The Coaching Connection

in a Virtual World

How High-Performing Managers Influence Behavior and Increase Revenue In a Rapidly Changing and Chaotic World

ACCLIVUS R3
R3 SOLUTIONS®

ACCLIVUS: The Coaching Connection

Executive Summary

Purpose

The current business climate continues to change at such a rapid and chaotic rate that leaders today face some difficult questions. What role can managers play in enabling and inspiring performance? How much influence can coaches have in an increasingly virtual business environment? Most important, can remote coaching measurably increase revenue and margins?

Key Findings

The results we measure continue to confirm – and surpass – our highest expectations of the potential impact of coaching. *Because professionals are more frequently working remotely*, manager involvement increasingly dictates the degree of success among sales and service professionals in two important ways: application and results.

First, consistent leadership involvement is strongly associated with better execution of skills and strategies, when compared to those receiving little or no coaching (see p. 4), including:

- ✓ more frequent *application*
- ✓ higher levels of *ability*
- ✓ more individual *follow-through* activity (reinforcement)
- ✓ more *strategy* implementation

Second, more frequent manager involvement and application on the job are strongly associated with better business results (see p. 5), including the following:

- ✓ higher competitive *win rates* (new business)
- ✓ larger *revenue* increases
- ✓ higher *quota* achievement
- ✓ significantly higher *margins*

The Bottom Line

More than 300 ongoing measurement projects conducted with Acclivus clients provide a robust foundation for this *Coaching Connection* study. In every case, we tracked the impact of manager involvement on R3: RELATIONSHIPS, RESULTS and REVENUE. Our work involves clients from 80 countries, covering a broad spectrum of industries:

- communications and technology
- business and financial services
- consumer products
- medical equipment

- chemicals, petroleum, and energy services
- industrial and electronics
- transportation and logistics

In every industry, country, and culture – whether engaging remotely or face-to-face – the measurement data supported this truth: *As manager involvement increases, so does R3 performance*.

Characteristics of High-Performing Managers

New Challenges

Sales and service professionals are now working more independently and with less direct supervision than ever before. They are also having to navigate new and unprecedented complexity, competition, and relentless change. In this environment, our research indicates, the role of manager has become *more critical – not less.*

Leading the Way

Acclivus founder Randall K. Murphy shed light on the challenge of this environment, "When you are assigned the task of taking the hill – or taking the market – you are less concerned about who is *for* you and more concerned about who is *with* you!"

Those charged with "taking the hill" in business need more than the latest training, tools, and technology. They need to know, "Who is *with* me?"

High-Performing Managers

Acclivus research conducted with more than 5,000 managers determined what the most successful managers have in common – what it is they actually do in working *with* their teams that separates them from their less-successful counterparts. Four unique characteristics emerged.
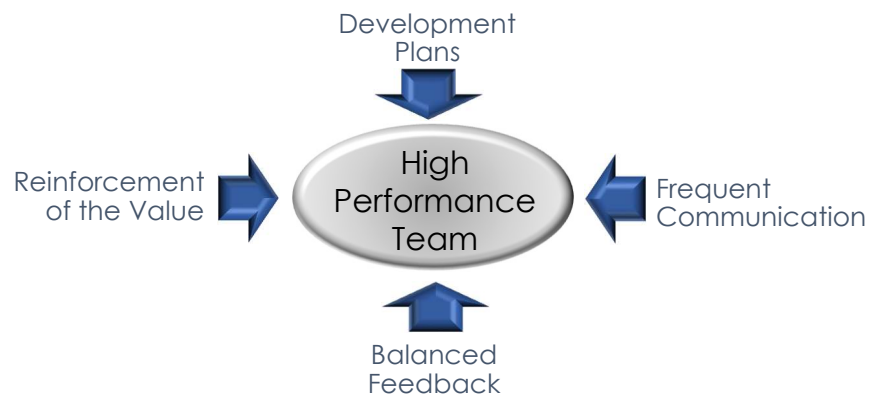
Four Hallmarks of Success

In practice, we found that high-performing managers consistently work *with* their teams to provide the following:

1) **Development plans.** They have an aggressive, documented plan for the ongoing development and performance of each team member.

