

HOW TO MINIMIZE REALIGNMENT ISSUES: A CASE STUDY

By Chuck Howlett

The goal of this paper is to discuss the impact that addressing team dynamics before structural logistics may have in a realignment process. Specifically, it will examine accountability that representatives take for their territory, product knowledge, selling activities and sales performance.

The paper will also highlight numerous team building, team dynamics and leadership techniques to complement individual employee's strengths and motivators to understand the impact on management effectiveness. All of this is done while creating a brand that unifies the new district to establish business ownership for each representative (territory) while maintaining company values of integrity, excellence and respect for people across the team.

INTRODUCTION

Selling in the US marketplace has been very dynamic over the years. In fact, in a 22-year sales career (4 years as salesperson and 18 years of management experience) with one company, there have been six geographical realignments, over a dozen new product introductions and responsibilities in eight different states. These changes are essential if more value is to be delivered to the customers. However, these same value delivering changes can be extremely disruptive on employee motivation, their connection to the company and their engagement in their new territory and district. During the formation stages of any re-alignment, a performance gap consistently emerges which predicts the sales performance for the next 12 months.

The question then is: "Can a sales manager have a positive impact on future sales during the first 100 days of a re-alignment?" The objective of this case study is to provide sales managers with information on how one approach to realignment can positively impact individual salesperson and the new sales district. This can then serve as a road map for other sales managers to help them minimize disruption,

engage every employee and use the inevitable realignments as a springboard to establish a performance culture that will thrive.

THE SITUATION

In January 2010 company realignment forced a major change in geography, direct reports and, of course, the customer data base. The previous four years the district covered the NW corner of Illinois (Rockford District included the Illinois towns of McHenry, Plainfield, Moline, and Galena).

In the 2010 realignment, the new district contained less than 20 percent of the old alignment. The new district, Chicago South, included the area from DeKalb, IL, to Michigan Avenue in downtown Chicago, south to Kankakee then west to Dwight, IL. This new district contained 10 new direct reports of the 14 total sales representatives. The fourteen individuals are of varying ages and experiences from four different districts (and management styles). Four of the 14 came from the previous district and two others representatives had previously been part of the district prior to a previous alignment change. Thus less than half of the new district had any previous work

experiences with their new manager. Additionally, this team was sole owners of a specific geography and not aligned with a partner to allow specialization of skills or styles to meet the unique customer needs. Now there will be one representative for one territory. Thus, the new team consisted of nine general representatives and five specialty representatives.

The new team representatives ranged from 25 to 47 years old with an average age of 34. The experience level within averaged seven years and ranged from two to 21 years of service. Job levels for sales careers are distinguished in five levels (S1 to S5). Representatives are promoted to higher levels based on consistent performance and leadership over time. The new district has seven S2, six S3 and one S5 representatives. In their careers, three representatives have been eligible for the top sales award, President's Council, but only one has been selected by management.

Education accomplishments revealed diverse undergraduate degrees across the team and three having completed MBAs. There were three minority individuals on the team. The gender make up was eight women, six men with marital status of nine single representatives and five married; three with children.

The primary goal of most territory realignment processes is to improve efficiency that leads to improved performance. The unintended consequences that follow realignments, however, may have significant impact on performance. This case study focuses on these secondary consequences first by emphasizing personal accountability in each district member as part of a team, developing each salesperson based on their needs and finally focusing on performance of each sales representative that

comprise the district.

IMPLEMENTATION: A DIFFERENT REALIGNMENT PROCESS

The company realignment was completed in late 2009 (for execution on January 1, 2010) and provided a "customer centric" model working toward enhancing the value provided to customers. Any realignment, no matter how small, can be disruptive to the customer-representative continuity as well as to a sales team. While customer interactions are a journey of its' own, the disruption of sales representatives and the rebuilding of a team in this case is the first priority.

1. Assemble the New District Representatives
2. Develop a Team Building Strategy
3. Team Interactions to Allow Connections
4. Develop Internal Structure and Process
5. Accountability for Results

Step One: The New Team

What needs to happen is to combine 14 strangers with a common purpose of performance and utilize their strengths to form something greater than the sum of their parts. The goal is to have these individuals desire to be part of this team versus merely doing a job. That would require that each person trust and respect each other while doing everything to help the others.

What could hinder this team's development? The marketplace is relentless, competition is fierce and customers are demanding value. Our customers will not give us time for handholding for team dynamics development. The company will not tell us to "take your time for the first six months and get to know all your teammates". They want to maximize shareholder value and

that starts January 1, 2010.

