
Refocusing resources in a competitive economy: Sales through service

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co-founders of The Elkind Group (TEG) have more than 25 years of telesales and call centre experience. TEG has achieved outstanding success with both inbound and outbound sales in business-to-business and business-to-consumer organisations by producing outstanding sales results from service representatives who do not see themselves as sales people. They are co-authors of 'Service to Sales: Changing Culture and Mindset in Your Call Center' and they also write for many Internet and nationally syndicated publications.

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Abstract

Research indicates that over 70 per cent of all call centres worldwide are adding sales capabilities in an attempt to become a source of profit for their organisations. In the current economic climate, no company can settle for incremental change – it is becoming an urgent necessity to successfully transition from a cost centre to a revenue-generating centre. Although the migration from service to sales *and* service is no longer a new concept, many companies underestimate the investment of time and resources needed to do it right. As a result, the effort is often unsuccessful. Transitioning from service to sales *and* service requires more than just introducing new skills, processes and systems – it depends on a complete transformation of culture and mindset in the call centre. This paper discusses four significant investments that call centres must make in order to successfully integrate service and sales.

KEYWORDS: *service to sales, service, call centre selling, coaching, organisational change, call centre resources*

MANAGEMENT IMPLICATIONS

- Call centres can generate significant revenue. However, the transition from service to sales *and* service depends on a complete transformation of culture and mindset in the call centre. This transformation can be accomplished, but it must start at the top and it requires a focused, long-term commitment of energy and resources to achieve success.
- If sales are to be introduced into the call centre, all representatives need to deliver a customer experience that is emotional, simple and personal. Customers need to feel that representatives understand their situations and are educating them on products and services that they will use, enjoy and value.
- Senior leadership needs to formulate sales strategy and make the case for change. By creating and communicating a powerful transformation story, senior leadership can make the change meaningful and garner commitment and engagement throughout the organisation.

- Senior leadership must make the transformation personal, engage others openly and celebrate and share best practices and successes as they occur.
- The successful transition from service to sales *and* service requires a significant investment in training and developing managers and supervisors. It is important for the entire management team to develop proficiency in sales skills, sales leadership and coaching skills and change management skills.
- First-line supervisors should spend 60–80 per cent of their time coaching and developing representatives. The expectations for the front-line supervisors may need to be reviewed and their span of control reduced.
- There should be a plan to make a significant investment in helping representatives acquire product knowledge and selling skills. In particular, representatives need training, practice, feedback and coaching in listening, establishing rapport, asking questions, making sales recommendations, asking for the sale and responding to customer objections and concerns.
- To achieve sustainable success, call centre leadership needs to partner with Human Resources to formulate an incentive plan that will be significant enough to change behaviour and drive desired results, while having a positive return on investment (ROI).
- There are significant cultural differences between a call centre that is dedicated only to service and a centre that has both sales *and* service objectives. Because selling is a transfer of feeling, it is important to maintain a call centre environment that supports a high level of energy, excitement and enthusiasm. All levels of call centre management must commit to sales leadership and take a hard look at how they are spending their time to ensure that they really are focusing on high pay-off activities.

INTRODUCTION

‘There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order to things.’

Niccolo Machiavelli

Research indicates that over 70 per cent of all call centres worldwide are adding sales capabilities in an attempt to become a source of profit for their organisations. In the current economic climate, virtually all companies are looking for ways to reduce costs and retain customers and it is no longer possible to settle for incremental change. Rather, it has become an urgent necessity to successfully transition from a cost centre to a revenue-generating centre.

For more than 25 years The Elkind Group (TEG) has been helping call centres transform their operations to accomplish this goal. The Group has worked to develop and implement new standards and expectations. TEG has supported new processes, new systems and new databases and has trained managers and supervisors to use new tools and monitoring systems to support their coaching for improved performance. TEG has had the opportunity to work with outstanding call centre leaders, managers, supervisors and representatives in a variety of industries.

Of all the operational innovations that clients have implemented, none has been more challenging than the transition from service to sales. Why is this so?

On the surface, the business case for transitioning from service to sales can seem simple and compelling:

- In today's challenging economic climate, every business is looking for ways to do more with less. For example, many field sales organisations are eager to use call centres to supplement or replace their costly face-to-face sales activities.
- Representatives are already talking to customers. This is a natural opportunity to educate customers on products and services that are available.
- If representatives are helpful and friendly they have already established rapport and credibility.
- The process of selling is not much different from the process of providing world-class service.
- Representatives understand the products and services and the service call enables them to understand the needs of customers. It is an ideal sales situation.

