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## The Race to Sales

What We Forgot Along the Way

# The Race to Sales:

*What We Forgot Along the Way*

BY DINA VANCE

**There continues to be** a growing trend in contact centers once primarily engaged in service: to sell to as well as service customers over the phone. For good reason, too—there is significant strategic value in treating the contact center as a profit center, responsible for generating revenue.

However, danger lurks in the shadows, as a growing number of these contact centers are reporting increases in sales hand in hand with significant decreases in customer satisfaction and retention. Is there a connection? You bet.

For this article, we interviewed executives who have been personally involved with helping turn their contact centers into profit centers or are trusted advisors to those who have. Through their real-life stories and practical experiences you'll learn what it takes to balance high levels of sales with high levels of customer satisfaction...and profitability.

### Contact Center as Profit Center

A business that sells its products or services over the telephone is nothing new. However, the notion of an organized contact center as a profit center really began taking form in only the past 10 - 15 years.

A good example is the evolution of the financial services contact center. "In the '80s, we were all building our call cen-

ters," notes Mary Evans, a 20-year call center veteran who currently leads Key-Bank's retail banking inbound and outbound sales groups. "In the early '90s, we began to question our costly infrastructure and looked hard at performance."

Evans, like other call center executives at that time, became involved in referral and sales initiatives to help maximize every call that came into the center. As the '90s progressed, the negative impact sales and referral activities had on talk times, overall expenses and customer satisfaction were well publicized.

"Unfortunately, many call centers focused more so on the efficiency side of the equation without looking at the overall benefits of being engaged in revenue generating activities," says Evans.

Gerry Barber agrees, "Sadly, there was a general tendency to blame the new sales or referral program for lower customer satisfaction scores." Barber has 25 years' experience re-engineering sales and service contact centers across a number of vertical markets and currently serves as Vice President for CIAC, the Call Center Industry Advisory Council.

"The reality for most call centers was that they didn't realize it was going to take another two minutes per phone call to cross-sell and up-sell properly," says Barber. "Ill-planned promotions caused

staffing levels to not accommodate the longer talk times, and thus customers were mostly dissatisfied with the length of time they needed to wait on the phones. Plus, after the longer wait, they weren't in the most receptive of moods to hear a pitch for a new product or service. What they wanted was to get their service need met...and get off the phone."

### The Evolution Continues

Here we are approaching the year 2005. Most of us have yet to crack the code on selling efficiently and effectively in our contact centers while strengthening customer relationships.

But patterns of success are emerging. There is growing evidence that in the race to sales, if we can clear four important hurdles we stand a far better chance in achieving our business goals.

- Unconditionally believe (from the top down) that sales is an extension of good service (and put the right processes and practices in place to support that belief)
- Help employees develop good judgment skills versus "sales" skills
- Make coaching your top priority—for employees and supervisors
- Recognize it's an evolution not revolution

We'll now take a look at each of these four points further, and in the process share insights from industry experts on



## Intuit's Agent Compensation Plan Paves Path to Greater Customer and Employee Satisfaction

Four years ago, Intuit launched an organization-wide strategy coined "Right for My Business". No longer was it acceptable to sell for the sake of selling.

In the contact center, processes were implemented to equip agents with the knowledge and skills necessary to understand their customers' businesses, industries and pain points.

"Before the shift, a customer would call in and we'd sell them basic accounting software," reflects Lenny Padron, Director of Sales for Intuit's small business products contact center group. "Now, we ask the right questions to ensure that each customer is matched with the right product or service to meet their business's specific needs."

Three factors that contributed to Intuit's success in making the transition from being product- to customer-focused were: 1) talent was "up leveled"; 2) compensation plans were re-engineered; and 3) organization design was charted with the customer in mind.

"To drive the customer conversations we wanted to have in our call center we needed to up level our agents," Padron notes. "Prior to the launch of our new sales strategy, the minimum requirement for agent sales experience was 6 months. Now it's 3 years. We also formally assess each candidate's communication skills and sales aptitude."

Intuit recognized that agent pay didn't support the behavior desired—conducting consultative conversations with customers. To better support this behavior, they shifted a larger percentage of the agent's compensation to base pay, depending on the experience and skill set the individual brought to the table.

For obvious reasons, agent feedback on the new compensation plan has been generally very positive. More importantly, it sent a strong message to employees that the company was serious about their new business strategy.

"Our business is cyclical," says Padron. "The shift to higher base pay helped to even out the feast or famine nature of our old compensation structure. That, in combination with the new variable component, encouraged agents to change their sales orientation, rewarding them for behaviors that put the customer first."

vice specialists and reacted negatively to the word "sales" and what they felt that word represented.

