CANADIAN TIRE
FINANCIAL SERVICES

Canadian Tire Financial Services - Personalized Sales to "Customers for Life"

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LEARNING INC.

Sales Success Stories

Personalized Sales to “Customers for Life” is one in the Sales Success Stories Series published by Fusion Learning to share and celebrate the success stories of our clients.

The cases in the series are based on Fusion Learning’s international sales performance solutions.

We thank our Clients for assisting us in developing these success stories.

In Brief:

A strong corporate culture is an incalculable asset, a powerful binding force that tells people what to value and how to act, no matter what situations they find themselves in. A strong corporate culture can also be a roadblock to change if change is presented the wrong way.

CTFS people took pride in delivering a level of service to their “Customers For Life” that earned them an industry ranking unexcelled in North America, and rarely equalled in the world. But when CTFS decided its future success depended on selling to those same customers, shifting from service to sales meant changing employees’ perception of sales from “making an offer” to “meeting a need”. But how to make that change?... and how to uncover customer needs? If change is your mandate, you’ll appreciate the way that they harnessed their own culture to change course.

With Fusion Learning’s help, CTFS has turned their existing culture into a foundation and springboard rather than a roadblock.

Canadian Tire is Arguably *Canada's Favourite Store.*

The company is the nation's largest hard-goods retailer, a nation-wide chain that 93% of Canadians have visited at least once in any six-month period. The public face of Canadian Tire comprises some 468 Canadian-Tire branded stores, 259 gas bars, 63 Partsource autoparts stores and 333 work clothing stores under the banners of Mark's Work Warehouse and L'Equipeur in Quebec.

There is also another less visible face to the company. Once solely a provider for the corporation's in-house credit card and "Canadian Tire money" loyalty programs, Canadian Tire Financial Services (CTFS) has grown into a significant part of the Canadian Tire family and a major contributor to its profit. Now the country's second-largest MasterCard issuer, and consequently, the manager of some $3.5 billion in receivable's, CTFS is expanding into focused insurance and banking offerings. Its five locations in Ontario (one office in Burlington, an office in Welland, and three Contact Centres in Welland and St. Catharines) provide work for 1,700 people and credit-card services for over 4 million customers.

How did they get to this enviable position? By being extraordinarily good. Not just "good" in the sense of having attractive products, effective marketing and world-class technology, although they have those, but also "good" in the sense of being considerate to the customer and to their employees. In a people-intensive environment like a customer contact centre, attention to customer and employee satisfaction pays off. World-class tools and enlightened behaviours combine synergistically to motivate and add value for all stakeholders. Customers are the beneficiaries of an explicit Customer For Life philosophy that seeks to build loyalty from the customer through unmatchable service – a policy that has earned a world-class 80% top box customer satisfaction level. Employees are the beneficiaries of management targets that include employee satisfaction, a factor that helps explain the presence of over 500 people in the Contact Centres with more than ten years' service. Ultimately, shareholders are the beneficiaries of high productivity, with first-call resolution of customer issues standing at a best-in-class 83%. The net result is pre-tax earnings for 2006 of a $169 million, four times the earnings of 10 years ago, and a contribution of almost one-third to the corporation's total profit.

As a service organization, signing up new customers, handling enquiries and taking care of customer credit limits, CTFS was a standout performer. Commenting on earlier training intended to deliver both listening skills and a whole-hearted belief in the Customers For Life philosophy, Customer Experience Manager Laurie DiLibero noted that, "When you listen to our people's conversations, we really are more professional, more respectful of the customer and more able to take value for the customer to the next level. *Customers for Life* is the differentiator in the contact centre marketplace."

Satisfactory as this picture might now appear, the executive team recognized in 2001 that there was more to be done. The customer contact centres were a cost, yet they could and should become a profit centre. The percentage of retentions – regaining a cardholder who wants to cancel his or her card – could be improved. With the deregulation of Canada's financial industry, other institutions were offering dozens of attractive products, any of which might be the Trojan horse that led to the customer consolidating his or her business with another card.

Adding another vector to the business in this

> "To remain competitive, we have to continue to be better than our competition, and it's really simple: when a customer calls, we want to be able to service their needs, sell to them and resolve their call the first time. *It is just that simple.*"
>
> Scott Wiliams, Associate Vice President

> “If you don’t help your customer, someone else is going to do it for you. Fusion Learning made sure we made the move to sales, but remained true to the things that are important to us.”
> Scott Wiliams, Associate Vice President

way turned out to involve more effort than just developing a suite of products that would appeal to CTFS’ card demographic.