These statements may be true for an organisation; however, transitioning from service to sales and service requires more than just introducing new skills, processes and systems. The transition from service to sales and service depends on a complete transformation of culture and mindset in the call centre. This transformation can be accomplished, but it is not quick and easy and it is not for the faint of heart. It requires a focused concentration of energy and resources and a long-term commitment.

When the authors first started working in call centres, it was unusual for the same agents to provide customer service and generate sales revenue. There was no clear path for going from service to sales. The good news is that over the past 25 years this path has become extremely clear. Everyone knows exactly what needs to happen and in what order. The bad news is that many companies underestimate the investment of time and resources needed to do it right. As a result, the effort is often unsuccessful.

GOOD REASONS FOR MAKING THE CHANGE

There may be people wondering if there are any reasons why they should consider adding sales to the list of their call centre's capabilities. The answer is absolutely 'yes'.

- The current global recession has challenged businesses to capitalise on every opportunity to maintain and build customer relationships, increase revenue and maximise customer lifetime value. Now, more than ever, call centres must fulfil a critical role as a full-service, single point of contact with the customer.
- When a call centre is able to provide a better customer experience and generate sales revenue for the company, it moves from being a cost centre to becoming a profit and loyalty centre. That is increasingly important in today's highly competitive environment, when nearly all companies are looking for ways to reduce costs and retain customers.
- Many companies are outsourcing their call centres to outside suppliers in their own countries or lower-cost locations around the world. When sales are added to the list of the centre's capabilities, it increases the value to the organisation and reduces the chances that the role will be outsourced.
- The sales potential is often substantial enough to be of significant interest to senior leadership. As an example, one of TEG's clients was able to generate more than \$9m in a single year by adding a simple sales effort to their ongoing service delivery.

In addition, there is another compelling reason. According to research conducted by the Yankee Group, in the USA phone contacts with a live agent already account for less than half of all customer contacts. Web self-service, speech recognition and web chat or instant

messaging have increased to more than 25 per cent of all contacts and are continuing to increase at a rapid rate.¹

The long-term trend is clear. Many ‘order taker’ positions are simply going to be replaced by technology-driven self-service options. As more and more needs are met by self-service options, the personal interaction between a representative and a customer represents a great opportunity for outstanding ‘service’ and effective ‘sales’. It becomes critical to branding the company and creating loyal customers.

WHAT DOES IT TAKE TO CAPTURE THAT OPPORTUNITY?

Although the migration from service to sales and service is no longer a new concept for call centres, most organisations struggle with the transition. A quick search on amazon.com or a brief visit to the business section of any local bookstore reveals that there is an enormous amount of literature on service quality and an equally impressive body of work on sales practices. There are limited resources that provide a comprehensive and accessible road map for transforming a call centre from a service focus to a sales and service focus.

Over the past 25 years, TEG has developed a systematic approach for guiding call centre leaders, managers and supervisors in building a successful sales and service organisation based on loyal customers and employees. This paper will focus on four significant investments that successful call centres have had to make to achieve their sales goals:

1. Redefine service and sales.
2. Develop standards to integrate the sales process.
3. Train representatives and managers.
4. Develop a sales culture.

The Group’s research and experience have focused primarily on the service to sales transition in call centres in the USA. It is hoped that as readers address this issue in call centres throughout the world, they will be able to adapt the strategies and lessons presented in this paper to their specific organisations and cultures.

REDEFINE SERVICE AND SALES

In many call centres, the word ‘sales’ carries a very negative connotation. Other centres feel they are still trying to get their service experience ‘right’ and are in no position to even think about selling. In both of these situations, it has been found that it is critical to change people’s concepts of ‘service’ and ‘sales’ and consolidate them into one.

There are many ways that customers can get routinely ‘good’ service without ever talking to a person. Do people need to buy an airline ticket or check on the arrival time for an incoming flight? Do people need to see if a check has cleared or confirm the balance in their account? Is someone wondering about the amount of their last bill?

Chances are that for these — and many more routine interactions — there is a perfectly good service available from the web, from voice recognition, from the interactive voice response (IVR) or from another self-service option. It is not necessary to talk to a person. In what circumstances is it desirable to talk to a real live person? To an increasing extent, customers will want to talk to people in those situations where there is something unusual; there is a problem, there is an exception, there is a complication or there is something that does not make it easy to use the self-service options.

Given the nature of the calls coming to the representatives, it is critical to redefine the

customer experience in terms of what it takes to add value in these difficult situations. Clients who have been most successful are committed to consistently delivering a customer experience that is emotional, simple and personal (ESP). By providing an ESP service experience, their representatives build customer relationships and open the door to sales.