"We're very focused on customer satisfaction and don't want to create situations where our customers feel like we're pushy salespeople only interested in taking an order," shares Lenny Padron, Director of Sales for Intuit's small business products contact center group.

Intuit's corporate culture, value system and processes are essentially driven by the voice of the customer and lived by all—from senior leadership right through its sales agents. Everyone has the mindset that sales is about taking care of customers, solving their problems, and offering solutions that make the most sense for customers.

If senior executives do not believe that sales is good service they will not put in place the necessary support mechanisms to make the transition from service to service and sales work.

"First, an organization that is not servicing well has no right to sell," states Barber. "We have to take care of customer service needs first. Then, we have to set in motion plans to optimize staffing so that service levels are being met because if you expect employees to refer or sell in addition to service, talk times will go up."

Barber continues, "And we have to give our people the skills to sell through service...and do it extremely well. If the leadership team doesn't invest the resources

how we can get our contact centers back on track.

### #1—Sales is Good Service

"Without a doubt, our sales initiatives will fall short, if we forget that the act of 'selling' useful products and services to meet a customer need, when done well, is the ultimate customer service," Barber states.

All of the experts we interviewed on this point cited the importance of a "sales is good service" philosophy that is supported from the top down.

"We consistently remind our staff that our sales approach is based on service," Evans notes. "The word *sell* actually originated from the Scandinavian root *selzig* which literally means *serve*."

For many organizations, stressing the point that "sales is good service" was important in positioning their new strategy because of initial resistance from staff members who viewed themselves as ser-



necessary and support the strategy wholeheartedly, failure will surely follow.”

## #2—Judgment Reigns Supreme

In the rush to establish all the right processes and practices to support our sales initiatives, it’s easy to forget or not place the appropriate level of emphasis on what happens at the point of customer contact—the *conversations* between customers and agents.

“It’s not a secret that this is where customer relationships are won or lost,” affirms Gary Lemke, President of RealMarket, a provider of real-time and on-demand contact center industry news and information. Lemke has extensive experience in sales and sales management, working for companies like Hewlett Packard before founding his own business.

“Just about every abysmal customer service or sales experience I’ve had working with a company’s call center stemmed from a judgment error that occurred during the call,” says Lemke.

He points out the need for contact centers to provide agents training, not in sales, but in exercising sound judgment. “I recently had a horrible issue with our phone billing system. Our phone system was hacked into and we had over \$6,000 of phone calls made over the weekend. I called my phone company. The agent said I needed to contact the seven different long distance companies through which the calls were made to handle the issue. My phone company only provided the bill, as a courtesy!

“The agent then proceeded to ask who I use for my Internet access and did I know they provided DSL. After my response, the agent said, ‘My goal today is to provide you with excellent service. Have I provided excellent service to you today?’ I had to call this particular contact center back several times and received the same scripted close each time. They failed to resolve my problem, yet they were trying to open up a new opportunity.”

Poor judgment also leads to poor profitability. If, in your race to sales, the goal of customer/agent conversations is sales volume with little or no regard for customer value or company value, chances are good you won’t reach the finish line.

Agent missteps that occur in the heat

***“You absolutely have to stay on top of coaching if you want to achieve your business results,” says KeyBank’s Terry Koubele.***

of customer conversations are at the root of most customer complaints, as well as complaints from company senior executives when profit margins dip. Yet specific training in developing judgment skills is tough to do.

According to Nucleus Research, 80 percent of call center training is low-fidelity issues. Twenty percent is high-fidelity training—customer service, sales, and coaching where the emphasis is on judgment skill development. The high-fidelity training is the hardest to do well but adds 80 percent to the

value of your service.

Organizations are beginning to see the value in simulation-based e-learning to help them develop “high-fidelity” skills in a safe, simulated environment where customer relationships are not at risk.

Adult learning expert Dr. John Cleave, Principal of Experience Builders in Chicago, suggests that the best approach is to expertly blend the simulation-based e-learning (which should account for approximately 80 percent of the training time) with facilitated exercises (which should account for 20 percent of the

## KeyBank’s “Sales through Service” Strategy Pays Off

In June 2003, KeyBank made a bold move in their 400+ seat customer service center to re-align it to the corporation’s revenue growth strategy. First, they changed their name to “Sales through Service”; second, they re-engineered their center to support their new philosophy.

