

Managing the Outside Sales Representative

By using behavioral techniques, franchise systems can determine the traits necessary for success.

By John Boyens

Franchise companies are seeking ways for potential franchisees who have certain personal and professional characteristics to determine if the person they're recruiting would be suitable to run a successful franchise. According to articles by FranChoice CEO Jeff Elgin and Andrew A. Caffey; a business law attorney and author of *"Franchises and Business Opportunities,"* the following four characteristics are key considerations in selecting a successful franchise owner:

- Being a "people" person,
- The "ability to be coached,"
- General business skills, and
- Access to capital.

Establishing clear expectations is a must for successful franchisees.

Let's take a look at these four characteristics in more detail.

1) Being a "people" person. One of the joys of owning a franchised establishment is direct contact with customers, vendors, employees and, of course, the franchise company. One needs the skills to persuade vendors to provide favorable terms. The franchisee must be able to engage customers to sell them on the products and services and keep them coming back and to communicate and motivate employees day in and day out. Success hinges on an individual's people skills and his abilities to communicate a vision to set the right tone in the organization.

2) The "ability to be coached." A good franchise system is designed to take people without experience in a specific business and teach them how to run a successful operation following a detailed formula. New franchisees can only be successful when they follow the system. The franchise system expects the new franchisee to

be flexible, eager to learn and determined to "get it." A big frustration franchisors face is handling an owner who wants to change the system or single-handedly improve the franchise program against the wishes of the franchise company. In other words, franchise systems want "coachable" franchisees just as much as franchisees want "coachable" employees.

3) General business skills. Franchise-system representatives have told me that they place high value on a person that has business "common sense," in other words, a sense of what is important to run a successful business. That means paying attention to financial details, managing cash flow, understanding the importance of promotion, marketing and advertising, knowing how and when to hire employees, focusing on the customer, ensuring quality service and striving for excellence in all aspects of their operation.

4) Access to capital. Satisfying the capital needs of a newly-established business is without question one of the main challenges. New franchise owners need a solid banking relationship with a financial institution that understands their plans and is prepared to extend their business the credit it needs to succeed. It's also important that franchisees plan carefully for contingencies. This usually takes professional help. A good accountant can prepare a cash flow-needs assessment with a break-even analysis that provides a useful road map of a franchise owners capital needs. Often this assessment becomes a matter of business survival.

The first two characteristics, being a "people" person and "ability to be coached," are personality traits. The potential franchisee either has those personality traits or he doesn't. Access to capital is also a very "black or white" situation since there either is access to capital or there isn't.

General business skills are another story. Since

the franchise system would eliminate any potential franchisees that weren't coachable, a "people" person, or an individual that doesn't have access to the money required to run a business, there's only one area left for the franchise company to worry about and that's the development of its franchise owner's general business skills. If one employs a business model that requires utilizing outside sales representatives (i.e., selling blinds, closets, lawn care, janitorial service, signs, computer equipment, telephone systems, and so forth) one must find franchise owners that have the skill to hire, train and motivate productive outside sales representatives. One might argue that this management skill is "mission critical" to the success of individual franchisees, as well as to the overall success of the franchise system, yet is often overlooked during Discovery Days.

Franchise system CEOs and presidents have said all too often that franchisees:

- wait too long to hire outside salespeople,
- don't know how to effectively interview people so they end up hiring employees on "gut feel,"
- can't differentiate a good candidate from a bad one, and,
- are experiencing high volatility in employee turnover.

The resulting problems for the business include missed revenue or profit targets, cash-flow misses, unhappy customers that share their experiences with other potential customers, and in a worse-case scenario, franchisees in default.

Usually the franchise owner is the general manager for the operation, but frequently he becomes the sales manager, by default, with no sales or sales management experience at all. That's certainly not a formula for success.

Here are some "facts" about sales management:

- 90 percent of "people" problems are communication problems and the biggest stumbling block to good communication is poor listening,
- Most sales managers spend their time disciplining the low performer versus

coaching the high performer.

- Poor hiring is the number one cause of unproductive or inconsistent performance and often leads to employee-retention issues.
- Establishing clear expectations is a must for successful franchisees.
- Franchise owners need to "inspect" what they expect from their outside sales representatives.

Since no business can survive without making sales, here are some key elements to hiring an outside sales representative.

