

SHARKS in the Cox Communications Call Center

Excerpt from *Driving Peak Sales Performance in Call Centers*

NELSON ELMORE, DIRECTOR OF SALES FOR COX COMMUNICATIONS IN SOUTHERN CALIFORNIA, HAS AN OUTSTANDING TEAM OF 110 INBOUND SALES REPS WHO HAVE INCREASED THEIR SALES OF REVENUE GENERATING UNITS (RGU) BY 68 PERCENT OVER THE LAST FOUR YEARS—WITH THE SAME INCENTIVE BUDGET AND NUMBER OF STAFF. For Cox, an RGU is any monthly unit of revenue, whether basic cable TV service, an HBO package, a local telephone service, or a high-speed Internet service. The sales group has labeled themselves the SHARKS—an acronym for “Sales Happen and Revenues Keep Soaring.”

Instead of the traditional revenue per hour, close ratio or conversion ratio as the KPI metric for sales success, Cox measures RGU per person per month, with the lowest producers averaging 600 RGUs per month, the middle producers averaging 675 RGUs per month, and the top producers averaging 900 RGUs per month. The spread between Elmore’s low and high producers is only about 30 percent, indicating that his team is doing a very good job of selection and deselection of sales reps. As mentioned previously, in most sales organizations that are not operating at peak performance, the spread is much higher, typically in the 100 to 300 percent range.

Reps Are “Paid for Production”

Elmore notes that his reps do not need minimum standards for sales production because their base rate of pay in this high cost-of-living area is acknowledged to be too low for an adequate lifestyle. In spite of that, most sales reps are well-paid because their sales compensation plan uses a *pay-for-production strategy*. (Remember, top sales performers typically prefer a higher “risk/reward” ratio.) If the sales rep cannot produce, then he or she doesn’t make money and will eventually move on to another job. A low producer (bottom 5 percentile) will not make commission

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and typically grosses \$21,000 to \$30,000 per year. Average reps earn about \$46,000 per year, and the top 5 percent command \$80,000 to \$90,000 per year.

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Four Success Factors

It’s not compensation alone, however, that drives low attrition and stellar sales at Cox. Elmore credits four major factors:

1. Implementing a new hiring process. A few years ago, Cox deployed a new selection methodology that, in addition to incorporating interviews and role-playing, utilizes psychometric testing to predict candidates’ success on the job (Hogan’s Personality Profile and Quiz Cognitive Program). For each candidate, the test produces a personality profile and a skills-based competency assessment that is compared to Cox’s ideal rep profile. This enables Elmore to find people capable of competing with his best performers. He seeks individuals with a *high advantage score*—those who have enough “it’s all about me” attitudes. Too high an *advantage score*, however, might result in the customer being improperly serviced. “It’s a balance,” says Elmore.

He adds that it’s important to not “get too hung up on sales experience” when selecting new-hires. “Three of my best sales people had absolutely no previous sales experience. Our assessment and role-play interviewing program allowed me to feel comfortable hiring them. We can now predict that they will be successful.”

Once this hiring program was implemented, attrition in Cox’s phone sales group decreased from 25 to 30 percent to less than 10 percent, and sales production began rising.

2. Setting clear job expectations. This involves not only setting performance targets and goals, but also helping reps to understand *the part they play* in the company’s goals and success. Whenever a new policy, procedure or process is rolled out,

management ensures that they use a “double-message” technique—illustrating what’s in it for the customer as well as what’s in it for the rep.

3. Designing new training methods. Another key to Cox’s sales success in its call center was the revamping of their training over the last few years. This included reducing new-hire training from six weeks to four weeks by extracting a few components that are better digested after the reps have been on the floor with customers for a few weeks.

Every session in new-hire training now includes role-playing sessions. Two of the sales training programs are held in the first week of training—instead of as an afterthought at the end of training. Elmore describes the training class as “rallied each day by the trainer first explaining the policy and procedure, followed by the sales manager joining in to explain the importance of the topic. The sales manager explains the downstream consequences for the rep and the customer if the process is not followed.”

This is a prime example of Cox’s “double-messaging” technique. Important messages are repeated from different points of view so that the sales reps will understand the interconnection of everything they learn. They then begin to really understand the part they play in their own success and that of the company.

After Cox restructured its approach to training and behavior modification, Elmore noted that: “28 of our 30 new-hires are in the top 50 percentile of performers.”

4. Creating a dynamic incentive program. The dynamic nature of the call center’s incentive program has also helped to drive results. Elmore has a set zero-sum incentive budget. If the company requires another product line to be driven harder or introduces additional products to the mix, Elmore reserves the right to change the incentive plan to put a higher commission on one product and reduce it on another. His expectation is not that the product with the lower incentive will now generate less units, but that the new structure will focus the sales reps on finding new ways to better sell the product that needs additional focus.

His reps are taught a “top-down” selling approach, with no one assuming that the entire package of products is unaffordable to a customer. Reps are trained to envision a full-package sale as a tremendous value and a trade-off decision that the customer can make against other forms of entertainment. If the sales rep believes that the Cox full package of entertainment and services is a much better value than other entertainment and services, then their customers might, too.

Skills-Based Routing and No Scripts

Nancy Peinado, director of broadband operations for Cox Communications, credits the implementation of skills-based routing as another factor in the call center’s success. The center routes customer-directed sales calls to sales reps, and service calls to customer service reps. “It’s difficult to handle a billing call with someone who might be having money problems, and then try to sell someone something on the next call,” comments Peinado.

No part of service or sales is scripted, as Cox “wants [the rep’s] personality to shine through,” she adds. Cox reps don’t try to cross-sell or upsell on every call. If there is an opportunity for a sale, they will offer the product. The customer service group is trained to look for key call-types that are more conducive to an upsell, and are also trained on the types of products that would be appropriate to offer to these call-types.

Reps must be trained on informal call-typing, as it is not a natural thought process for many of them, says Peinado. There are many different types of billing calls, some conducive to sales, others not. Also, there are some customer-types that one might not want to offer new services to, such as a customer who is severely past due on his or her account.

Once customer service reps get used to thinking about a call as the combination of a customer-type and a call-type, they can better understand what to offer the customer, Peinado explains. They learn to recognize the “golden combinations”—those combinations of customer-types and call-types that are very conducive to certain selling approaches and services. ■