INSEAD

Rank Xerox (C): The Success of Telesales

TEACHING NOTE

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Synopsis

Carlos went to Fournier and obtained approval to implement "Telesales". Carlos described and marketed Dubai's telephone selling as Telesales because it sounded more impressive than "Telemarketing". Team C then extracted key elements of Dubai's practice (Colombia's practice was not replicated) and piloted Telesales in late 1995 in Europe. It took several iterations back to Dubai to answer questions that were originally unforeseen regarding Telesales (e.g., how to use Telesales to sell to large accounts). Once pilot units were operational, they were designated as benchmarks. Telesales was successful as within a year of launch, average coverage had increased by 11% over 1995 levels with up to a 30% increase at units.

Carlos looked back and wondered: Why was Telesales successful? Would Telesales have worked independent of the initial attempt to implement Wave II? Was Telesales Wave II reborn? What were the factors that made Wave I and Telesales successful but Wave II unsuccessful? What could others learn from his experience?

Uses

This case makes several points regarding best-practice transfers. First, having a working template (i.e., a location where one can observe the practice being transferred in operation) available as a referent may be valuable as going back to the original practice to answer questions can address potential issues in the new location. Second, the template has persuasive value as potential adopters can go to a location to "touch and see" the practice in action and consider the practice's results. In fact, the critical difference between Wave I and Telesales, which were successful, and Wave II, which was unsuccessful, may be that Wave I and Telesales had working templates and Wave II did not. Third, sharing best practices often requires significant time investment to pilot (and fine-tune) the processes in new locales and convince people to adopt the practice. Fourth, being creative in communicating a best-practice initiative may be important to an initiative's success (i.e., the difference in the way that each of these efforts was positioned and communicated could have contributed to their differential performance).

Analysis of the Case

Telesales Implementation

Carlos's objective to implement Telesales in Europe was to restore the momentum lost in the failing Wave II. Team C extracted key elements of the Dubai practice and developed a booklet similar to those used in Wave I that described the Dubai's performance, associated key success factors, and how to implement Telesales.

Role of Technology: Dubai had embedded key elements regarding database management, reporting, and record keeping in the DOS version of TeleMagic. Ricardo upgraded software to operate in a Windows environment, changed coding to make the system more user-friendly,

increased the software's reporting capabilities, and connected the system to HQ's central computers. All of this (working with a Portuguese firm) took US$50,000 and two months.

Pilots: Telesales was piloted in late 1995 at Lisbon, Birmingham, Lyon, Brussels, and Madrid. To persuade these units' managers to undertake the initiative, Carlos shared with them data proving Dubai's superior performance and brought them to Dubai to observe operations. It took several iterations back to Dubai to answer questions that were originally unforeseen for pilots to begin to reproduce Dubai's results. Once the pilot units were operational they were designated as benchmarks. Carlos brought managers (from non-pilot units) to a pilot and to Dubai to observe operations to increase motivation to adopt the practice. Managers were impressed at the opportunity to implement Telesales in their country.

Roll-out: In rolling out Telesales, Team C offered a complete package. It was like many franchise operations, according to Ricardo, in that all the necessary elements were pulled together and were easy to follow. Team C integrated the equipment, space, facilities, and network requirements and provided training and support. Carlos and his team did not publicize the control aspects of the software, which allowed sales managers to closely monitor salepersons' behavior (even by the minute). Salespeople accepted using computers because, in part, the computers were considered to be "high-tech" in the Internet age.

Results: Within the first six weeks of launch, over 2,000 TeleMagic licenses were sold within Rank Xerox. Within a year, Telesales had been implemented in 19 countries and average coverage had increased by 11% over 1995 levels with units increasing by as much as 30%. The Chairman's Statement in Rank Xerox's 1996 Annual Report noted that Telesales helped improve coverage and increase market share. Over two years, direct sales productivity (annual per person revenue) rose from US$385,000 to US$481,000.

