

Hiring, Training and Focusing: How We Increased Profits by \$500,000 in 8 Months

A Business Development Case Study

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Company Snapshot

Mid-Market Luxury Goods firm based in Austin, TX. 14 years in business, hit hard by the 2008 economic downturn. Five full time employees, occasional interns. Based in the main downtown corridor.

Goal

The company initially identified its number one problem as a lack of structure and organization within the company. Frederick Mountain Group was asked to evaluate and provide a cost estimate for organizing and systemizing the business. However, after interviewing the owner and the team, the following issues immediately came to light as significant problems among and within the team:

- Culture of Blame
- Lack of creativity/ingenuity
- Hostility/Aggression between Staff Members
- Roles and Responsibilities
- No formal sale program/training

The Frederick Mountain Group proposal was straightforward. I told the owner and the team, "If you are willing to work on the way you are toward one another, we can make this company profitable again."

Challenges:

- Unify a team
- Sales training for the team
- Increase sales



Process:

Everything starts with buy-in. From the owner to the cleaning staff, everyone must be committed to the kind of change FMG proposed to implement.

Once everyone agreed. We created a simply “triangle” through which each team member was to evaluate the behavior and decision-making of fellow employees.

Two Guiding Principles –

- (1) There is a human being on the other side of every conversation.
- (2) When you focus on the benefits to the customer, it is not sales, it is meeting a need.



Process

FMG started by identifying the key issues that were holding the organization back from financial success and positive team functionality.

- Culture of Blame
- Lack of creativity/ingenuity
- Hostility/Aggression between Staff Members

The first three problems are incredibly symbiotic. Every time there was a problem, instead of looking for solutions, the first step was to assess blame and criticize. As no one enjoys this sort of treatment, the team was quick to turn on one another so that they were not blamed for an error, real or perceived. Because people were more focused on avoiding mistakes, creativity waned. No one wanted to be responsible for an idea or process that might lead to a mistake or an error because of the blame and shame. Moreover, people were afraid to try new things, even with the owner’s approval because of the same fear that they would make a mistake in the learning process and be ridiculed.

Solution

Identify the leaders in the team. Get the leaders to agree to a change in behavior for the greater good.

In this case, they needed to understand that training and learning happening in a supportive environment. Great sales people can be trained, but if they are constantly afraid and worried about making a mistake or “losing a sale,” they won’t thrive.

I linked the negative behavior with negative results for the company. When they criticized they indirectly contributed to the failure of the company.

- Roles and Responsibilities
- No formal sale program/training

The team also needed to see positive results from their changes to stay on course.

Roles and Responsibilities

FMG provided much needed structure and workflow process for the team. I started by evaluating the needs of the company, and the needs of the company’s clients. I also looked at industry standards for best practices in organizing and structuring.

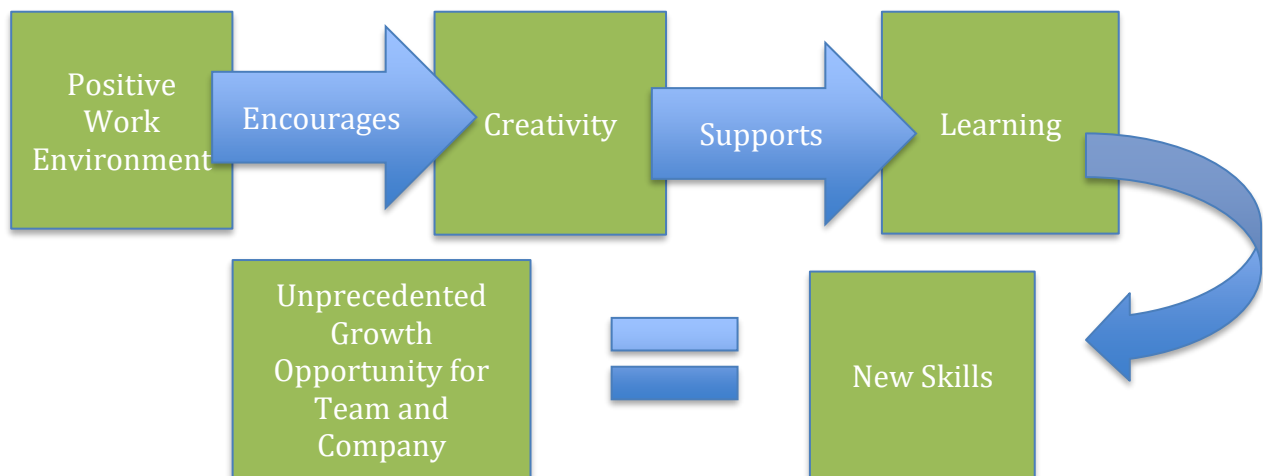
Once we decided how to divide workloads and responsibilities, we looked at the staff we had. Through interviews, we determined the professional needs and goals of each team member. We also did a self-report and a owner reported evaluation of each member’s strengths and weaknesses. From these reports, we evaluated best fit, no fit, and where we needed to hire and what traits and work experiences to look for in a new hire.

Sales Training & Coaching

Once we had the “dream” team for the company in place, it was time to turn attention to sales. Because of the size of the organization, everyone was expected to sell to the extent possible given their other responsibilities.

I implemented a customer-focused training program for the company. The sales program was designed to make every single customer feel like they were the most valuable customer, no matter how much or how little money they spent. I use this method because this ensures that every customer is treated well, and also that no opportunity is missed for the company.

Process Summary Overview



Results

\$500,000 increase in gross sales, year over year. Best financial performance since 2006.

When the team began working together, amazing things started happening almost immediately.

Soft Skills Impact

- (1) Contractors and long-time clients started commenting on the positive “overall feel” of the shop.
- (2) Long time team members reported feeling less stressed and more motivated that changes would be lasting.

Financial Impact

- (1) The sales numbers started trending upward within 30 days of our changes being implemented. May numbers were better than any of the previous five years.
 - a. May 2012 gross sales were higher than any May in the past five years. As high as \$48,000 more compared with previous May sales.
- (2) This pattern continued through the summer and fall, we beat previous year’s monthly sales numbers by a minimum of \$12,000, and as much as \$76,000.
- (3) By the end of the year, the company enjoyed a \$500,000 increase in sales, year-over-year.



Summary

I provided the businesses tools the company needed to be great, not just very good, to be better than the company has ever been. In order for the tools to work best, the team had to agree and commit to the recommendations and changes. If your company or organization is ready for a change, ready for the leadership and advice that will take you to the next level of business performance, Frederick Mountain Group is here to show you the way.

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“How Can We Help You Today?”