

AXS Sales Process Transformation

International Telephone Company Sales Growth-33% In 7 Months

How would you like to increase your portfolio's performance, motivate your company's employees, and satisfy your investor(s)?

Introduction

Caridas Consulting International increased AXS' sales revenues from **\$18m** to **\$24m** in seven months. Today, AXS sales revenues are **\$40m** and still improving. Their revenues had been stagnant and the company needed help in achieving ambitious sales goals. The CFO and the CEO had exhausted the traditional restructuring methods of cost cutting and down-sizing. They knew motivation and commitment by the sales force was down because of the restructuring. They were willing to try innovative management methods to achieve their goals.



The Situation

Initially, the IADB (AXS' largest creditor) brought in a team of financial experts to restructure this telecommunications company. The bank needed the organization to increase its revenues from \$18m to \$24m in order to prevent AXS from defaulting on the IADB loan. For six months, the interim financial team utilized all traditional financial engineering strategies, including restructuring, downsizing, refining accounts receivables and payables, and traditional human resource strategies. The HR strategies initially utilized included verification that the right people were in the right positions by evaluating their knowledge, skills, and abilities; they also examined AXS' performance management and how employees were being evaluated. Despite these efforts, revenues increased only slightly – not enough to satisfy the stakeholders, including the IADB.

The interim financial experts called in Caridas Consulting International to work with management and the sales force at AXS. The immediate goal was to get sales teams to move from resistance and skepticism to **action**, responsibility and commitment around desired leadership outcomes. Employees had lost sight of company goals due to restructuring. We had to dissolve resistance and develop trust among people in the organization, and do it quickly. Consultants at Caridas Consulting demonstrated by actions that we would bring value not only to management but to all levels of the organization. The consulting team quickly assessed the situation and traveled to Bolivia to begin the sales improvement process. AXS management did not have to wait for a long change initiative to take place. Results were immediate. This was of great benefit to AXS, since there were limited funds and time to ensure the sales improvement project was a success.



The Process

We addressed the operational issues first. Management and the sales force wanted sales training. We recommended that management wait to implement sales training, and first address issues that were in the way of improving performance. This would allow any subsequent training to have a better chance of positively impacting sales revenues.

Steps:

- ① We began with an employee **survey** to get a baseline on what needed improvement. We administered the survey to both sales and management. The results of the survey showed that people needed more support in the field, better customer service, and more reliable products and services to sell.
- ② After the surveys, Caridas Consulting designed a three day **work session** to meet the specific goals and needs of management. We led with a participative management model that enabled the entire group, both sales and management to take initiative, ownership, and responsibility to turn the company around.

We have a process that includes what we call the “secret sauce”, or what distinguishes this process from others. We are able to obtain fast and powerful results because we take a different tack to our approach. Instead of beating people into submission or taking a laissez faire attitude we provide a sound structure that focuses on the “positive psychology model”. We were the first to do this in a corporate setting in 1992 at a top Insurance Company in Chicago. In other words what do people need to have in a business environment and management model to reach optimal performance in the workplace? Below are the elements that make up our model.

There are many methods that tout participation and positive psychology. Our method is based on solid field testing and research for over 40 years. It is not a fad or the latest flavor of the month. Working and integrating these ten indicators are what differentiates this type of participative management process. We leverage these indicators to dramatically improve performance in an organization. We assist groups in redesigning their work environments so they optimize the **Ten Indicators of Superior Performance**. The ten indicators are:

- 1) **Control** – Effective managers provide their employees with the right balance of direction and freedom. People need interaction with their colleagues, proper tools, and a comfortable work pace to reach optimum performance. This is the most critical component of all the indicators because it has the greatest impact productivity and health.



- 2) **Learning** – Clear goals and timely feedback to course correct.

- 3) **Variety** – People need to avoid boredom, stress, and fatigue by working at a comfortable rhythm.
- 4) **Mutual Support and Respect** – People remain engaged in their jobs when these elements are present.
- 5) **Meaningfulness** – People have a strong innate desire to be engaged in activities that are worthwhile to them.
- 6) **A Desirable Future** – People look for careers that offer skill development and personal growth.
- 7) **Preferred Life Interests** – People will remain in their jobs if the work involves one or more of their profoundly ingrained interests. For example if a person loves to work with computers they get to work with computers as part of what they do everyday.
- 8) **Challenges That Match and Stretch Individual Skills** – People need work experiences that are manageable, equal to their skills with opportunities to extend their abilities.
- 9) **Concentration and Focus** – When people are allowed to target their focus then the opportunity to improve that activity is enhanced.
- 10) **Fun** – People have an innate need to experience fun in all its forms.

In nine out of ten times field testing has shown that problems with productivity and commitment in organizations, is usually linked to one of these indicators. These criteria may seem simple but making sure they are leveraged in an organization takes management skill and commitment.

③ We next conducted a sales process improvement session. We **mapped** the:

- a. current work processes
- b. flagged gaps
- c. redesigned for improvements
- d. measured and leveraged the Ten Indicators
- e. conducted action planning and metrics.

It may look like a traditional process-improvement session, but the key differentiator is that it is **participative** and we worked with the Ten Indicators. The entire work session improved and leveraged the above criteria for the purpose of increasing revenues and meeting management goals. The groups took responsibility, were committed to their success,

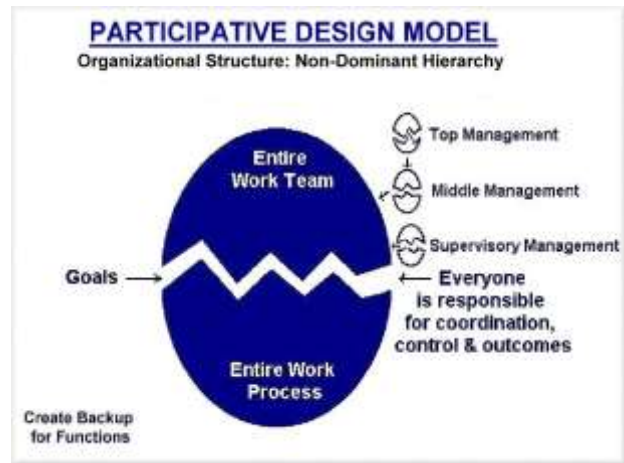


and became energized! The shift from resistance to commitment had taken place because sales saw that management was serious about taking action on most of their suggestions. The biggest indicator of success was management's commitment to solving the problems and implementing the solutions that employees said were impeding progress in the company. Management began by implementing the solutions that did not require a financial investment and budgeted for the other recommendations that would help improve the business immediately.

What kept people motivated and their energy high was follow-through by management on the recommendations that came out of the workshop. This built **trust** between the sales force and management, which was critical to getting people to reach revenue goals. People will work towards company goals because they feel valued and they want to do well for themselves and the company. Since the sales force was involved with the improvement process from the beginning, and were responsible for implementation, they were committed to it's success.

Results of a Participative Model

- High Productivity
- Supportive Work Environment
- High Employee Commitment
- Lower Stress Levels
- Lower Incident of Illness
- Lower Incidents of Absenteeism



Summary:



Management at AXS said they appreciated the seasoned consultants that worked on this project, because they hit the road running, got fast results and saved valuable time, resources, and money. Additional feedback from the clients was "You helped our people think and problem solve in new ways that transformed our business! Our people became passionate about their work and believed they could succeed."

International and Domestic Companies, Investor groups that wish to protect their interests would benefit from this turn around consulting process to insure the growth of their investments.

Sources:

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"Flow in the Workplace, Research and Field Testing Study", Evangeline Caridas
"Participative Design", Merrelyn Emery

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