2) **Frequent communication.** They engage in frequent and productive communication with each member of the team, *especially* when not sharing a physical workspace.

3) **Balanced feedback.** They provide continuing feedback to each member of the team in terms of the skills and knowledge being displayed as well as the results being achieved.

4) **Reinforcement of the value.** They regularly reinforce the value of both the work being done and the people doing the work.

The Coaching Connection

Influencing Behavior

The most successful managers we've observed are able to influence representatives' behavior without direct supervision or heavy-handed tactics. But how? Acclivus research shows that only by first influencing perceptions are we able to influence attitude and behavior.

BEHAVIOR

Attitude

Perception

Awareness

The Acclivus Influence Model™ illustrates how the roots of behavior extend far below the surface.

For example, when a manager helps his or her team develop a new *awareness* of potential problems facing the organization, he can create a *perception* that change is necessary, which in turn drives an *attitude* of acceptance about trying something new. Rather than imposing new *behaviors* on an indifferent or even resistant team, we find that new *behaviors* will be adopted more quickly and completely by those who have an awareness of the necessity and value of interacting with customers in this new way. This is a picture of influence without direct authority.

Support versus Involvement

Since manager involvement is key to influencing the perceptions and attitudes of the team, what role should a manager play? We've noticed a critical difference between manager *support* and manager *involvement*. Support is passive, involvement is active. Consider the following examples:

"Supportive" Managers	**"Involved" Managers**
✓ allow time away from work for development	✓ answer the questions: "Why are we doing this?" "What's in it for me?"
✗ rarely participate in development activities *with* their people	✓ kick off development sessions
✗ may know little about new skills and approaches	✓ actively participate in development *with* the team
✗ sometimes display and reinforce behaviors contrary to the new approach	✓ demand accountability for usage and results
	✓ personally model the new approaches

Critical Connections

It's not surprising that active manager involvement influences behavior. But can it also measurably increase revenue? Each year, Acclivus conducts dozens of results-measurement projects with clients around the globe.

Coaching   Application   Results
Critical Connections

In every study, we track the frequency of manager involvement. Consistently, as the level of *coaching* increases, so does the *application* of new approaches and, in turn, the business *results* achieved (see pp. 4-5).
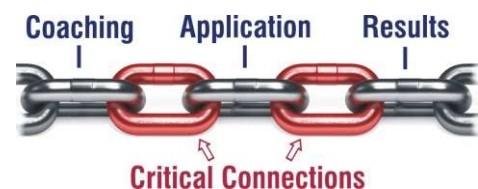
Connection #1: Coaching and Application

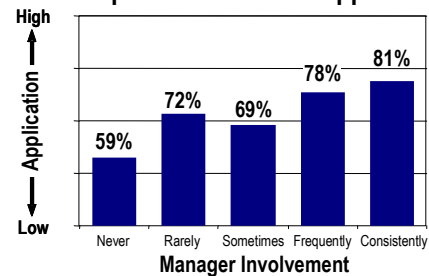**Coaching   Application   Results**

↑
Connection #1
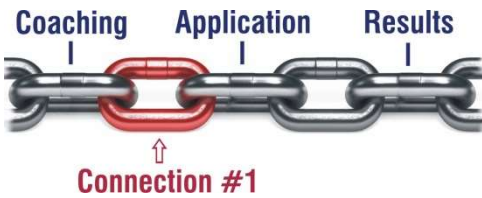
Implementing a new business strategy is never easy. When the excitement of the kick-off subsides, long-term success is highly dependent on the degree to which members of the management team are actively involved. The good news is that consistent coaching can make a significant difference.

Links to Application

Frequent manager involvement is linked to higher levels of skill application on the job. Individuals in this *Fortune 500* telecommunications company showed significant differences in frequency of application of eight key skills after the initial training.[1]
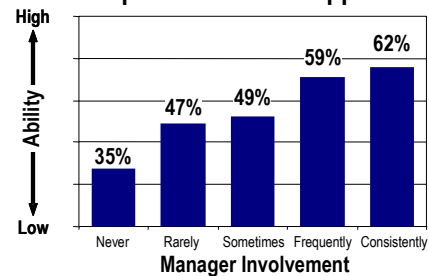

Graph 1: "How often applied?"

