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Enhance Customer Experience:

Reward the "how"—not just the sales

Just because a sales associate is a top producer doesn't mean he or she isn't harming the business. Learn how this occurs and take these steps to keep it from happening.

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This month I share a true story with a happy ending. It's a story that repeats itself frequently, making its lessons widely applicable. Several months ago in a jewelry boutique of one of the country's premier jewelry companies, Michael, one of the store's most productive sales associates, complained that he had not been given a part-time assistant, while Peter, another productive sales associate, had.

A perceptual—and communications—gap between Michael and management lay at the heart of this complaint. Michael's sales volume placed him among the top producers. From his perspective, all was well, and he deserved additional support. Management—while appreciative of Michael's efforts—felt he was not employing several specific selling behaviors the company had introduced to support the brand and distinguish itself from its competition. They believed this cost the store sales and detracted from customer satisfaction

The first behaviors neglected by Michael were ones specifically designed to break the ice and convert prospects into buyers. Michael's low conversion rate with walk-ins not only lowered the number of satisfied purchasing customers but also reduced the return on advertising dollars invested to generate the traffic.

Second, Michael refused to offer clients the option to place special orders, since it involved extra work and could potentially delay his commission. Michael continued to present in-stock alternatives when customers didn't see what they were looking for. Again, Michael was shunning a company process specifically introduced to support the brand and distinguish the store in the area of service. Some other successful sales associates did as much as 20 percent of their business from special orders.

Third, only under direct management supervision was Michael willing to contact previous clients to encourage a return visit to the store. Considering that successful sales associates often can double their sales through such clienteling, Michael was missing a large opportunity as well as failing to establish the type of relationships with his clients that management felt was important for the store's high-touch service image.

Management had discussed these issues with Michael but seen few changes. Michael had been successful, despite all he was not doing, because he had developed a broad referral network among local luxury boutiques. Sales associates in these stores would recommend Michael as a source of jewelry that complemented the clothes they sold. Left to his own devices (and evaluated only by total sales), Michael was selling his way, not the way developed by his employer to strategically build the brand. He also was setting a poor example to other employees, undermining their commitment to the desired selling behaviors.

I promised a happy ending. Indeed, Michael is even more successful today

and soon may get a part-time assistant to help him clientele. In this case, management realized the problem was that they were measuring and rewarding only one thing—total sales. In such situations, employees frequently find their own way to drive the numbers, but their way doesn't align with the image their employer is attempting to establish. Pleading, shouting, and negotiating typically fail to change behavior as long as there are no associated consequences. In this case the employer recognized the problem and decided to change how they were measuring and rewarding Michael's performance. Following are the steps they took.

Operationally define desired behaviors. The first step was to clearly define the behaviors they were looking for in ways that could be counted or measured. Thus, for example, a clienteling contact was defined as a "personal call, note, or e-mail to a previous customer inviting them to visit the store." Making a set number of contacts—together with successfully getting a targeted percentage to visit the store—became part of Michael's performance evaluation and bonus schedule.

Clearly communicate both the *what* and the *why*. Michael's employer took the time to sit down with him to discuss the behaviors, how performance would be measured, and why the behaviors were so important for differentiating the store from its competitors. Michael's employer was careful to express appreciation for all Michael had accomplished. The focus was on how Michael could be even more successful and earn an assistant. It was made clear, however, that the behaviors being discussed were non-negotiable and there would be financial consequences for neglecting them.

Regular and frequent evaluations. Monthly meetings were scheduled to review Michael's progress and identify any barriers to altering his approach. Michael's creativity and potential were well worth the extra investment in coaching time. Specific behavioral goals were established together with what benefits would accrue (including a part-time assistant) if Michael were successful in changing his behavior. Michael now clearly knows what is expected as well as what the rewards will be for fulfilling the expectations.

Apart from helping Michael, the jewelry company was a big winner in a second way. The incident made the managers realize their failure to communicate clearly the selling behaviors they wanted. Michael was not the only employee who had found his own way to generate sales. A new program is in the works to establish clearer expectations during new-hire orientation as well as to measure and reward key selling behaviors. This should eliminate similar situations in the future and help the store distinguish itself in the market.

About Shanker Inc.

Martin Shanker is the founder and president of Shanker Inc., a Manhattan-based international management consulting firm for such companies as Burberry, Cartier, The Estee Lauder Companies, Ralph Lauren and Van Cleef & Arpels. Described as a 'behaviorist' by The New York Times, Martin specializes in helping global brands accelerate sales and profit by growing their companies from within. By addressing the tough issues of sales and management teams, and the behavioral dimension of retail relationships, Shanker Inc. offers a unique, multi-dimensional way for companies to achieve success through their own people.

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