, experience, and selection of perceptive reps.

4. MAKE IT EASY FOR SERVICE REPS TO SELL.

The excitement felt by a service rep when a customer says "yes" to the offer can quickly turn to frustration if order fulfillment processes have not been adjusted to make it easy to place the order. Time-consuming manual processes undermine the motivation to make the offer, especially when the rep is measured on efficiency and productivity. These metrics need to be relaxed in order to allow increased time for the rep to make sales.

5. HELP SERVICE REPS MAKE THE TRANSITION TO SALES.

Functional systems aligned, the key point of contact becomes the service rep and the customer. The central leadership task becomes preparing and motivating reps to link additional products and services to genuine customer needs.

Position sales as another form of service. The very word "sales" can trigger negative reactions in service reps who initially may resist a new sales orientation. Service reps see themselves as customer advocates, sometimes even as protectors of the customer against the sinister advances of their own organizations! Leaders need to train service staff to make this attitudinal and behavioral leap.

Get middle management fully on board early.

Service managers and supervisors often resist upselling and cross-selling more adamantly than frontline staff, especially when they are used to being measured on their productivity. They may see any activity that increases time per customer contact as a threat to their efficiency numbers.

It's up to executives to:

- Create new performance metrics.
- Get middle managers' agreement and support at the beginning.
- Give them thorough training in new upselling and cross-selling skills.
- Teach them and expect them to coach the frontline service reps.

Link the offer to increases in customer satisfaction.

Service staffs need to be able to link the offer of additional products and services to positive outcomes for the customer. Service reps are much more likely to embrace the new program when they recognize that customers have unsolved problems and unfulfilled needs, and their own offers of solutions lead to greater customer satisfaction.

Assure service reps that customer satisfaction is still the primary goal. Additional offers are secondary to customer satisfaction and loyalty. Reps must

not damage a potentially long-term relationship by applying unwelcome high pressure on customers when making additional offers.

Provide a simple sales approach. Service reps' selling methods should involve only a few easy-to-remember, open-ended questions designed to identify and satisfy customer needs. Choose a simple behavioral approach to making offers and moving the customer forward. Implement new behaviors through a well-planned training program.

Offer support after training. Most reps will want to try new skills and succeed in making additional offers. Leaders want them to feel good about this new direction. So, first have them practice in a safe environment with gentle coaching. After initial training and before returning to their normal work station, have reps sit together for a week, with coaches available to deal with any questions and/or challenging situations. Back on the frontline, monitor performance and provide appropriate coaching as needed.

Offer recognition. Recognize and celebrate positive results achieved by trained reps who successfully offer additional products and services. Further coach any who struggle with the transition to help bring them up to speed. Offer cash incentives. One of our clients, a home heating company, pays service techs a small bonus for securing a lead on a new heater. The offer itself goes like this: "Yes, sir, your water heater is fixed now. I notice, though, that your heating system is leaking slightly. May I set up an appointment for you to speak to one of our home heating specialists?" Revenue through this service channel continues to rise sharply. To keep customer and employee satisfaction high, the company plans the incentives and monitors calls, so reps don't inadvertently start pressuring the customer.

Revise performance metrics. Augment old measures of productivity and customer satisfaction with new measures of relationship expansion. These measures might include the ratio of relevant offers to the number of calls or the total number of referrals to the main sales group.

Consider alternatives for reps who cannot make the transition. Some service reps may be unable to adopt new sales behaviors. Help them find alternative roles matched to their preferences and capabilities. Keeping these employees in an

From Culture Clash to Extra Cash — continued from page 7

unsuitable role can damage customer relationships, increase employee frustration and turnover, and undermine your sales-through-service initiative.

Include selling skills in recruitment criteria. Hiring people who already have the skills, aptitude, and attitude to sell in a service role will make the new direction easier. Include selling skills in job descriptions.

THE ULTIMATE METRIC IS THE BOTTOM LINE

Despite the discouraging attempts in many organizations, successful sales through service is no mirage. A tactical approach usually realizes fewer benefits and leaves the impression of “one more thing we tried.” Companies that achieve revenue gains take a strategic view and plan carefully. To start, they:

- Build new financial models as part of planning.
- Include all the new variables and determine how to allocate incremental revenues and costs.
- Allow for a learning curve, starting slow and gaining speed over time.
- Stress-test these models under different assumptions.



If expected returns exceed the investment hurdle rate under all probable scenarios, the project gets the green light. On the human side, improving the customer’s experience just makes sense and should be expected of any employee. On the business side, a solid plan to generate additional sales through service and fulfillment functions should produce growing revenues and profits as the new initiative becomes fully integrated throughout the organization.

About AchieveGlobal

With its world headquarters in Tampa, Florida, AchieveGlobal helps organizations translate business strategies into results by improving the performance of their people. Clients around the world rely on AchieveGlobal’s proven expertise in leadership development, customer service, and sales effectiveness. By implementing research-based learning solutions, AchieveGlobal empowers clients to successfully develop leaders and acquire, grow, and retain profitable customer relationships.

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