The first sales effort stumbled on a number of issues. Many people do not learn to sell easily, so there were confidence shortfalls, but there was also some principled objection; if representatives didn’t think the product was right for the customers, the sales process was seen as a violation of the company’s core values.

“We couched our sales effort in a stated belief in our service philosophy,” Laurie DiLibero remembers, “but we were pushing product. People said it wasn’t good customer service and they were right. We don’t want to erode customer relationships – we want to build on them.”

A sales consultancy was called in to help with a turnaround. The consultants did a good job with the representatives who were already willing to sell, engendering a belief that they *could* sell, but as few had any sales experience, and even fewer had phone sales experience, most were left asking, “But *how* do you sell over the phone?” Some fell back on reciting a laundry list of product features, but this only worked with more analytical customers who were already receptive to the product category.

A new search for answers began. By this time, CFTS executives had a more clearly defined list of desirables for a new learning partner. According to Associate Vice President Scott Williams, the new partner would have to be:

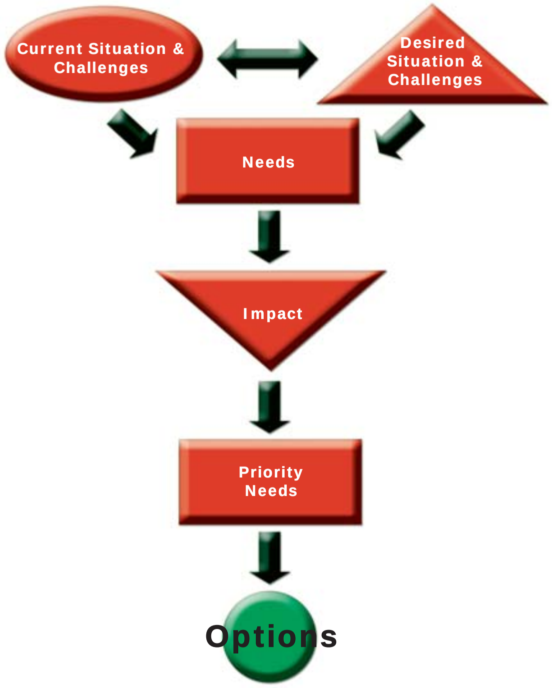
Practical and flexible – “The learnings would have to build on all aspects and activities within the existing culture rather than deviate or detract from it.”

Cost effective - CTFS has hundreds of employees, already well served by an internal training organization, so a repeat of the barriers raised by the earlier sales consultant to transferring the material and training responsibility to CTFS could not be accepted. Moreover, says Scott Williams, “We didn’t want this to be an event – we wanted this to be the way we do things going forward.”

One of several candidates, Fusion Learning Learning impressed CTFS executives and staff with its professionalism and flexibility. “Making it all work,” he says, “not being rigid about approach or transfer to our training people – a collaborative relationship – this was huge for us.”

Learn Needs Model

CTFS hires and trains representatives for their ability to listen and make a connection with the customer, so the Fusion Learning sales model is a natural fit. Representatives are trained to acknowledge the customer’s needs while building rapport and knowledge through questions and answers that are natural extensions to the original purpose of the call. If, using his or her own judgment, a potential need is identified for which a CTFS product is right, the representative can pursue that need and offer a solution.



The course delivered to representatives consists of one 2-day session of approximately 20% lecture and 80% practical work. The sales model transferred in these sessions is consultative in its approach to the customer; as such it meshes smoothly with CTFS' foundational appeal to customers.

The key elements are to build a relationship with the customer from which both derive value - from understanding the customer's needs, *as they are expressed by the individual customer,* to presenting him or her with a product that answers a need. Far from the scripted question-and-response of telemarketing, the Fusion Learning model demands careful listening skills and an ability to empathize with the customer's desire or need. Fortunately and in line with its Customers For Life philosophy, CTFS was already hiring and training for those skills.

Customer rapport positions the representatives for what Katherine D'Amico, Manager of the Insurance Enrolment Team (a group that leads the beta testing of new methods and practices), describes as the Fusion Learning model's "home run", the Thoughtful Question. This approach, virtually the polar opposite of the scripted sell, is a question that is formed in response to something the customer has said (requesting a change of address, for example) or cues from the background (children playing), that will help make the customer consider an idea or an event for which the representative can offer a remedy. Unlike laundry-list selling that puts the onus on the customer to filter and select features or products that might be welcome, the Thoughtful Question cuts directly to issues that are top-of-mind to the customer and thus likely to elicit a positive response.

