

BEHAVIOR-ORIENTED GUIDED SELLING

Management decides on strategy – and staff on how it is implemented. Although this is a fact known to science for more than 20 years, management often seems not to take this sufficiently into account. Thanks to the participative ProMES/PPM method, which consistently achieves staff buy-in in implementation, enterprises succeed in boosting their economic success.

Industry: Financial services – Implementation of guidance systems

The customer's problem

An insurance company demanded improved results from its general agencies in a changing market environment. Management temporarily increased pressure on the sales force and achieved a certain amount of success by doing so. But when the pressure was relieved, the figures slumped again. Customer advisors had not sustainably adopted the higher targets.

Theoretical principles

Management by numbers doesn't always pay! The management system deployed by the insurance company was primarily based on economic performance indicators, although more pronounced behavioral orientation would demonstrably lead to improved performance.¹ However, behavior-oriented management requires corresponding know-how on the part of the executives, and also in the implementation of the management system.² ProMES or PPM is a tried-and-trusted method that consistently involves staff in the implementation.³

Against the background briefly described here, effex's task was to develop a behavior-oriented management system, establish a culture of feedback and the management training that this entailed.

Practical implementation

Each general agency developed a tailored management system to reflect its own specific situation. Staff and superiors agreed on the activities that are particularly suited to achieving strategic goals. Following this, the selected activities were evaluated and measured

¹ Anderson, E., & Oliver, R. L. (1987). Perspectives on behavior-based versus outcome-based salesforce control systems. *Journal of Marketing*, 51, 76-88.

² Kohli, A. K., Shervani, T. A., & Challagalla, G. N. (1998). Learning and performance orientation of salespeople: The role of supervisors. *Journal of Marketing Research*, 35, 263-274.

³ Pritchard, R. D. (1990). *Measuring and improving organizational productivity – A practical guide*. New York: Praeger.

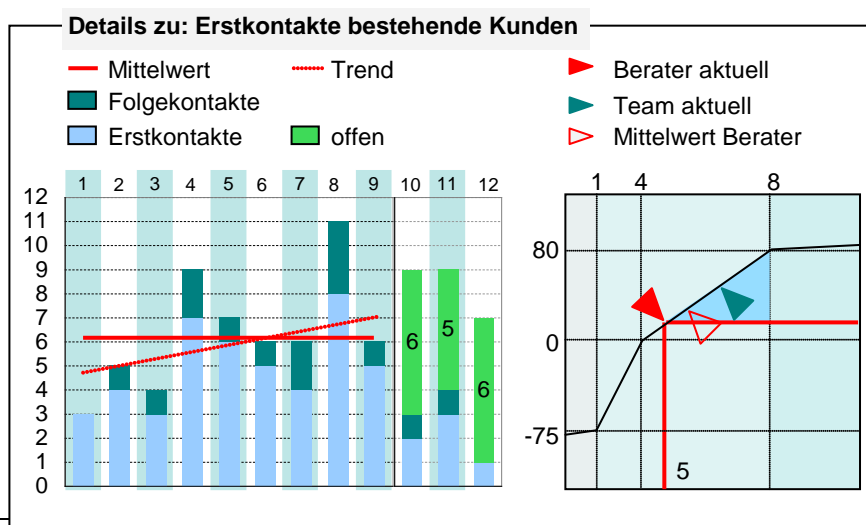
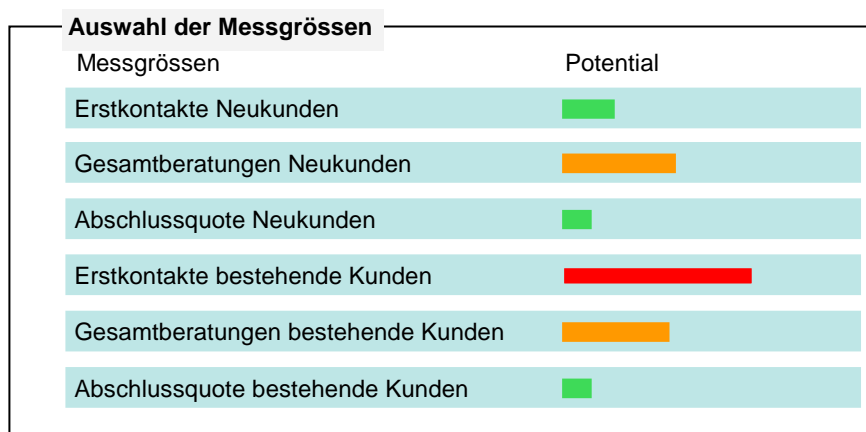
CASE STUDY
CHANGING ENTERPRISE SITUATIONS - KNOWING HOW

systematically under the leadership of effex (cf. example). In monthly feedback meetings new work strategies were developed; their success was fed back into the management system created after a try-out. The method used here made it possible to focus on the areas with the greatest potential for each individual employee. The feedback meetings were at the same time used as management training "on-the-job".

Impact

By comparison with a control group, the learning processes triggered here led to a significant improvement in the performance of the participants. But business volume also rose by 10% in the agencies managed by behavior-oriented techniques. At the same time, the control group suffered a drop in business volume of 20%.⁴ The effect generated was not due to additional work, but to sustainably changed, and more effective strategies of work.

Feedback example



⁴ Minelli, M. (2005). *Leistungssteigerung dank aktivitätsorientierter Verkaufsführung*. Wiesbaden: Gabler.