High — Application — Low

| Never | Rarely | Sometimes | Frequently | Consistently |
| 59% | 72% | 69% | 78% | 81% |

Manager Involvement

Links to Ability

Frequent manager involvement is also linked to higher levels of confidence among team members in their *ability* to apply new skills and approaches.[1]
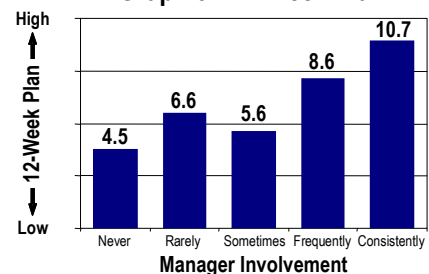

Graph 2: "How well applied?"

High — Ability — Low

| Never | Rarely | Sometimes | Frequently | Consistently |
| 35% | 47% | 49% | 59% | 62% |

Manager Involvement

Links to 12-Week Follow Through

Frequent manager involvement is linked with higher completion rates for one of the Acclivus 12-week *Follow Through* programs.[2]

Graph 3: 12-Week Plan

High — 12-Week Plan — Low

| Never | Rarely | Sometimes | Frequently | Consistently |
| 4.5 | 6.6 | 5.6 | 8.6 | 10.7 |

Manager Involvement

Links to Strategy Deployment

Frequent manager involvement is linked with account-strategy deployment. This *Fortune 500* consumer products company realized a 200% difference in strategy execution among account teams coached "consistently" vs. "rarely or never".[3]

Graph 4: Strategy Deployment

Manager Involvement

Consistently	75%
Frequently	52%
Sometimes	43%
Never / Rarely	23%

0%   25%   50%   75%   100%
Strategies Implemented
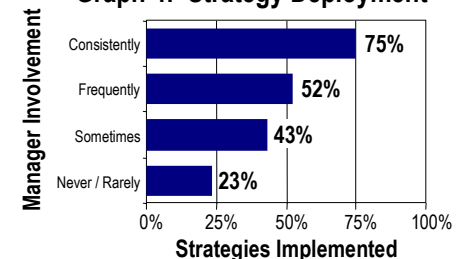
# Connection #2: Application and Results

Does frequent coaching deliver better results? To find out, we classified participants as either "high appliers" or "low appliers" based on their usage of eight to ten key skills and strategies. We found that high appliers consistently showed better results than low appliers in key metrics.

Coaching   Application   Results

Connection #2
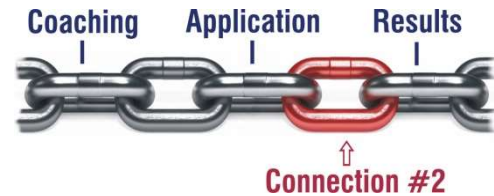
Impact on Win Rate

High appliers of the skills and strategies introduced in *R3 Sales Excellence* showed significantly higher win rates than did low appliers at one professional services firm.[4]

Graph 5: Win Rate

Before — Low Appliers: 60.0%, High Appliers: 59.6%
After — Low Appliers: 69.2%, High Appliers: 91.7%
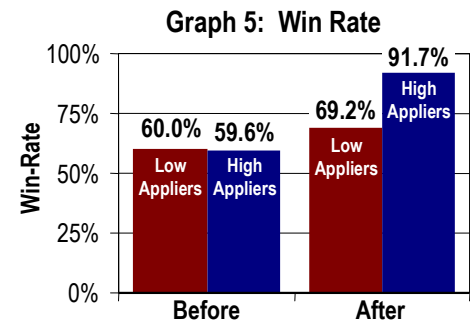
Impact on Revenue