“We wanted to become the strategic weapon for the company,” says Terry Koubele, KeyBank’s executive in charge of Sales through Service. “Our goal was to maximize the value from our incoming service calls to help achieve our corporate revenue objectives.”

In the process of changing their approach, KeyBank never lost sight of providing good service. Customer satisfaction ratings continue to rise from 8.45 (on a scale of 10) before the change, to 8.75 in 2004.

KeyBank implemented several new processes to bolster referrals to the contact center’s sales groups, headed by Mary Evans. “The opportunities for referrals are tremendous,” states Evans. “Right now 4 percent to 6 percent of incoming service calls result in a referral, which translates into nearly 50 percent of our booked business in telesales.”

Both Koubele and Evans recognize that their work has just begun, but progress has been made. Leadership buy-in and support, agent referral training, and coaching are among the top elements contributing to their success.

“To really change our culture we knew it was going to take time and that we would face numerous challenges along the way,” says Evans. “Unwavering focus and support from our leaders was absolutely essential.”

According to Koubele, they installed a formal coaching process that was enabled by technology, providing team leaders with immediate feedback on associate performance. They put processes in place that helped team leaders coach on a regular basis, including creating team specialists to handle administrative functions.

They also created a new senior coaching position and hired two executive-level coaches. These individuals get their arms around all sales campaigns and calibrate with team leaders, shadowing them and conducting one-on-one coaching sessions.

Training was important, too. All associates participated in referral training to move away from product selling to a consultative approach that helped them uncover real customer needs.

“We don’t want our associates to focus on ‘selling,’” says Koubele. “We want them to focus on providing customers with good service and educational information about the services and products available to help them accomplish their financial and personal goals.”



training time) to help representatives further develop and reinforce skills.

### #3—Coaching is King

Training without coaching is an exercise in futility. The importance of coaching could not have been emphasized more by our experts.

“You absolutely have to stay on top of coaching if you want to achieve your business results,” says KeyBank’s Terry Koubele. “If one manager stops coaching it affects the whole operation.” (See the sidebar article “KeyBank’s ‘Sales through Service’ Strategy Pays Off” for more insights.)

Intuit is another organization that believes in the power of coaching. Eighteen months ago it implemented a blended coaching solution designed to build a consistent coaching process throughout its contact center and improve the performance of its coaches so they can sustain the behavioral change of representatives long after their initial training.

The “blended” coaching solution features simulation-based e-learning for coaches with facilitated exercises, as well as one-on-one and group calibration sessions with a Master Coach.

“We’re convinced that coaching is the key to getting agents to have more consultative conversations with customers,” says Lenny Padron. “And you need a coaching process with clear accountabilities...a process that sets your coaches up for success.”

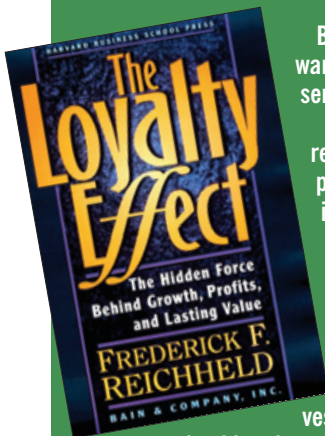
Intuit has made significant investments in its agents and coaching team. (See “Intuit’s Agent Compensation Plan Paves Path to Greater Customer and Employee Satisfaction”.) The company invested in up-leveling their supervisor talent so that those vested with the task of coaching could effectively model the behaviors Intuit wanted to hear when agents were engaged in customer conversations.

“That’s where coaching really pays off,” says Padron. “When a coach can pinpoint what an agent is doing well or what they can improve upon and then communicate that point effectively, customer conversations change for the better.”

Padron also points out that even though Intuit’s supervisors are excellent sales reps in their own right, the priority is clearly on coaching. “If they don’t like to coach, then we let them know early on that it’s not the right job for them.”

Intuit also makes it a priority to give

## A Word about Measurement...and the Future



By now we all know the importance of measuring the results we want to achieve. Do they appropriately reflect your philosophy on service and sales?

If improving customer satisfaction and developing customer relationships is important to your organization, then number of products sold should not be topping your list of key performance indicators.

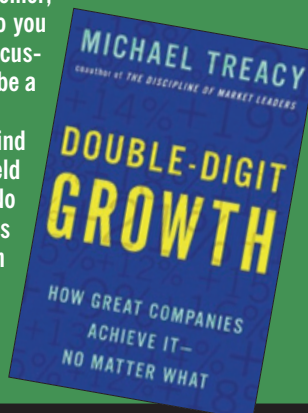
As we look to the future, the momentum is growing for putting customer retention at the top of the measurement food chain. Why customer retention?