Readiness is defined by two factors: skill and will.

The first step is for the franchise owner to identify the "mission-critical" tasks or activities that his outside sales representative must execute on a daily basis. The following five tasks are mission critical for any outside sales representative regardless of what type of franchise system he sells for:

- Sell or deliver consistent results.
- Canvas, prospect and network.
- Follow-up with prospects and clients.
- Complete administrative tasks on time and accurately.
- Plan the day and manage time efficiently.

Next, franchise owners need to assess the readiness level of each of their potential outside sales representatives to execute these tasks noted above. Here are some guidelines. Readiness is defined by two factors: skill and will. Does the representative have the ability, skill, will and the desire to do the job? Upon completion of the interview process with their potential candidate, the franchise owner needs to answer the following skill and will questions about potential candidates.

"Skill" questions:

- Have they had either formal or informal training?
- Do they understand the task that is required?
- Can they easily apply the task as needed?

- Have they done this before? How often?

"Will" questions:

- Do they have the "get up and go" to do this task?
- Do they have incentive to do what's being asked of them?
- Is there a safety net if they fail at first?
- Do they trust in their abilities to do this task?

Naturally, one would like to hire an outside sales representative with a lot of "high-will" tendencies because they really want to do the job. Conversely, one wants to avoid hiring a representative with a lot of "low-will" tendencies because they really don't want to do the job.

The best way to hire the right representative the first time and every time is to use a technique called behavioral interviewing. Behavioral interviewing is based on the fact that a candidate's past and present behavior is the best predictor of how he will behave in the future. But behavioral traits don't appear on a resume, they can only come from an interactive interview. Furthermore, interviewers need to obtain repeated examples of a specific behavior to ensure that the behavior they are observing is real and not just turned on for the interview itself.

By asking questions about past experiences, an interviewer can better predict future behavior by:

- eliminating misunderstandings,
- preventing the "halo effect" (e.g., they can do no wrong),
- reducing the candidate's ability to mislead.

Interviews not based on exploring competencies inevitably focus exclusively on education, experience and knowledge or exactly what's on the resume. While these are clearly important, they only reveal what a candidate says that they did. Behavioral interviewing helps get at the "how" and "why" behind a candidate's performance and what he is likely to do in the future with the company.

Here are five examples of behavioral and situational interview questions. Ask the candidate to:

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- 1) Talk about the most difficult customer situation that she ever encountered and how she overcame it.
- 2) Convey her thoughts about the best manager that she ever worked for and what made the manager so good.
- 3) Describe what she would do to build a pipeline in the first 30 days on the job.
- 4) Discuss a time she had to complete a “rush” project with no resources and little direction.
- 5) Recount a time in sales when others would have given up, but she was able to see things through.

Here is one additional suggestion to consider when interviewing a potential representative. Toward the end of the interview, give an inanimate object such as a magic marker or pen to the candidate and ask him to sell it to the interviewer. The interviewer will know by how the candidate approaches the request if his style will be a good fit for the company. This interviewing tactic has several advantages for the interviewer. The candidate is caught off guard of the scripted answers that he may have at the ready to impress the interviewer and, at the same time, the interviewer will get a snapshot of how the candidate can handle an unexpected request from a client. By establishing a behavioral interviewing process, sales managers will be better able to assess potential candidates in terms of skills, attitude, aptitude and fit.

Finally, once an outside sales representative is hired, the company will need to establish clear expectations and then “inspect” what it “expects.” Consider these guidelines:

- At the beginning of each year, establish individual performance appraisal criteria for the outside sales representative. Use the mission-critical tasks as a guide.
- Create smaller and achievable incremental goals that are measured on a monthly basis. For instance, use numbers of hours prospecting/

canvassing, number of appointments/presentations, number of sales and monthly revenue goals.

- Create individual development plans to help the representative reach his full potential.
- Create a written contract with outside sales representatives, especially those difficult to deal with, to ensure success.

It is crucial for the franchisee to hire the right representative, establish an “onboarding process” to ensure that he achieves the sales and revenue milestones laid out for him, set clear expectations, including activity levels, and then “inspect” what they “expect.”

By using behavioral interviewing techniques, franchise owners will have the ability to uncover the readiness of each potential salesperson and franchise companies will have the ability to uncover the readiness of each potential franchisee. ■



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