CSO Perspectives: Ken Revenaugh, Vice President Sales Operations, Oakwood Temporary Housing

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Ken Revenaugh

Mr. Revenaugh led Oakwood's recent successful sales and marketing transformation involving redesigning and building sales operations. He accomplished these results by creating and launching a sales playbook guaranteeing Oakwood's continued success. Best known for developing and implementing analytics, tools, and processes that drive maximum sales performance, colleagues admire Ken for his ability to tell engaging stories that appeal to stakeholders and help prepare organizations for transformational change.

Prior to joining Oakwood, Ken instituted plans reversing four years of declining revenues at Global Experience Specialists (2007-2008). At FedEx (1989-2007), he helped drive record levels of profits for various business units. Ken leverages his passion for mentoring, teaches others how to tell good stories and shares insights on the business of sales via his blog, *FastTrackTools.com.* Recent awards include: the Stevie Sales and Marketing Award for Sales Operations Leader of the Year (2011) and for Sales Process of the Year (2010), and the first ever SAVO Pioneer Award (2010) for demonstrating vision, leadership, and stewardship as a sales enablement trailblazer.

Over the past few years, I have spoken often on sales transformation frameworks. Our team's framework has 27 key drivers for sales effectiveness, which are clearly linked to projects that can be accomplished within the organization. We also have a methodology for assessing which drivers yield the highest impact. While I am happy to discuss what we developed, it's important to remember the framework is useless until you get the team ready to actually change.

DEVELOPING A BURNING PLATFORM FOR CHANGE

At Oakwood, and in my two previous companies, we have gone through fairly significant, 360-degree sales transformation initiatives. In looking back at each of these projects to identify the lessons learned—whether we were dealing with changing sales compensation, installing a new sales playbook, or realigning the sales force to target new accounts—one of the keys to success was the sales organizations started from positions where we all realized the *need* for change.

In analyzing what set the stage for people willing to consider—if not embrace—transformation, it turns out that facts, figures, and statistics were not most convincing. Instead, compelling stories surfaced and my teams retold them throughout the organization, persuading stakeholders to move forward. Let me share an example.

At Oakwood, we were working on re-engineering how our reservationists work with end-user clients. We are in the temporary housing business, renting furnished apartments to corporations. Ultimately, when guests are ready to stay with us, they call and speak with reservationists to determine their apartment's type and location.

Within the first 20 minutes of beginning to study the reservationist's role, our team huddled up. It was clear the biggest concern inherent in the reservation process was that we moved too quickly through this customer interaction, emphasizing closing the reservation as quickly as possible. This resulted in us missing things and hurrying clients who might not be completely satisfied.

We broke up from our huddle, and everyone went back to interviewing. I sat down with a reservationist. Looking around her cubicle, I noticed she had a Hawaiian license plate that said, *Book'em Danno*. I asked her to tell me the story of the license plate. She explained how, about five years ago she was on vacation in Hawaii. When she saw the license plate, she immediately decided it would be her work motto; when a client called she wanted to "book 'em" a reservation as quickly as possible.

She went on to explain that this was the message Oakwood was giving her as well. The way she was measured (her performance scorecard) was directly related to her close ratio. She got paid based on how many reservations she closed. In talking to her, it became apparent this was a totally different definition of *Book'em Danno* than I had been thinking. The image I had in my mind was one of being read Miranda rights, arrested, fingerprinted, and put in a cell.

That story became our burning platform for change. We don't want customers to feel like they had been criminally booked and rushed through a process to get them into a "cell." Our customers should believe our process meets their needs to find a perfect, five-star apartment. How do we make this happen? We have to slow down.

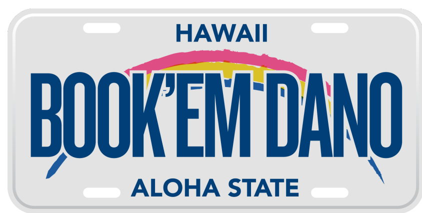

Figure 1.
A Compelling Story.

You can do a lot to optimize adoption by having the right story upfront and continually selling it all the way through the project. For example, take this license plate motto discovered in an employee cubicle. Instead of rushing customers through the housing booking process (and into a "jail cell"), Oakwood reservationists needed to slow down and make customers feel they were going through a process designed to help them get into the perfect, five-star apartment.

When we were able to distill the purpose behind that sales transformation initiative down to a story everyone could understand and relate to, we made a major leap forward in laying the foundation for getting everyone committed to designing and implementing a new reservation process.