“Customer retention is fundamental to corporate growth and value,” says Gary Lemke, founder and President of RealMarket. “Sure, it’s easy to embrace the idea that if you invest in finding and acquiring a customer,

you should make a concerted effort to keep them so you can sell to them again. But weaving operable and effective customer retention strategies into the fabric of a company can be a daunting task.”

Books such as “The Loyalty Effect: The Hidden Force Behind Growth, Profits, and Lasting Value” by Frederick F. Reichheld and “Double-Digit Growth: How Great Companies Achieve It-No Matter What” by Michael Treacy reveal many practical ways you can grow your bottom line by putting the spotlight on customer retention.

To review a business case for customer retention as a key performance indicator, visit RealMarket’s website at [www.realmarket.com/retention](http://www.realmarket.com/retention).





its supervisors a toolset to help pave the way for more frequent agent coaching sessions. They removed administrative roadblocks that would keep them away from coaching so there would be no excuses for not having the time.

#### #4—Think Evolution Not Revolution

Break out any dictionary and next to the word *revolution* you'll read some variation of this definition—*uprising, rebellion, or war*. And, that is exactly what you'll get if you move too quickly to launch a sales initiative without the right processes in place or push too hard for overnight success.

Take the time to get it right. Selling can look deceptively easy on the surface. Haven't we all been involved in a sales initiative at one point or another in our careers where we helped to create a lot of excitement around a new product and service, we held group meetings and launch parties and we sold that new product or service to everyone we could.

Invariably there would be a spike in sales and then sales levels would dip and eventually drop off. If we were lucky, no harm would have been done. Our staff

morale would be high, customer satisfaction, even higher, and company profitability would be soaring.

Or, if you were one of the unlucky ones, morale would be low (employees really don't like to push products without meeting a real customer need first); customer satisfaction would suffer (again, longer wait times are no fun); and, worse yet, profitability would be compromised (the products you sold were returned by a large percentage of customers who realized they didn't have a need for it or just didn't use it).

This last point is particularly dicey. For some organizations, selling a product that is not used is a very expensive way to do business. Consider the example of the bank that sells home equity lines of credits to customers who never access them.

So evolve your sales strategy. Get smarter and better at every point along the way. I assure you that if you focus on remembering the four points we discussed in this article and bring those points to life in your contact center with thoughtful, well-executed strategies and tactics, you will get the traction you seek in sales. CP

### Your Contact Center's in Trouble if...

A "yes" answer to any of these questions might signal a need to re-evaluate your contact center's approach to sales:

- Are your agents compensated for the number of products they sell?
- Have you not increased your staffing levels to compensate for longer talk times during peak calling periods?
- Has customer satisfaction dipped while sales productivity has increased?
- Does coaching agent performance consistently slip from the top of your supervisors' to-do lists?
- Does your training provide agents information on product features and benefits more than help them develop and apply certain core skills based on being able to tune in to a customer's true interests and concerns?

## *About the Author...*

Dina Vance ([dvance@ulysseslearning.com](mailto:dvance@ulysseslearning.com); 704.943.5800) is a widely respected thought leader on developing and leading contact center staff and a pioneer in improving performance of financial services contact centers. Ms. Vance was responsible for the ground-level start up of two financial services contact centers before she moved into a consulting role where she also managed the call center division for an international consulting and training organization. She currently serves as Ulysses Learning's Senior Vice President and is on the executive boards of the Call Center Industry Advisory Council (CIAC), American Bankers Association (ABA), and Call Center Networking Group (CCNG).

## *About Ulysses Learning...*

Ulysses Learning ([www.ulysseslearning.com](http://www.ulysseslearning.com)) is recognized as the leader and pioneer in the use of simulation-based e-Learning to improve service, sales, and coaching performance. The company is known for building Judgment@Work™ skills – decision making and advanced interaction skills – in contact centers and at all points of customer interaction throughout the organization for financial services, insurance, and telecommunications leaders.

For the second year in a row, Ulysses' **CallMentor® Learning and Performance Improvement System** has received ICCM's **Best of Show** honors for best contact center service, sales, and coaching training. In addition to receiving this honor, Ulysses has also won numerous awards, including Customer Interaction Solutions' **Product of the Year**, a distinction it has received each year since 1999.

For more information on Ulysses Learning contact the company at 704.943.5800 or at [info@ulysseslearning.com](mailto:info@ulysseslearning.com).