When developing a new district, one of the first tasks is to ask each of the new direct reports to do a preliminary SWOT (strengths, weaknesses, opportunities, threats) analysis of their new geography. This is not an unusual request but in this case since only 20% of the customer base was known by the new representative, it forced inter representative communication to accomplish the task.

Actions

This began with an introduction conference call, December 4, 2009. In this call each person introduced themselves and highlighted their work history, family, college, and favorite holiday memory. This was followed by the manager's expectations of the team and guidelines for engagement. Then each representative was given an assignment regarding personal style assessment. This included Strengths Finders completed via website, motivators worksheet and preliminary assessment of team strengths and opportunities.

The next event was a district "after work" event in mid-December for everyone to meet face to face. This was a differential advantage over other districts due to our location and was a way to begin to develop team dynamics before the kick off meeting in January 2010. From face to face meetings with previous district managers, a better understanding of unique strengths and weaknesses of each individual was gathered. In addition, highlights of 2009 results and leadership potential for each individual was obtained.

Following the holiday break, corporate-driven strategy meetings were scheduled for early January. Set agendas usually include product strategy and implementation expectations, a practical selling skills workshop and time for team building. Our district met in Naperville, IL with another Chicago district to assist in the

Northern Illinois University

transition of customer experience between the new territories. These meetings provided a chance to reconnect with old team members and a springboard into understanding the strengths of the new district. A critical aspect of these meetings was the mutual understanding of leadership principles, Chicago South 2010 vision, administrative expectations, and the rules of engagement.

District meetings occur quarterly and are a great opportunity for role play practicing and implementation alignment. To encourage more frequent interactions among the team, shorter monthly meetings were planned and executed to complement the corporate and district meeting cycle. The intent is to drive connections, build trust across all representatives and engage the leadership, business ownership and creativity of all members.

Beginning with the February session, one representative facilitated the review of *Five Dysfunctions of a Team*. During this exercise, representatives rated the team on principles from the book. This provided for a discussion on actions that can be taken to be a better team. In addition comments from one day of field observation for each representative were provided by the new sales manager. Together these provided team direction on notable strengths and possible gaps.

Finally, the district capitalized on the relationship with Northern Illinois University's Professional Sales Program when three representatives and the manager attended a presentation by Jerry Acuff which focused on his pharmaceutical selling experiences via his book, *The Relationship Edge in Business*. His insights were shared at the March district meeting and representatives requested a review the book at the June district meeting. Acuff revealed that the key to strategic influence and selling success is in the

relationships with customers. While not rocket science, it is a fundamental to increasing value to the customers.

Impact

Through these preliminary actions, teammates were able to gain insight on each other, identify common backgrounds and interests and observe the sales manager modeling the behavior that was expected: real conversation, the ability to balance work and life and no hidden agendas

The Strengths Finder assessment of each new representative, found in the book *Now, Discover Your Strengths*, provided an overview of the new team. The book postulates that when you concentrate development on an individual's strength (rather than a weakness), more total growth happens for that individual.

The results of the survey provided each person with their top five strengths from a potential 34 specific themes. While everyone has a unique profile, the team composite snapshot found 10 individuals with an "achiever" theme. This was fortunate in that research has indicated that for the team to grow the fastest, the "achiever" theme has drive. This person, or team, has a constant need for achievement and that every day starts at zero and something tangible must be accomplished in order to feel good about them. This internal fire pushes the person for achievement.

The other team top strengths were "competition" and "positivity". Both of these themes use performance as the unit of measurement and must have comparisons. The competition theme shows that if you can compare, you can compete; and if you can compete, you can win. The positivity theme indicates that we are generous with praise, quick to smile and looking for the positive in situations. By balancing the tenacity of competition and achiever strengths with the high

level of positive energy, the team dynamic appears to have huge upside potential if it can be aligned, framed and coached toward this potential.

To complement the Strengths Finder, each member completed a personnel survey highlighting their hobbies, why they chose their career, what would they like to change about the job, characteristics of their best and worst managers and how they liked to be coached. In addition, the representatives ranked 12 unique areas that each representative found important. These areas included:

1. money
2. recognition from management
3. job security
4. being trusted
5. a sense of belonging
6. opportunity for promotion
7. opportunity for travel
8. challenging work
9. pleasant work environment
10. interesting work
11. loyalty from management
12. opportunity to learn

Teams will achieve top performance only if all individuals are working at their highest and are engaged in what they do. The surveys showed those characteristics that each representative value in their career and life while establishing a road map for individual coaching. The district overall, noted "money" as the top motivator while "being trusted" and "loyalty" were the also selected characteristics from the group. These data helped form an individual coaching plan of

how to coach for top performance. Finally, the plan was enhanced with recent performance management documents and verified with previous managers' behavioral observations. Going into 2010 and the "launch" of the new district, the team building strategy was built around each individual.

