



Book Frontline Profit Machine

The Blueprint for Exploding Profits with Your Existing Sales and Service Team

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Recommendation

The retail sales floor and your other customer contact points are your company’s “Frontline.” Most of your sales happen here as your staffers interact with your clients. Yet many companies fail to take full advantage of this potential. To maximize your sales, first motivate and train your frontline employees. Sales performance consultant Ziad Y. Khoury provides a blueprint (somewhat grandly named the “Khoury Performance Equation” or KPE) that your company can use to optimize its sales. He designed his program to help businesses create the best environment for frontline employees to enable and encourage them to sell more. His system is detailed, if not highly original. Its major benefit is Khoury’s practical advice on building point-of-contact sales. *BooksInShort* finds that this specificity makes the book useful to retail store managers and other executives who deal with the buying public.

Take-Aways

- Most business variables, such as economic change, are out of your control. But you can govern and maximize your “Frontline” sales.
- The frontline is where employees engage with customers and 90% of sales occur.
- The hotel clerk who sells you an upgraded room and the bank teller who refers you to an investment adviser are motivated frontline salespeople.
- Most firms can increase sales 30% by improving their frontline operations and training. Shoot for the top; don’t settle for incremental improvement.
- The “Khoury Performance Equation” lists three variables you can use to enhance frontline sales: “the right environment,” “the right fit” and “the right action.”
- To create the right environment, “walk the talk” and set the example.
- For the right fit, find top people who fit the “SEE Factor: sincerity, empathy and ego.”
- The right actions include training frontline staff on greeting clients, qualifying leads and handling customer objections.
- Brief, appropriate sales reports provide important feedback to frontline employees.
- “Firing, hiring and inspiring” are critical to managing a winning frontline.

Summary

Increase Your Point-of-Contact Sales

You cannot control the market, the economy or the competition, but you can control your “Frontline,” the customer contact points where employees in the sales trenches deal directly with your clients. In fact, the frontline is responsible for 90% of the revenue that consumer-oriented corporations earn. If you improve your frontline operations, you can boost your profits and revenue. Here are some examples of how several types of enhanced selling can generate this increase:

- Upselling a hotel guest to a more expensive suite that would otherwise have gone unused that night.
- Increasing average sales by selling one extra product to every third customer.
- Using cross-sales to increase a bank branch’s loans by 20 each month.
- Improving “utilization and occupancy” rates for an apartment building or rental car fleet.
- Helping field salespeople make an additional sale every two days.

“For many companies, a 5% to 10% improvement in top-line revenue can mean 100% improvement to the bottom line.”

Clearly, it pays to encourage staff members who deal directly with customers to see their interactions as new sales just waiting to happen. Companies that reduce the gap between their frontline salespeople and their top producers can experience sales that are “at least 30% better” – if they have developed a sales culture in which everyone is energized. Set a goal of making the high performance of your top producers into your organization’s “new norm.”

How Many Sales Are You Not Getting That You Should – and Could?

When it comes to frontline sales opportunities, companies leave a staggering amount of money “on the table.” Consider the example of a home improvement store and its five customer touch points, each of which could add revenue:

1. **“Phone receptionist”** – An informed, professional first point of contact is like a magnet, pulling new buyers into the store.
2. **“Phone salespeople”** – Smart-selling telephone representatives get customers to the store for additional purchases.
3. **“Floor salespeople”** – Professionals always strive to upsell, cross-sell and bundle multiple products.
4. **“Installers”** – Workers become salespeople by offering customers such extras as stain proofing for carpets.
5. **“Cashier”** – A well-trained cashier draws the client’s attention to “high-margin products in the checkout aisle” as well as to ancillary items.

“The salesperson-customer interaction is what really matters.”

To cite another instance, bank tellers can either passively assist customers with deposits and withdrawals or they can proactively set up appointments for customers with the bank’s loan officers or financial specialists. If a teller serves “500 bank customers per week,” five of them (a reasonable 1%) could become referrals. If the bank makes one new sale out of the five referrals, that could result in a profit of \$500. If this happens once a week for 50 weeks, it adds up to \$25,000 in new income from one teller. Multiplying that by five tellers in a bank means \$125,000 in additional profit each year. If the company has 80 banks statewide that means \$10 million in yearly profits. And if the bank operates in several states, the impact could be even more impressive.

“Changing behavior and sustaining high-performance sales levels cannot happen by training or effective coaching alone.”

Transforming your company’s sales culture into a vibrant framework that focuses on the frontline is not easy. It costs money and requires changing your priorities. Expect major resistance from managers who think things are just fine as long as they file their countless forms on time (such individuals seldom venture anywhere near the frontline). Executives from other departments may resent your attempts to increase resources to the frontline.

“Money by itself is neither a vision, nor a system, nor a goal.”

Six “performance killers” impede change:

1. **“Lack of knowledge”** – Ignorance generates a “lack of belief,” which leads to a “lack of results.” Senior executives often don’t understand how investing in the frontline can lift sales. Reluctant to spend, they opt for one-time fixes such as management workshops that have little effect on the bottom line.
2. **“The boss”** – Some executives feel threatened by change.
3. **“Not learning from others”** – Get out of your office to see what successful firms such as Ruth’s Chris Steakhouse, Avis Car Rental and Rocky Mountain Chocolate Factory are doing to enhance their frontline operations.
4. **“Not getting out of your own way”** – In 2003, Steve Bennett joined Intuit as CEO with no software knowledge or experience. His goal was to reach \$1 billion in sales. Bennett discovered that Intuit’s “entrenched inertia” was a major obstacle: “People are natural learners but companies aren’t. They have learning disabilities.” By achieving “total potential improvement,” Intuit made more than \$2 billion in revenue by the time Bennett left in 2008.
5. **“Ego”** – Firms that regularly call on specialists to provide them with legal, accounting or other services sometimes won’t acknowledge the need for the same kind of help with their sales programs.
6. **“Politics”** – Often, individual departments will strive to protect their own turf. For example, the training department doesn’t want anyone to interfere with its employee development work, and the finance department doesn’t support paying the frontline higher wages.

