

By Norm Trainor

The context of success

Without knowing their firm's overall objectives, Robin's employees weren't pulling together

The following is based on one of The Covenant Group's clients, Robin Froner. All of the names and telling details have been changed to preserve client privacy.

Robin Froner, is a client of The Covenant Group's, working with Herb Koplowitz, our Vice President of Organizational Effectiveness Services on managing her specialists in group benefits, disability, and investment. Robin is currently encountering a management problem that threatens the growth of her business.

Robin explains, "I've met with each of my specialists and explained the goal I wanted them to pursue, the growth of their function; they're all doing a great job of pulling their function forward, but it feels like they're pulling in their own direction, not in mine. It's as though each of my specialists has their own understanding of where the company is headed and why." Robin was feeling that by delegating functions, she'd lost control of her company. She wanted to regain control, but didn't want to jeopardize the positives of delegating functions, such as the high morale of her specialists.

Herb was familiar with Robin's situation, but he needed to probe further to uncover the exact root of the problem. He asked Robin to give a specific example. "Well," Robin replied, "Sandy, my benefits specialist, has been developing good numbers, but the sales have been primarily to small to mid-sized companies. I know she feels more comfortable in that market, but I

want Sandy to focus on larger companies. I've told Sandy this numerous times, but she keeps on doing the same thing." Herb could sense Robin's frustration. "What about Jamie?" Herb asked, referring to the Director of Investments. "I have my problems with Jamie, too," Robin said, shaking her head. "I want Jamie to find out more about the companies our investment clients work in so that we can be generating leads for Sandy to pursue as Benefits clients. But Jamie's off to the next prospect as soon as he's closed the deal . . . If Sandy and Jamie continue like this, there's no way we're going to achieve our vision."

Herb was getting a clearer picture, and was ready now to zero in on the problem. He asked Robin, "I can see why Sandy would pursue small to mid-sized companies if she's more comfortable with them. And I can see why Jamie would be off to the next client when that's what's going to drive the investment numbers. But tell me, why is it so important to you that Sandy pursue larger companies and that Jamie get employment information from the investment clients?" Robin explained, "You need to understand that the more products of ours a client carries, the more loyal that client will be to us. If we can get our clients to purchase their benefits, investment, insurance and disability services from us, they are especially likely to stay with us in all four areas. In addition, executives in larger companies are more likely to make sufficient income to qualify for our higher end investment plans. So, if Sandy sells benefits to larger

companies, that can open the door for Jamie to enlist the senior executives in serious investments, which has them locked into us in two areas. And if Jamie turns investment clients into benefits clients, that locks them into us in two areas. By cross-selling, we don't just make one more sale, but we make the new sale and the old one more secure."

Herb had found what he was looking for. "That's very interesting," he said to Robin. "Do you think Sandy and Jamie understand what you've just told me? You've mentioned what you want them to do, Sandy to pursue larger companies and Jamie to develop corporate benefit leads from investment clients, but have you given them the *context* of those instructions?" "What do you mean by 'context'?" Robin asked.

"Context is your reason for giving an instruction to your employee," Herb replied. "Setting context usually means explaining what your company strategy is, why you've designed it how you have, and how you want the employee to support the strategy. Your strategy includes building client loyalty through multiple sales to the same client. Your employees need to know this, and they need to understand how multiple sales to the same client builds loyalty. Sandy also needs to understand the link between company size and the potential the company provides for Jamie's investment business. And both Sandy and Jamie need to understand how they each can contribute to your strategy of client loyalty through multiple sales."

“You see, Robin,” Herb continued, “you spend a lot of time understanding your own sector as well as the sectors your clients are in. You study the trends in legislation, regulation, technology, demographics and so forth as they are likely to affect your business. You read, talk with others, go to conferences, and do whatever else you can to hone your strategy. Your employees do the same, but to a much more limited extent. Don’t assume that your employees have the same depth and breadth of understanding that you do. Sandy and Jamie were not trying to undermine your strategy. I’d bet anything that they continued doing what they were doing, Sandy pursuing small to mid-sized companies and Jamie pushing on to the next prospect, because they thought it best for their business and for yours. I’d bet anything that they didn’t understand why you were asking them to do differently, and were even puzzled as to why you would ask them to run their part of the business inefficiently.”

When Robin eventually approached Sandy and Jamie, she discovered that indeed they had not understood the context of her remarks and didn’t even take them seriously because they didn’t understand them. If she was going to grow the company the way she wanted, setting context was something Robin knew she needed to address.

Lessons learned

Herb worked with Robin, helping her incorporate context setting into her management practices. Whenever she assigned a task, she made sure her people understood why the task was important. Whenever she revised her strategy, she let her people know she was doing so and told them why. When Robin came back from a conference,

she made a point of explaining to her staff what she had learned and how it might affect how she ran the business. Herb also suggested that Robin have a thorough discussion of context when hiring new employees. “People want to know where you’re headed and why. This is particularly important if commission is a large part of an employee’s pay,” Herb explained. “When you tell a new employee that they’ll be making commissions on sales, they need to understand that you will be confining the types of sales they can make. Sandy, for example, was going for the more comfortable, and therefore easier, sale to smaller and mid-sized companies. When you wanted the sales focused on larger companies, it must have felt like you were making the job harder and cutting the potential for Sandy to make commissions. By explaining up front that Sandy would need to work in a way that supports the business’s strategy you would reduce the chance that Sandy would feel cheated of commission that otherwise would have been possible. Sandy would also understand the upside of an agency where everyone is working together towards a more profitable vision.”

Robin found several benefits from her new practice. As intended, she found that her people understood better why she wanted them to do what she wanted them to do, and they supported her much better. In addition, her people started paying even more attention to context themselves, and started looking for useful information about their sector and their clients’ sectors. Robin found her people not just fulfilling their roles and leading their functions but doing so in a unified manner. The company soon began to grow at the rate Robin hoped it would, and she attributed the renewed growth to the unified spirit setting context had

helped build.

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