Teaching Method

Set the Stage (one minute)

Provide order of discussion: first class will discuss Telesales, and then class will discuss how the three initiatives differed and what accounted for their differential performance.

Telesales Discussion (15 minutes)

Ask the broad question: Why was Telesales successful?

- Ensure that the following questions are addressed in the discussion
    - ➢ Why did managers agree to pilot and implement Telesales?
    - ➢ Why did the salesforce accept Telesales so eagerly?
    - ➢ Why did customers accept use of Telesales?

Wave I, Wave II, and Telesales Comparison Discussion (50 minutes)

Start out by asking how do Wave I, Wave II, and Telesales in terms of performance? (i.e., how does each compare in terms of its level of adoption, performance in implementation, and overall?)

	Wave I	**Wave II**	**Telesales**
Adoption	High	Low	High
Performance	Successful	Relatively Unsuccessful	Successful
Overall	Successful	Relatively Unsuccessful	Successful

Draw on the board a column for each initiative and ask the class to identify the dimensions of a best practice effort and whether they existed in each initiative (example approach shown below is to break down comments into four areas: practice, donor, recipient, context as discuss elements within each area):

	Wave I	Wave II	Telesales
Practice			
Proven performance of practice	Yes	No	Yes
Included practices from > one Rank Xerox location	Yes	Yes	No
Donor			
Working template available	Yes	No	Yes
Recipient			
Major change in the way salespeople do their work	Yes	Yes	Yes
Initially can choose which parts of initiative to implement	Yes	No	No
Context			
Changes in business climate substantially affected results	No	No	No
Strong senior-level champions	Yes	No	Yes

Ask the following questions to facilitate discussion:

- Which differences explain best why Wave I and Telesales succeeded and why Wave II failed (i.e., where is the pattern the same for Wave I and Telesales and different for Wave II)?

- What was the role of a working template in each initiative?

- To what extent were the working templates used as referents (e.g., during Telesales pilots, Team C referred back to the original practice in Dubai) or persuaders (e.g., when attempting to convince managers to adopt Wave I practices, Carlos referred often to the success of those practices at the original location)?

- Has anyone tried to cook a soufflé before? How many times can a soufflé rise? (only once!)

- Was Telesales a unique soufflé rising at the second attempt of Wave II (i.e., was Telesales a reincarnation of Wave II)?

  ➢ Note: Carlos viewed Telesales as such a soufflé; as Carlos said:

  Ricardo came to me and said "You're a [unkind term]". I said, "What do you mean Ricardo?" "You never told me what you want; what you want is Wave II!" It took him two months but he was the only one [who figured this out]. I told him "Never tell anyone or I will fire you. Never tell anyone because we would be dead." If I tell them that this brilliant piece of software, this high technology, cutting to zero the bureaucracy in the salesforce, if I tell them that all of these goodies are Wave II – we are dead.

  ➢ Note: Ricardo did not view Telesales as such a soufflé; as Ricardo said:

  Telesales was a different concept from Wave II . . . Telesales was specific – use the phone, use computer, but by accident to do the rest [of Telesales] you needed the rest [of Wave II] . . . You can have Wave II without Telesales . . . Telesales forced people to use the [Wave II] process . . . through the [IT] enabler . . . otherwise, there is no reason to use Wave II . . . We went through the back door . . . Telesales was a vital element having nothing to do with Wave II.

- Why is it important whether Telesales was a rebirth of Wave II?

  ➢ If it was a rebirth, it demonstrates the power of packaging and communicating a change initiative differentially

- Would Telesales have worked independent of the initial attempt to implement Wave II?

- What could others learn from Carlos's experience in Wave I, Wave II, and Telesales?

Closing (four minutes)

Answer any questions the students may have.

You can conclude by noting that Carlos and Ricardo are now retired and view their work on Team C as some of the most important, interesting, and rewarding work they did in their long careers.

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