Emotional

Sales legend Zig Zigler states that ‘Selling is a transference of feeling.’² After all, there is an emotional component to any buying decision. The latest neuroscience research confirms that customers make buying decisions with their emotions and then justify their decisions rationally. The decision begins with a feeling and it is important that representatives make an emotional connection with their customers and set a positive emotional tone for the conversation. What representatives say is important; how they say it is even more important.

Simple

In his book, *‘The paradox of choice: Why more is less’*, sociologist Barry Schwartz³ highlights research showing that consumers are increasingly overwhelmed and paralysed by too many choices. The more choices one faces, the less likely it becomes that one will make any decision. Thanks to the Internet there is no shortage of information on virtually any topic. The challenge is just the opposite. There is too much information. The reality is that most customers do not want to sort through an infinite number of choices. They want representatives to provide simple solutions to complex problems. They want recommendations about products and services that they will truly use, enjoy and value. That is really what ‘service’ is — or what it should be.

Personal

It can probably be agreed that service comes down to doing what is right for this customer in this situation and communicating it in a way that makes sense to the customer. The bar has been raised a lot higher in this area, partly because of the personalised solutions that are available through technology-driven self-service options. The website Amazon.com does not just take an order. It makes other recommendations based on a customer’s choices. In the USA, when a film is selected on Netflix, the site displays other films that were enjoyed by people who rented the same one. Customers have come to expect their service to be personalised. They expect representatives to listen to them, be sensitive to their needs, pick up on clues and meet them where they are in the moment. Remember, if the situation was easy, if it was straightforward, if it was routine, then the customer probably could have resolved it through any number of self-serve options. So it is essential for the representative to recognise and acknowledge unusual circumstances and then personalise a solution that is right for this customer in these circumstances.

ESP service opens the door to sales. If representatives are not delivering ESP service, then they are not adding any value for customers. If representatives are not adding value, it is very hard — in fact, it is virtually impossible — to turn a call into a sales opportunity. If representatives *are* adding value, if they are delivering a service experience that is ‘emotional’, ‘simple’ and ‘personal’, then they are already engaged in the sales process. From the moment they pick up the phone, representatives are selling the company, they are selling themselves and they are selling their willingness to help the customers. Once representatives understand that ‘sales’ is about providing customers with

products and services that really add value, then they begin to realise that a good sale is definitely good service.

IDENTIFY EXPECTATIONS AND METRICS

- Measurements drive performance.
- What gets measured gets done.

People in the call centre industry seem to have a love of performance metrics. The chances are that the manager and his/her leadership team are already committed to a balanced score card that includes service quality, productivity, attendance and adherence to schedule. As one looks to add sales to the call centre's capabilities, it is critical to consider the impact on all metrics. For example, even the shortest and most efficient sales process will certainly increase the average handling time. Managers should not punish service representatives by just adding sales expectations to existing measurements. Two critical questions should be asked and answered:

1. What results should be achieved?
2. How will one know success when one sees it?

Considering that there probably already is a substantial list of performance metrics, it is tempting to try to simplify sales performance down to a single number; tempting, but dangerous. It should be kept in mind that whatever metrics are chosen will drive performance in a specific direction. Representatives will quickly learn how to 'game the system' to maximise their performance in terms of what is being measured. There have been many situations where companies end up encouraging behaviours that they did not want because they relied on only one sales measurement.

Depending on how the two critical questions above were answered, it is recommended that four distinct metrics are developed:

1. Sales quantity looks at the total sales volume that a representative generates and ensures that representatives are taking calls and making sales.
2. Sales quality looks at the average revenue per call or revenue per order and ensures that representatives are taking full advantage of each sales opportunity.
3. Sales by product or service ensures that representatives are selling the complete product line, not just their personal favourites.
4. Sales by type of call looks at sales performance in relation to the type of incoming call and ensures that representatives are treating each call as a sales opportunity.

By appropriately adjusting the measurements, sales can be made fun and rewarding instead of punishing. Managers can focus on the customer experience, instead of limiting their perspective to 'up-selling' or 'cross-selling'.

TRAIN REPRESENTATIVES AND MANAGERS

'I can't. I won't. And you can't make me.'

It sounds like a child whining on the playground. Yet identical comments have been heard from grown men and women — professional service representatives who were being asked to transition from service to sales. To change this mindset, the most successful call

centres redefine selling as the process of helping customers buy products and services they will use, enjoy and value. Remember, a good sale should be good service.