USING STORIES AS THE BASIS FOR CHANGE

Another example occurred when we started our sales playbook initiative. At the beginning of that project, we focused on understanding what our top- and middle-performers were doing, and how to effectively define what their best activities were and put them into our playbook.

As we started to engage salespeople, we found they were willing to play along and answer our questions. However, it became very clear no one was really interested in buying into the playbook project. The sales organization had already gone through so many change initiatives, they had no appetite for yet one more new thing.

We stepped back and discussed the fact that we didn't have the right burning platform for change. Without a compelling story, we knew we were unlikely to convince sales teams the playbook initiative was any different from all the other unsuccessful projects.

The push back we got from sales became the impetus for change. We realized we had a situation like the reality TV show, *Survivor*. The culture had evolved to the point where many people wanted to outwit, outplay, and outlast this new sales effectiveness initiative. That reality became our burning platform.

I'll admit that it was a little painful for us to essentially advertise this fact, and to retell the story throughout the organization. But we had to get all the cards on the table and make it clear that this is not *Survivor*. This is not a case where you can outwit, outlast, and outplay the current senior management team. The fact was, at that time, we needed to step up our sales performance; in order to do that, everyone had to embrace change.

UNDERSTANDING THE PEOPLE WHO ARE HEARING THE STORY

A key aspect of storytelling? Knowing your audience. Are you engaging the right people? One of the required reading components all new sales ops members have to read when they join my team is a John Kotter book, *Our Iceberg is Melting*, which outlines the eight principles of change.

In brief, the storyline revolves around a penguin named Fred who notices that his iceberg—which had been home to penguins like him for 100 years—is melting away. He realizes the colony's survival depends upon moving to a new iceberg. To make this happen, he has to work with the penguin leadership council to build consensus for a plan to relocate.

The part of the story I find very illuminating is that one of the members of the council is an older, heavyset bird named NoNo, who is responsible for weather forecasting. Because NoNo is often criticized when his forecasts are wrong, the idea

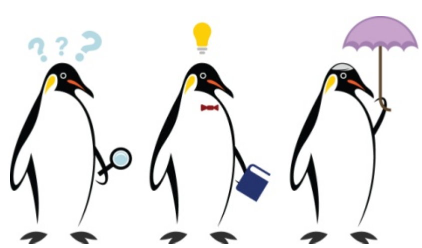

Figure 2.
Know Your Penguins.

As you start a new project—no matter how strong the burning platform for change—you have to make sure all the right players within your organization are involved throughout the process.

of the iceberg melting away is too much for him to handle—he flat out cannot accept the idea. As you watch the interaction between Fred and NoNo, you see, through humor, Kotter makes a key point: you need to understand the human dynamics involved in any major change-based initiative.

Relating that back to our sales operations group, we actually keep a poster up in the office of pictures of penguins from the book. It is a reminder that as we start a new project—no matter how strong the burning platform for change—we have to make sure we have all the right players involved from the start to the finish.

That fable is our framework. For each new project, we need to make sure we know who our executive sponsor is, who our key supporters are, that we have identified all people who might be playing the role of NoNo, etc.

The result? We treat each project just like selling. We ensure we identify all of the right buying influences involved in the decision-making and implementation processes. And, we keep revisiting the human side of the sales transformation all the way through the change initiative.

SIMPLIFYING COMMUNICATION

The make-up of a sales ops group is also an important consideration. When I talk with peers doing my job at other companies, I often find that they have engineers (aka, black belts) on their teams. From personal experience, I can tell you, while I love having an engineer or a person with a background in Six Sigma working on projects, the mindset they bring to the table often gets in the way of progress.

Language used to describe change influences people's attitudes toward sales transformation. When you use technical reengineering terms to describe what you intend to do, it starts to scare off (or tick off) some of your penguins. In our last transformations, we learned, to get people's buy-in, we have to leave jargon completely out.

We refrain from talking about a change process in engineering-speak, instead incorporating a much simpler language we call the "ABCs" of managing the project: *assess, build, and commit*.

Figure 3.
ABCs of Change.

The team needs a common language and process. Forget Six Sigma speak. When you use technical reengineering terms to describe what you intend to do, it starts to scare off (or tick off) some of your penguins.

In the *Assess Stage*, we focus on defining the problem and measuring key aspects of the current process needing to be changed. Assessing can be a real challenge, because it is human nature to want to move immediately to the solution. If revenues per sales person are down, before we have all the facts, we might jump to the conclusion that we have a motivation issue and therefore the problem is with sales compensation. The immediate solution that comes to mind might be a need to implement a higher variable component to our commission plans.