High appliers of the *Acclivus Sales Negotiation* skills and strategies at a *Fortune 500* electronics company demonstrated a more than 200 percent larger gain in average monthly revenue when tracked for 10 months pre/post the training.[5]

Graph 6: Revenue

Low Appliers: $37,599
High Appliers: $88,508
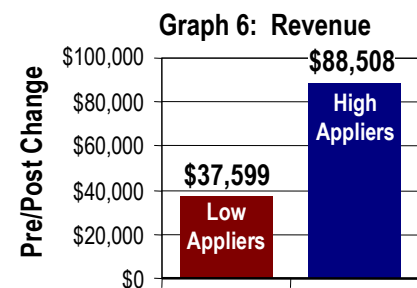
Impact on Margin

High appliers also demonstrated a net increase in monthly price achievement (margin) when compared to the pre/post price achievement of low appliers.[6]

Graph 7: Margin

Low Appliers: -$108
High Appliers: $1,224
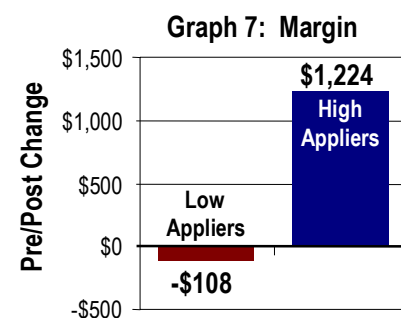
Impact on Quota

Even for an industry in a severe economic downturn, high appliers of the new approaches reversed the trend by exceeding quota, when compared to low appliers in a *Fortune 500* communications company.[7]

Graph 8: Quota

Low Appliers: -20.0%
High Appliers: 4.2%
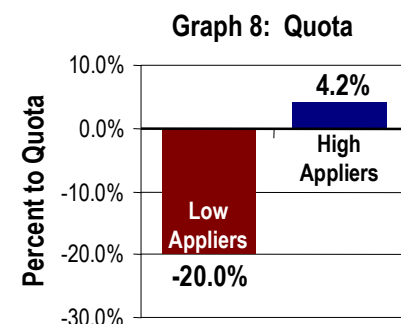
Implications for Executives and Managers

High-Performing Managers

If highly involved managers are the key to driving business results, then what kinds of activities make the difference?

At a minimum, we ask each member of the management team to set clear expectations, to become personally involved, and to provide accountability. In our work with clients to plan performance development initiatives using our AIM process[8], we also ask each member of the management team to identify, "What can only you do to make this successful?" Consider the following time-tested strategies.

Senior Management

The most spectacular results created in performance transformation efforts are always marked by extensive involvement among senior executives, such as the CEO, president, or VP of sales. In Acclivus initiatives with FedEx, Hewlett-Packard, and AT&T, the senior executives:

- set the agenda – connecting the initiative to their business plans
- set expectations for each part of their organization
- confronted and removed barriers to change
- demanded accountability for bottom-line business results

Middle Managers

As corporate strategy is crafted by executives, it must be implemented by division or regional managers. They represent an important linkage between the boardroom and the learner. In performance development efforts at D&B, Roche, and Verizon, we asked division managers to:

- allocate the necessary resources (e.g., staff, time, money)
- modify existing systems and infrastructure to support the new approach (e.g., IT systems, measurement, compensation)
- set up and manage meaningful recognition for use of the new approach and measure the bottom-line results

Front-Line Managers

Ultimately, every new strategy or approach must come to life in day-to-day relationships with clients and customers. To ensure implementation by team members, we typically ask front-line managers to:

- help individuals apply the new approach in actual customer situations (e.g., call planning and execution, negotiations, account strategy)
- provide ongoing feedback and coaching on the use of the new approach in customer calls (by debriefing immediately afterwards)
- protect the new approach from degradation and from short cuts

Research Notes

The following research notes are provided to support the validity of the conclusions presented in this study. Over the years, hundreds of Acclivus clients have contributed to this research and many have approved the use of their names in association with jointly measured results. Some have not. We value client confidentiality, so the actual sources of results presented have been kept confidential.

Methodology: Acclivus measurement captures both leading and lagging indicators of R3 performance.