Step Two: Development of a Team Building Strategy

Developing a Team Strategy was accomplished by dividing the 14 sales representatives into smaller units (pods) which resulted in three pods (City, Suburb and Specialty). Each of the pods then assigned an individual to be a product expert for the pod (on the currently marketed products).

Impact

Individuals that meet face-to-face built connections and common interests quicker than those that were limited by telephone or email (or even texting with a photo attachment). Because the new district was geographically smaller than others in the country, this provided a differential advantage for Chicago South District.

Next, to promote ownership, each representative named their territory to highlight the uniqueness, grow their sense of ownership and to have a little fun. The overarching goal was to seek consistent district expectations in order to promote strategy execution across the entire team (calls, frequency, programming) while allowing each individual owner to make decisions to maximize results. The team took it to heart with territory names reflecting geography, personal interests and customer dynamics. Some examples included: Jersey Shore, The Appointment, The Hub, Southside and Money Pit. These 14 territories now make up the Chicago South District, renamed the *Franchise*.

Step Three: Team Interactions

This step was to provide support and assistance by sharing product information between pods. Thus, the product expert for one pod would communicate with the same product expert in the other two pods. In this way ideas were shared to obtain best practices information to assist in developing the best marketing plan for each product. This provided consistency and allowed for some creativity.

Impact

At the April and July district meetings, a follow up survey of the Five Dysfunction's team principles revealed some progress had been made:

	February	April	July
Absence of Trust	C-	B	B (3 A's)
Fear of Conflict	C+	B	B (3A's)
Lack of Commitment	C	B	A-
Avoidance of Accountability	C	B	B+
Inattention to Results	C+	B+	A

The greatest improvement areas were in "lack of commitment" and "inattention to results", areas that can cripple any district. Observing this growth has been refreshing yet challenging to continue the trends. I have worked through a sales representative team member and she has taken responsibility to drive the improvement.

After the July meeting, she provided the team the report card and coaching:

"The team seems to agree that overall all are committed and focused on results to drive for an achievement trip as a district. One area that was flat is "fear of conflict". Conflict is a part of a good team and knowing when and how to call people out is a good thing. Some team members may want to be held accountable publically while others prefer one on one phone call. Bottom line, from the survey, ALL feel conflict is necessary and do NOT want to hold it back, but knowledge of how to approach each member is critical". The team dynamics are growing with individuality, personality and some vulnerability which will lead to growth.

Step Four: Developing Internal Structure and Process

This step was needed to assist each pod in their ability to communicate with each other. In most cases when realignment occurs, each salesperson is so busy trying to make an impact in the new territory that little time is left to communicate with other members of the district (lone ranger syndrome). This step was to provide structured time for each product expert in each group to meet with the other pod product experts.

The time frame along with the purpose of the meeting is listed below:

- February SWOT of territory
- March Specific product 1 targeting, resources, action plan
- April Specific product 2 tracking top 50
- May State of the District presentations (Hits/misses of sales results, Implementation and targeting, Leadership impact for pod, district Product action plan FQ310, Expected YTD results, Peer feedback with selection of top plan)

Impact

Business ownership of individual territories (while being part of a larger unit) is addressed through naming the district, "Franchise", and each individual territory being named. This name reinforces consistency of expectations, results, and integrity while allowing individuals opportunity to make their own decisions of resource utilization, targeting, and message priorities.

Product leaders were identified and expectations were set and reviewed. Each representative was provided leadership opportunities to assist in implementation of brand strategy across the district. Representatives are asked for their interest in product teams and other leadership positions and 12 of 14 representatives were accommodated with their first or second choice.

Step Five: Accountability for Results

This is the final step in preparing the new district for success. Each representative presented their business plans to their pod teams, district manager, and sales trainer. This presentation required each team member to evaluate implementation plans and provide written feedback on analysis, content and the plan.

Impact

Confusion with new alignments and territories was absent with this structure and a desire to start strong in the team. This structure forced communications between new teammates around product knowledge, business ownership, and implementation. Thus the representatives forgot about the company-driven chaos and turned to putting their territory back into order. Observations and implementation from the three pods varied with the completeness of SWOT analyses, speed of execution, team dynamics and candor among teammates. The district mantra was focused on winning in the marketplace. In our industry, the true value is providing

information and products to help customers. However, every salesperson is driven by competition and reaping the rewards of respect and performance.