It is very easy to want to prescribe before fully diagnosing. I am as guilty as anyone. I bought a computer online last week. In the process, I accidentally entered in my email address incorrectly so I didn't get a confirmation notice from the vendor. A few days later, when I realized what I had done, I jumped into solution mode. I called the vendor and demanded that they send me a new confirmation to the right email address. At the time it sounded like the reasonable thing to do.

Well, the problem was it had been three days since I submitted my order. Based on their processes, the only way their system would allow them to send a new confirmation was to cancel the prior order and issue a new order. My jumping to a solution without all the facts delayed the delivery of my PC by another three days. If I simply would have asked the question, “How can we ensure my order is confirmed?” I'm sure they could have addressed my need for documentation with a more efficient solution.

In relating this back to sales transformation, the real objective of the assess stage in any project is to get to the point where you come up with a clear problem statement turned into a question you are trying to answer. For example, “How can we ensure that my order is confirmed?” opens the door to finding the best solution possible versus going with a knee-jerk reaction.

In the *Build Stage* of a project, we analyze what issues need to be addressed. Next, we find ways to improve the process to deal with the challenges we are encountering. If we have done a thorough job of assessing and know what question(s) we are trying to answer, this stage becomes much easier. We can align various solution alternatives against a clearly defined problem to see which one is the best fit.

Finally, we come to the *Commit Stage*. Our selection of the word “commit” was an interesting one, chosen only after a great deal of discussion. Commit implies having everyone involved from the very beginning. You get the burning platform for change out there. You assemble all the right people on the team and explain this common vernacular for managing change so everyone knows where we're headed. Now, we are at the stage where everyone has to commit. We have to move forward—there is no falling back.

ADVICE TO MY PEERS

Regarding lessons I have learned over the years, the first thing that comes to mind is to get outside help where and when it makes sense. For example, there is often a huge uptake in the required effort early on in a sales transformation project. In those cases, I advocate getting help from contractors, consultants, and vendors based on the reality that we temporarily need more eyes, ears, and hands to help us.

Another reason to leverage outsiders is to incorporate unique perspectives we may not have within our own organizations. There are times when we have enough differing opinions that a third party, without a business card from our company, can really help contribute to breakthrough thinking.

A second recommendation is to make sure the people working on the project have a clear understanding of, and an appreciation for, selling. We started putting our sales operations staff through the same sales training we put our sales teams through. We don’t do this because they are going to spend a lot of time with the customer, but rather so they develop the ability to sell their ideas inside our organization.

When my sales operations team members start to put together a project PowerPoint presentation, we want them to approach our internal decision makers in a way that helps them understand the information—and believe in it. We need to create their buy-in to prepare for the next phase of having them commit to making change happen.

A third suggestion is to have a clear strategy for how to roll out an initiative. One thing we do is implement a pilot upfront for every part of the program; this helps get our champions involved. We then move to getting those early adopter stories out to the entire organization. The goal is to create buy-in from the majority of the sales organization. Endorsements from peers can make this much easier.

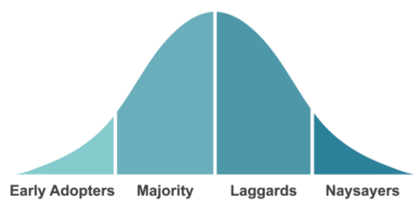

Figure 4.
The Key to Sales Transformation Success.

Create the story and then deliver on the story. When that happens, change occurs much, much easier.

At this point, we turn our attention to the laggards. We can provide them with more proof points, but the reality is often that these people need to learn from their peers when the new way of selling is working. In the final analysis, there will still be X% of naysayers. To be frank, we find it's just not worth it to try to turn them into believers. The return on investment for achieving 100% user adoption is just not there.

Finally, going back to my initial premise, you can do a lot to optimize adoption by having the right story upfront and continually telling it all the way through the project. You must consistently let the organization know that you 1) understand the problem, 2) know what is causing it, 3) have a solution, and 4) can explain what is coming and when, and how team members are going to personally benefit from the change.

Communication is critical. At times during projects we have had our head of sales on the phone with the whole sales force explaining how the project is moving forward. We also use our sales portal as the place team members can go to get the truth about the initiative. Throughout the entire process—no matter what rumor they hear, no matter what's happening within the organization—the portal serves as the one place to find all of the facts. That is the key to sales transformation success—create the story and then deliver on the story. When that happens, change occurs much, much easier.

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