If a centre is focused on creating an ESP customer experience, there is a tremendous overlap between the knowledge, attitude and skills required to provide great service and the knowledge, attitude and skills required to be a successful sales person.

Obviously, there is a knowledge component to selling. Representatives need to know the products and services, the needs they address and the competitive advantages they provide.

There is also an attitude component to selling. Representatives must develop a positive and proactive attitude. They cannot just wait for customers to ask for products and services. They need to take the initiative to listen, ask questions, identify needs and make appropriate recommendations.

Knowledge and attitude are important components of selling. Most of all, selling is a skill and the only way to learn a skill is to practise.

Those call centres that have succeeded in making the transition from service to sales have made a substantial investment in sales training. They have also allocated their training budgets wisely. Selling is a complex communication skill, so if representatives are required to learn how to sell, they need to practise listening, establishing rapport, asking questions, making sales recommendations, asking for the sale and responding to customer objections and concerns. When it comes to training sales skills, otherwise intelligent call centre managers are sometimes seduced by the promise of the latest greatest learning technology. In terms of real effectiveness, nothing comes close to a well-designed and well-facilitated face-to-face workshop session, where representatives actually work with other people to practise the skills they are going to need on the job.

Even more important is the need to train the management team. TEG has seen this scenario more times than can be counted. A call centre is trying to transition from service to sales. They put their service representatives through a comprehensive, multi-day training programme that covers product knowledge and sales skills. They then put their managers and supervisors through a two-hour overview of the training and expect them to perform as effective sales leaders. What is wrong with this picture? Nearly everything.

In the transition from service to sales, the greatest resistance is usually not from the representatives. More often, the greatest resistance comes from the call centre management team. In most of the call centres where the authors have worked, first- and second-line managers were often representatives who had been promoted because of their proficiency on the job. When the centre transitions to sales, these line managers are suddenly in a position of leading and coaching a function that they did not fulfil themselves. They often do not have the skills, or the passion, to sell effectively and they do not have the sales experience to be credible to their teams.

In order to become effective and credible sales leaders, managers and supervisors need to build their own sales skills. They need to be able to follow the sales process, model the appropriate sales skills and make credible sales attempts. The only way that managers can acquire this kind of proficiency is to work on it. The training formula that has been found to be most successful is shown below.

Managers should:

- go through the same sales training as representatives;
- complete the training first;
- participate in as many representative training sessions as possible. Ideally, they should teach or co-teach at least some portions of the training.

After the training, managers and supervisors should model the appropriate sales skills at every opportunity. When representatives see their managers consistently modelling the expected sales behaviours, they will respond much more positively to any coaching suggestions.

DEVELOP A SALES CULTURE

According to one often-cited study, training alone increased productivity by 22.4 per cent, while training plus coaching increased productivity by 88 per cent.⁴

Several years ago TEG worked with a large client who was eager to change their well-established culture of service to a larger culture of sales and service. To this end, they changed their hiring criteria to include sales aptitude and revised their initial training process to integrate sales training throughout their curriculum. The results were a classic case of good news and bad news. The client's investments in hiring and training paid off when their newly hired representatives' sales results surpassed by a wide margin the results of the incumbent representatives. After about six months on the job, the sales output of the new representatives had fallen to the point where their results were consistent with the sales of the incumbent group.

It turns out that the client's results were far from unusual. In fact, they were pretty typical. Why is this so often the case?

In some call centres, new representatives become complacent or develop bad habits. In other centres there are no clear expectations, no meaningful rewards and no consequences for non-performance. In many centres there is a lack of consistent coaching and follow-up by the first-line supervisors. In other words, there is no sales culture that supports, reinforces and energises their sales efforts.

There are significant cultural differences between a call centre that is dedicated only to service and a centre that has both sales and service objectives. They just feel different. Because selling is a transfer of feeling, it is important to maintain a call centre environment that supports a high level of energy, excitement and enthusiasm. These differences in culture are summarised in Table 1.

The most critical element for creating a sustainable sales culture is developing sales leadership. Managers cannot expect their representatives to be more excited, more enthusiastic or more committed to sales than they are. As leaders, they have to set the standard.