The “Khoury Performance Equation”

Enhancing your frontline can uncover remarkable sales potential. What if one salesperson sells 50% more than another? What if you could get both salespeople to improve at the same rate? You can use the Khoury Performance Equation (KPE) as a “business blueprint” for upgrading frontline sales behavior and performance. It consists of three parts: “creating the right environment,” “ensuring the right personnel fit” and “executing the right action.”

1. The Right Environment

A conducive setting can motivate your frontline staffers to increase sales. Customers want maximum value, which depends on satisfied employees who think of themselves as professionals and not just order-takers. Review every customer touch point, including in-store encounters, telephone calls and web communications, to ensure that your people project the right attitude. Provide continual training to bring about the most profitable staff-client contacts. Develop a plan to encourage your employees.

“Regardless of your business model or your vision for it, at the end of the day it is people who execute it.”

A Gallup study shows that public companies which ranked in the top quarter of firms with high levels of “worker job satisfaction” reported 2.6 times the earnings per share of companies that ranked “below average.” To create the right environment, focus on these eight areas:

1. Improve frontline employees’ professional skills.
2. Pay attractive salaries.
3. Keep frontline personnel informed and up-to-date on the firm’s actions and plans.
4. Create career paths and promote from within.

5. Provide employees with the means and materials to do their jobs well.
6. Stress positive relationships among workers and managers.
7. Enable employee feedback and suggestions.
8. Establish trust by “walking the walk.”

2. The Right Fit

Companies should maximize their frontline hiring and retain the best workers, those who are confident, intelligent, sincere and motivated. These staff members should be team players, hard workers and good communicators. And above all they should identify with customers and see themselves as professionals. Put your best people in frontline jobs and make them happy to be there, thus reducing expensive turnover.

“How you treat your employees is how you expect them to treat your customers.” (CEO Isadore Sharp, Four Seasons)

To get the right fit in your frontline, look for the “SEE Factor”:

- **“Sincerity”** – Workers who earnestly want to make the customer happy.
- **“Empathy”** – Staffers who genuinely like people.
- **“Ego”** – Employees who always strive to reach their maximum potential.

“No single actionable initiative can produce more for your organization than the crafting of a high-performance service-based sales culture.”

Draw job candidates from the largest possible pool. Sort through them carefully. Interview each prospective employee three times. Make your company stand out by including attractive corporate benefits in your “Unique Recruiting Proposition.”

3. The Right Action

A great environment and terrific salespeople will not increase sales if your action plan is ineffective. But you must have a definitive, clear vision for your company. Making money is not a vision; it is an outcome.

“Try to anticipate an objection and address it conversationally before it is raised.”

Tell your employees exactly what you expect. Set clearly communicated standards that promote best practices: how to greet customers, how to qualify leads, how to discuss product or service benefits, and so on. Provide training that focuses on “technical proficiency,” the “sales process” and “common objections and rebuttals.”

“It is...impossible to have a great company with sustained growth and profit while dealing with a negative and sluggish company environment.”

Make sure your sales reports give your frontline personnel the information they need. The data should be simple, accessible, relevant and frequent. Its purpose is to show people how they’re doing in terms of “monthly, weekly, daily and hourly” results. Don’t create or insist on too many reports.

“Your top producers are worth it. Pay them well, or they will be producing for someone else!”

To properly motivate your frontline staffers, focus on compensation, recognition and accountability. Inspire your employees to fulfill six important responsibilities:

1. Welcome customers warmly to establish a relationship with them.
2. Study your customers’ needs to transform sales into service.
3. Be ready to discuss the benefits and value of the product your customer wants.
4. Counter objections by being fully prepared for them.
5. Expand the sale by offering additional services.
6. End every client contact on a positive note – whether it results in a sale or not.

“A soldier will fight long and hard for a bit of colored ribbon.” (Napoleon Bonaparte)

Follow these seven steps to implement your own Khoury Performance Equation program:

1. Put your best sales management team in place, including the boss or business owner as a “champion,” a “resident performance manager” for on-site implementation and a “sponsor” who will serve as a lead decision maker.
2. Organize a capable steering committee to develop a “high performance sales culture.”
3. Discover how frontline staff members currently handle their responsibilities.
4. Establish ambitious targets for earnings.
5. Develop a comprehensive action plan.
6. Launch your new program in a way that secures the support of all frontline employees and addresses any concerns they may have.
7. Make sure all the executives involved are fully accountable for the program’s success. This is “the biggest challenge that most companies face.”

“Man who waits for roast duck to fly into mouth must wait very, very long time.” (Chinese proverb)

Your vision for a high-performing frontline salesforce is important, but a frontline program can grow only from the ground up. Attend closely to three vital areas of concern:

1. **“Firing”** – Hold everyone accountable to optimize sales.

2. **“Hiring”** – Be proactive, not passive.
3. **“Inspiring”** – Motivate your frontline employees to excel.

About the Author

Ziad Y. Khoury is founder and president of a consulting firm that helps companies increase sales through effective on-site sales management.