The goal, says Insurance Enrolment Supervisor Andy Morin, is to "find out if our products are a fit for the customer, then lead into a discussion that lets the customer discover the fit himself, instead of just giving him a product spiel."

Even among people who are already skilled at building rapport with customers, learning and gaining confidence with the consultative model is a demanding process. After a gap of approximately six weeks, during which representatives practice the new learnings, they are given a third day of training, the focus being on practical ironing-out of issues and enhancing skills in dry runs and live-call sessions.

"After those first two busy days," says Bill Murdoch, Manager of the Retail Banking Centre," the gap gives people a chance to use and absorb the information properly. But when you come into the third day, you practice that learning much more intensively than you do on your own. For some of the people who hadn't been as successful with the first two days, there were real 'I get it' moments. They could take a step back and look at both their training and the experience of taking a customer call, so it all came together. Once they had that experience, they understood how valuable the Fusion Learning insights were."

> "Once everyone was through the complete program, our sales and retention results were up by over 30%. This result is worth taking note of."
> Katherine D'Amico - Manager, CRCC Enrolment Team

Valuable as those insights might be, they are not set in stone. "The worst thing in training," says Scott Williams, "is that you forget 75% of it the moment you walk out the door and the rest in the days to come. We want to make sure that this is the way we do everything, so it's reinforced in all our coaching, so that it becomes part of our life and part of our culture."
"The selling was important, but the coaching was the part that really invested in the organization," he continues. "Our previous iteration tried to bring it up from the bottom of the organization, but it wasn't necessarily supported from the top the way it needed to be. This one is. The senior people coach the junior people all the way down the line. Our coaching philosophy is one of having productive, constructive conversations. That's just good management practice."

Coaching is a central activity for supervisors and managers; fully 70% of their time is allotted to engagement with their people. "Supervisors do it for representatives once a week, I do it for supervisors once a week, Scott coaches me on a regular basis and so on," says Katherine D'Amico. "From the time you walk out of the classroom, you have to exercise discipline in coaching. We have made a decision that this is central to enhancing performance – we have to spend time with people, not checking off operational requirements."

At the representative level, two forms of coaching

Coaching Processes

The coaching model reflects the consultative selling model. The coach encourages the other person, through questioning, to explore his or her own skills, focusing on the strengths. Through discussion, they develop ways to mobilize the strengths in the service of skills that need development. Typically, these strategies are piloted in live customer calls with the coach side-by-side with the representative, evaluating in a supportive fashion.

1. One-on-Ones

2. Side-by-Sides

3. Sales Team Meetings / Huddles

4. Skill Drills

are used, the one-on-one and side-by-side. The one-on-ones are individual coaching sessions, with the difference that, instead of telling, the coach uses the Fusion Learning model to help the representatives discover strengths as well as areas for improvement for themselves. Again, with the representative taking the lead, they then explore means whereby the strengths can bolster the weaknesses. Previously, call experiences were only discussed. Now in side-by-sides, the representative and a supervisor or manager take the insights from the one-on-one live on the phone to assess their use in practice. Continuous improvement through coaching has become a practice that representatives have made their own.

“We really work to find a goal that fits what we’re looking for, while getting the person where they want to go,” says Supervisor Andy Morin. “There’s no better feeling than attaining something you want and a lot of them are starting to own their goals. When one of them makes a sale, they’ll immediately explain it to the others and coach them to do it themselves.”

Holding up a representation of the coaching process, Katherine D’Amico notes that, “This mimics our diagram of the consultative selling process and that’s no accident. We want to make sure that we are modeling the behaviours that are employed with customers on the phone. So if I’m asking a representative to speak a certain way to customers, I want to be doing that myself, so that they can see the difference – how it feels to be spoken to with our core values – honesty, dignity and respect – in mind. Central to these models are those core values that are essential to our organization.”

For managers and supervisors, coaching was a welcome boost to their skills. “Every course I’ve been to before has given supervisors exactly the same training as the reps have had,” says Andy Morin. “I’ve always done my best to motivate people, but I’ve never been taught a method. The Fusion Learning process is giving me the same philosophy and the same elements – Acknowledging, Questioning, Confirming, Responding – but hitting a different spot. Instead of showing me how to sell products, they’re showing me how to coach the selling of products. Now I really feel comfortable with the ideas and the practice.”