Web-Based Surveys	**Bottom-Line Tracking**
• leading indicators of performance: -application (how often is it used?) -ability (how well is it used?)	• lagging indicators of performance: -revenue, margin, volume -win rate, deal size, rate per unit
• frequency of manager involvement	• pre- and post-training data for each performer
• completion of 12-week reinforcement	(trained and control groups)
• success stories attributed to new skills	• statistical analysis of trends over time

End Notes:

1. Graph 1 and Graph 2 data collected with a *Fortune 500* telecommunications company implementing the Acclivus *R3 Sales Excellence* program
   a) Manager involvement: "How often your manager has helped you use it in an actual customer situation..."
   b) Graph 1, skill application for eight key skills: "How often have you used each skill in an actual customer situation?," rated on a five-point scale from "Never" to "Consistently"
   c) Graph 2, skill ability for eight key skills: "How well have you used each skill in an actual customer situation?," rated on a five-point scale from "Deficient – struggling to use it" to "Proficient – an expert"
   d) Results statistically significant: Graph 1 at $p<.005$, where $t=2.674$; Graph 2 at $p<.001$, where $t=5.809$

2. Graph 3: 12-Week Plan data collected with company in note (1) above
   a) Completion of a 12-week personal application program, i.e., "the last week completed"
   b) Results statistically significant at $p<.001$, where $t=5.965$

3. Graph 4: Strategy deployment data collected with a *Fortune 500* consumer products company implementing the Acclivus *Major Account Planning & Strategy (MAPS)* program
   a) Strategies implemented included five areas: Key Player Profiles, MindShare™, Competitive Position, Opportunity Assessments, Strategic Account Plan reviews
   b) Results were positively correlated but not statistically significant at $p<.05$, where $t=.001$

4. Graph 5: Win rate data collected with a leading professional services firm implementing the Acclivus *New BASE for Sales Excellence (BASE)* program
   a) Win/loss of 287 proposals tracked over a seven-month period
   b) High vs. low application of eight *BASE* skills, divided into two equal groups at median score
   c) Results statistically significant at $p<.001$, where $t=6.033$

5. Graph 6: Revenue data collected with a *Fortune 500* business products company implementing the *Acclivus Sales Negotiation (ASN)* program
   a) High vs. low application of 10 *ASN* skills, divided into two equal groups at median score
   b) Revenue tracked over 10-months with all groups having the same territories, products, and time frames
   c) Results show a positive difference but not statistically significant at $p<.05$, where $t=0.194$

6. Graph 7: Margin data collected with company in note (5) above
   a) Results show a positive difference but not statistically significant at $p<.05$, where $t=0.856$

7. Graph 8: Quota data collected with a *Fortune* 500 communication and data products company implementing the Acclivus *R3 Sales Excellence* program
   a) High vs. low application of eight key skills, divided into two equal groups at median score
   b) Percent to quota tracked over a 24-week period
   c) Results positively correlated but not statistically significant at $p<.05$, where $t=0.214$

8. AIM process: our proven engagement model of assessment (A), implementation (I), and measurement (M)

Randall K. Murphy
1943 - 2015

Randall Murphy was the founder of Acclivus and its intellectual and spiritual force for 40 years. As a consultant, teacher, and writer, he was recognized as a pioneer in the areas of communication, collaboration, and coaching. He profoundly influenced the way society views and values the building of strong relationships. His vision for Acclivus was to help create a more collaborative world.

Murphy was the primary author and architect of the Acclivus R3 Solutions curriculum. Leading organizations in more than 80 countries use these programs to develop proficiency in communication, negotiation, problem solving, decision making, strategy, and coaching. Through these programs, and working in close partnership with clients, Acclivus provides learning experiences that inspire people and enable their performance.

Murphy identified the principles for working together that transcend communities, countries, and cultures. He introduced the term *co-create* and pioneered this concept. He developed the Acclivus model for influencing awareness, perception, attitude, and behavior, and created The Consultative Approach®.

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R3 SOLUTIONS®

Relationships ▪ Results ▪ Revenue