On a day-to-day basis, the most important sales leadership skill that call centre managers demonstrate is coaching. Currently, the job of front-line supervisors probably involves overseeing a number of representatives, relaying information from executives to workers, enforcing plans and policies, reporting operational results and quickly escalating issues or problems. They probably spend most of their time on administrative work,

Table 1: Cultural differences

| Service culture | Sales and service culture |
|--|--|
| Emphasis on consistency | Emphasis on variety to sustain: <ul style="list-style-type: none"> ● Energy ● Excitement ● Enthusiasm |
| Coaching is a nice-to-have Tries to maintain results or achieve incremental increases | Coaching is a need-to-have Strives to 'raise the bar' through contests and campaigns |

troubleshooting, attending meetings and conducting special projects. Very little of their time, as little as ten minutes per day, is spent on coaching their teams. Those centres that are serious about sales invest additional time, effort and resources into developing a coaching culture. This involves redefining the role of the first-line supervisor so that the management team consistently spends 60–80 per cent of their time out on the floor coaching to sales and service.

If most call centre managers are asked whether their supervisors coach on a regular basis, the answer will be a resounding yes. If most call centre representatives are asked the same question, a much different answer will be given. ‘Our supervisors do a lot of monitoring and evaluating. But they don’t do any coaching!’ The differences between evaluation and coaching are summarised in Table 2.

Setting coaching expectations may put a tremendous responsibility on managers and front-line supervisors who are already overloaded by daily activities. Activities do not lead to results. In fact, all too often, activities take managers and supervisors away from doing what will really produce results. The authors recommend that the management team in a call centre should take a hard look at how they are spending their time. If the management team is really focused on high pay-off activities then they are taking a disciplined approach to activities such as:

- training;
- conducting one-on-one development sessions;
- participating in demonstration calls, joint calls and coaching calls;
- managing performance;
- facilitating sales meetings and huddles;
- sharing success stories and best practices;
- planning and running contests and sales campaigns;
- periodically re-evaluating the sales strategy.

The authors are great advocates of sales meetings and the five-minute huddle. Huddles are short and simple. The purpose of the huddle is to provide daily information and inspiration. Tell the team how they did yesterday, tell them what they need to do today, express confidence and give them a big send-off. Inform, inspire and keep sales in the forefront.

Contests are another key element in a sales culture. When a well-designed contest is going on, even the most reluctant representatives suddenly come alive and begin to perform. The protest cries of ‘we need more training’ fade into distant memory and suddenly, mysteriously, all the representatives know how to do the job. There are many reasons why contests work so well in stimulating representatives and encouraging them to work harder to get desired results. The bottom line is that contests can have an

Table 2: Evaluation and coaching

| Evaluation | Coaching |
|--|---|
| The process of measuring results (and behaviours) against a standard | The process of improving results by changing thoughts, beliefs and behaviours |
| Focus is on the past | Focus is on the future |
| Addresses every aspect of job performance | Achieves ‘small wins’ by working on one area at a time |
| One-way communication | Two-way communication |
| The employee may not agree with the assessment | Buy-in is critical |

extraordinary impact on representatives if they are designed and used correctly. In the book, *Service to Sales*,⁵ an entire chapter is devoted to this subject.

The role of incentives and rewards should not be overlooked. The call centres that successfully sustain their sales efforts implement incentive plans that pay representatives enough to change their behaviour. The payouts of more successful sales centres average between ten to 20 per cent of base pay, but every centre needs to do the maths and ensure a positive ROI on any incentive plan. Keep the incentive plan simple and make sure that the appropriate behaviours and performers are rewarded.

When the subject of rewards is mentioned, managers worry about runaway costs. Although a plasma flat-screen television can be given to the highest seller, this is not what is being advocated. The following are a few best practices that can have an impact without breaking the bank:

- Educational opportunities/lifelong learning.
- Certificate programmes.
- E-mail thank you programme.
- Reward outstanding individual/team results.
- Weekly 'Best sales practices' award.
- On the spot awards.
- Top agent dinner.
- Monthly team/department awards.
- Career path/career development.
- Quarterly awards gala.
- Peer coaching.
- Peer recognition programmes.
- Most valuable player (monthly), for an employee who far exceeds the rest in department sales statistics.

CONCLUSION

Can a sales culture be established that engages both management and front-line employees? It is a lot of fun and creates a great environment where people are eager to come to work and do their best. It also takes the willingness to redefine the expectations and skill sets of the management team so that they can successfully transform themselves from service managers to sales leaders.

Only a manager can decide whether it makes sense to add a sales component to a call centre business. The authors have seen first-hand that the transformation from service to sales and service can be successful and can increase the value of the call centre to the larger organisation. Call centres that succeed in integrating service and sales improve their performance in all areas of their business. It does take a commitment to change the culture and mindset from senior leadership down to the front-line representatives. It requires strong leadership and execution. If a manager is going to undertake this transformation, it is important that they are prepared to commit the time and resources needed to achieve success.

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