Many of the sales activities are just now finding their feet; the banking initiative is a regional pilot that began only 4 months before the time of writing. At this time, the final day for the last of the insurance enrolment group is about two months past. But even at this stage, skills and practices that are still developing are yielding impressive results. Since the very beginning of Fusion Learning training, insurance sales have risen in double digits and account retentions significantly. “Once everyone was through the complete program,” says Katherine D’Amico of the insurance enrolment group, “our sales and retention results were up by over 30%. “This result”, she says, “is worth taking note of.”

Certainly, that’s an understatement. But what the CTFS representatives are doing is beginning a journey into a skill-set that could become exponentially more rewarding as it matures. Yet the company, its executives and managers are prepared for the process. Historically, CTFS has been shaped by two “foundational commitments”: employee satisfaction within a culture of continuous improvement and to keeping the customer for life. With Fusion Learning’s help, its world-class service culture is also re-committing itself to world-class sales.

Fusion Learning

Who We Are

Fusion Learning is one of Canada's leading full service sales performance firms, with an international reputation for enabling Clients to shape sales culture and deliver targeted results. We provide the expertise of over 20 professionals – facilitators, consultants, learning designers, writers, project leaders, graphics designers, and administrative support – who together develop and deliver solutions to your sales performance challenges.

We have an array of experiences to draw from, and our Shared Purpose guides our thoughts and actions.

Passionate Learning Leaders:

- Dedicated to excellence
- Recognized for our collaborative learning solutions
- Enabling Clients to shape sales culture and deliver targeted results

What We Do

Fusion Learning designs and delivers sales and service performance solutions. Either by leveraging our extensive library of proven core learning programs, or by developing a custom solution through an in-depth understanding of your unique needs.

Our capabilities include: leading edge core learning programs and processes, targeted selling skills, practical sales management, and facilitating sales strategy.

We customize our core programs and systems so they are culturally specific and resonate for your organization.

And we take great pride in causing lasting change.

How We Can Help

We believe we can help you address many of your sales and service performance needs.

Whether it's crystallizing sales strategy for the organization, developing targeted capabilities for customer-facing professionals, sales management development, or a combination of initiatives.

Whether you're looking for a one day session, or an integrated, multi-phased curriculum driven by your organization's strategic direction.

As a full service sales performance and implementation organization, we would welcome the opportunity to meet with you to understand your needs, to explore how we can best enable and embed sales performance in your organization, and to earn your business.

“A Powerful Change Vehicle”

A one-minute guide to Fusion Learning’s High Performance Sales Culture

Fusion Learning has completed a comprehensive Survey of Sales and Human Resource Executives to study High Performance Sales Cultures. That research uncovered five challenges that Sales organizations face today. This model has emerged from our research. The High Performance Sales Culture Model illustrates the interconnection between each of the key elements, forming a sales system for success.

Let’s highlight some key findings that led to the model:

Client/Customer:
The long term viability of any sales organization depends upon its ability to identify and satisfy the high priority needs of its Clients/Customers - to forge a connection that has two way communication and respect.

Sales Strategy:
In order for a sales organization to get where it wants to be, it must first have a clearly articulated Sales Strategy of where it wants to go. When asked, “Does each member of the sales force use the sales strategy to guide daily actions, and make operational decisions?”, the average response was 5 out of 10.

Sales Management:
Sales Management appears to be the highest point of leverage in a High Performance Sales Culture! Sales Meetings, for example, are held monthly or less frequently in 55% of companies surveyed and their productivity is rated as 6 out of 10. Sales Pipeline/Funnel – only 33% of organizations have an easy to follow process and when asked about the pipeline driving sales productivity, the average response was 4.7 out of 10. Feedback from Sales Managers to Salespeople - 44% of organizations do not have a model for providing feedback.

Sales Capabilities:
When asked “if each member of the sales force is highly effective in the communication skills needed to secure sales and build strong Client relationships ” - the average response was a disappointing 5.8 out of 10, with 40% of organizations rating it as 5 out of 10 or less!

Performance Measurement Systems and Accountability:
A critical component of a high performance sales culture that many organizations have in place, but do not effectively support.

Fusion Learning specializes in enabling Clients to create and sustain High Performance Sales Cultures, customizing solutions based on unique Client needs in any and all aspects of the Model.

If you would like information about any of Fusion Learning’s programs and capabilities, please contact:

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