Representatives started to combine projects and programs in order to stretch budget in the Suburb pod. They quickly sensed that a local expert would have an impact across each of their territories, provide less risk of program cancellations and help foster the customer networks across the western suburbs. Plus they could participate in the bigger event when a territory specific intervention was not cost justified. Additionally, this team quickly adapted best practices observed in the discussion of strategy, business acumen and implementation. By the March meeting, one representative proactively distributed an agenda and requested information at the pod meeting.

In the Specialty pod, customer location limitations forced two monthly meetings to a collaboration site conference call. This use of technology reduced the time investment to 45 minutes versus the three hour travel time necessary for 40 % of the team. Even with this time efficiency, team connection of these five representatives (from districts) slowed versus the two general pods. To complement the team dynamics, the area director facilitated two face-to-face meetings with the entire Specialty sales team (22 representatives from five states) in March and April. This intervention played into the development of the team and brought the five teammates together in their execution of the area sales strategy. Additionally, the area meeting clarified the role each representative had within the Specialty pod and solidified the role of candor among the team.

In the City pod, two of the four had completely new geographies and saw the new territory as a challenge to master. In the first several

meetings, locations presented suboptimal conditions to discuss business and time of day to conduct business conflicted among territories. At the same time, the two new territories were located at least an hour away from any city meeting site and held a trade off - meeting versus selling. During the first two meetings, the majority of the dialogue was "reporting in" on each individual territory and sharing customer information/transition. Observations from both the City pod and with three Specialty territories, revolves around the small impact of a vast number of customers. This will deserve additional research during the second half of 2010. As for the City team, logistics don't allow joint programming but the sheer opportunities for team brainstorming may align and combine this group for long term performance.

At the May business plan review of each pod, a new opportunity was provided that would increase the *possibility* of candor in business ownership while enhancing trust, force analysis of each territory and benchmark those skills with other representatives. For this meeting, each presentation was limited to 30 minutes with an assigned agenda. Additionally, the area sales trainer was present to reduce bias and provide her in-depth analysis of the data. Finally, written peer feedback on each "State of the Territory" was utilized for determining the top plan and identifying best practices.

Feedback from representatives indicated that the published data was more efficient (less time consuming), offered a fresh insight of customer investments (calls, frequency, messages, programs, samples) and made them think more strategically of their own territory franchises. But like all good things, habits take time and repetition to form effectiveness. The top three plans (one from each pod) will also be showcased at an upcoming district meeting to

show “what good looks like” and raise the level of analysis and planning

RESULTS

The consistent implementation and first quarter sales results rank the district in the top 15 percent across the country. Implementation (e.g., calls, frequency, and messages) was slow into early February, but has consistently been above expectations for all parameters measured by management since then and leads the Midwest Area.

Some territory plans were streamlined into an updated SWOT analysis followed by two pages of an executive summary that were handed out to be reviewed by the pod. Other updates were available only by presentation format, while some were small binders of data to support the action plan. Regardless of style, the “the bar has been raised”. Specific customers that influence specific products were interwoven with quantity of interactions (calls, frequency) and interventions (programs, lunch or breakfast dialogues) to determine if actions had impacted the business. Further, a clear plan for top performance for the rest of 2010 was developed for every territory. Business owners are emerging across the district!

At the July session, the final piece of the team development puzzle was presented and discussed, accountability. Yes, accountability had previously been addressed but in the *Oz Principle* review led by two district MVPs, however, accountability was “double clicked” and brought to life. It spoke of seeing a problem, owning it as your own, solving the riddle of what needed to get done, then doing it! As owners of each territory, this mentality must become part of the culture.

The company has been occupied tracking calls per day, frequency of contacts over a rolling three month period, programs and the size of customers attending events. Other measures include quantity of product dialogues with the top 50 customers

for each product, budget compliance and the quantity of samples utilized with all customers. Finally, customers are now being asked to rate our company in three distinct areas compared to the competition. Bottom line: A lot of things to evaluate monthly in order to modify and maximize the value to the customer which will drive sales.

Customer Comments

The first set of data was collected January thru March with customers in the five-state area ranking the company above the competitors in trust, satisfaction of delivering value to their practice and engaging them in a manner to help achieve better outcomes

District Results

Since February, the team has exceeded company expectations on calls per day, frequency of contact and programs. In fact in the first 100 days in the eight district area, Chicago South is the leader in calls, frequency, programs, and targeted physicians attending programs and with appropriate dialogues with top customers for every product. That means the district is the *benchmark* for implementation.

SALES PERFORMANCE

With the quick pace of the change and the increasing complexities of selling, the year is far from over. Five months of sales data have been collected and the district is exceeding quota and is ranked in the top 10% of districts in the US. That means the customer surveys, implementation data and sales results are providing a scorecard that supports a successful process.

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