



FRONTIER ASSOCIATES, INC.
MANAGEMENT CONSULTANTS

Case Study #12

The Case of the Somnambulant Sales Meetings

The Situation: Barely Breaking Even

Community Newspapers, Inc.¹ publishes a number of free, weekly, community newspapers in a major metropolitan area. Revenue comes from commercial advertisers and classified ads. The outside sales force focuses on proactively selling ads to local businesses, with commissions the major part of their compensation. Classified ads are handled by an inside sales force which mainly responds to phone calls and people walking into the newspaper offices to place ads.

Even though it had reduced costs considerably, Community was still operating at a barely breakeven level. Despite considerable management attention, revenue had remained essentially unchanged for years.

The Goal: Increase Profitability by Increasing Sales

Frontier Associates Inc. (FAI) was retained to help Community increase its profitability by increasing advertising sales revenue while maintaining existing expense levels.

Our Analysis: Improve Sales Department Effectiveness

We reviewed a number of factors that could be suppressing advertising revenue, including the training, skill, and compensation of the sales staff, the quality of the product, the desirability of the product, the business environment, the paper's target market, and competition. Many of these factors had been previously studied and altered, with little or no impact on revenue. We and the client concluded that none of these factors appeared to be a significant cause of the inability to increase sales revenue.

We then analyzed how the Sales Department operated. The sales staff functioned as independent individuals with little or no tactical support from the organization other than special sales programs from time to time. The sales staff felt that newspaper management paid attention mainly to the publishing function, and that their concerns were neither heard nor resulted in any improvements. As a result, the sales staff did not attempt to improve their selling skills, did not work together to increase efficiency and cross-selling, and did not interface well with



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the rest of the organization, which tended to resent the sales force's higher compensation, independent behavior, and attitude.

Most of those who demonstrated sales success soon departed for other newspapers, leaving Community with a relatively inexperienced sales staff. The few successful outside salespeople who remained tended to demand special privileges, the granting of which generated resentment by other salespeople.

This situation was dramatically illustrated by the mandatory weekly sales meetings which consisted mainly of the sales manager announcing sales programs and exhorting the sales staff to do better. The sales staff rarely spoke, having learned that it would make no difference and would make the meeting last longer, taking time away from selling ads.

FAI's Solution: Dramatically Improve the Weekly Sales Meeting

FAI focused on having all salespeople experience that Community Newspapers was actively working to improve their individual sales skills, and thus their individual compensation, while promoting more cooperation between members of the sales staff. In addition, we wanted to address and resolve some of the issues that the sales staff said were in the way of their success and efficiency.

The primary vehicle for this effort was the weekly sales meeting. At first we tried to coach the sales manager to change his style, but this was unsuccessful. Then the FAI consultant personally led the meetings, to create the desired impact on the sales force and as part of training the sales manager.

Salespeople were told that the new purpose of the weekly meeting was to help them increase sales — and their compensation — by providing coaching to improve their individual sales skills and to resolve any obstacles to their success. The meeting was no longer mandatory, but latecomers would not be admitted; the door was locked at precisely 8:00 a.m. Coffee, tea, and pastries were provided to promote an informal atmosphere.

The format of the meetings was radically transformed from the prior sales-manager monologue:

- Reporting of corporate information, including description of sales promotions, was eliminated — the entire focus was on coaching the sales staff.



- At the end of each meeting, each salesperson made a promise² regarding the dollar amount of sales they would produce in the next seven days.
 - At the next meeting each salesperson was coached as follows: The salesperson first reported what he or she had accomplished during the prior seven days relative to what had been previously promised. Regardless of the result, there was no evaluation in terms of good and bad.
 - If actual sales fell short of the promise, the coaching focused on investigating, through inquiry, what they might have done differently to improve their result. A typical question was. “What do you know now that you didn’t know a week ago that would have had you act differently and enabled you to keep your promise?”
 - If they met or exceeded their promise, then the coaching focused on what they did to cause that success. Often they attributed the cause to good luck, and it took some skilled coaching to have them alter their interpretation so they could be “at cause.” Once they could see how they had caused their success, they could see the possibility of employing that behavior to increase their future success.
 - Of course, as each person was being coached, all the other sales people were observing and taking notes on what worked and what didn’t work and possible applications to their situations.

The Results: Increased Sales and an Empowered Sales Force

Advertising revenue and profitability increased significantly. The weekly sales meeting became a meeting that no salesperson wanted to miss, given the wealth of practical knowledge and tips that were made available.

The most successful salesperson showed up late to the first few meetings and was not admitted. This made it clear that the era of special privileges was over. After the meetings he tried to find out what had happened, but the meeting participants were so excited to get to the phones to try out what they had just learned that they had no time to brief him. Soon he started showing up at the sales meetings on time. After a few instances of being coached and having a powerful insight, he became convinced of the power of the meetings. At the same time, others began to learn the reasons behind his success and adopt his successful approaches.



Not everyone was coached at every meeting. The sales meetings became events of shared experiences and knowledge. People learned what others sold, and mutual support and cross selling increased. For example, people brought in colleagues who were expert in a particular sector, such as auto or apparel, to help close sales and create larger advertising programs. The group became more cohesive and more focused on helping each other. Some even took on projects that benefited the group; previously each salesperson had been reluctant to do anything unless he or she was the sole beneficiary.

Summary

Periodic Sales Department meetings can be a powerful force to suppress or improve sales. If conducted to improve sales skills rather than communicate information, they can also promote a more collaborative sales force. Here are some useful guidelines for periodic sales meeting:

- Have at least some of the meetings focused on improving sales skills, with a significant portion of these devoted to coaching rather than lecturing.
- Separate meetings for information transfer from coaching. (Particularly for one-way information transfer, use email rather than meetings.)
- Coaching works best when based on specific promised or intended results.
- Don't make positive or negative evaluations, regardless of the actual results.
- Ideally, each coaching interaction should result in the salesperson seeing what they could have done differently to improve sales or what they did do that led to meeting their target.
- Design each meeting so that each participant leaves with significantly more value than the cost of the time invested.
- Develop a clear set of guidelines for conducting the meeting, and rigorously apply those guidelines. Especially important: show no favoritism and start and end each meeting on time.

¹ Names have been changed to preserve anonymity.

² We had to clarify the meaning of "making a promise." We did not mean "guarantee." Rather we meant that one would do one's best to keep one's word.