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Coach for revenue growth

In my last column I talked about the first function of a good sales manager—planning and prioritizing the salesman's time. In this column, I address the second function of a sales manager—coaching for salesman effectiveness.

I recently rode with a salesman on a call for a Class A Commercial opportunity. I always use the car ride to prepare for the call. Specifically, I wanted to be ready to respond to the prospect's objections to doing business with me. So I asked the salesman, "What objections might this prospect have to doing business with you?"

He hadn't really thought about that, he said.

"How do you expect to advance this sale if you don't know what objections there might be?" I asked. I think he wanted to choke me. "Would you go into a boxing ring knowing little to nothing about the other guy?" I asked him.

"No, of course not," he said.

"Well, that's what you're doing on this call."

Now he wanted to punch me.

We all want our salespeople to sell more. If they're not practicing call preparation—specifically, the skill of surfacing and responding to objections—they'll always sell less than they could. The successful salesman knows the likely objections—in advance.

When selling in the homeowners association/condo/commercial/industrial segments, the objections are fairly predictable: price and change. If we know the objections, why not be prepared to manage them to our benefit?

Best practices for managing objections are validate, explore, recommend and negotiate. Here's how those play out with the likely objections.

Price objection: "We like you, but you're priced too high."

Validate: "Hmm, yes price is always important when making a decision like this."

Explore: "May I ask you a question? If my price were within your budget expectations, would we be your first choice for the work? OK, what exactly is the budget range?"

Recommend: "Let me make a suggestion. We can meet your budget and address your quality and responsiveness concerns if we update your spec. In fact, I think we might be able to shift some money from weekly maintenance to upgrades. Would you be interested?"

Negotiate: Show them using examples of how you can do this.

Change objection: "It's hard to train a new contractor."

Validate: "Hmm, yes making a change is always a challenge and important in making a decision like this."

Explore: "May I ask you a question? What are your primary concerns with changing contractors? Have you had bad experiences in the past?"

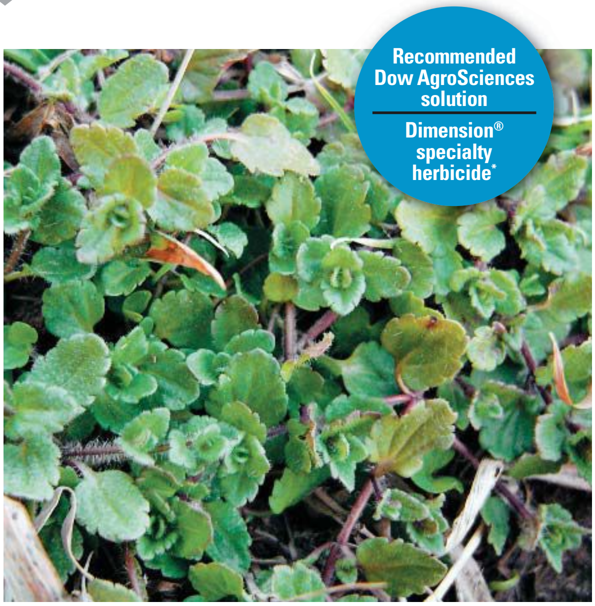
Recommend: "If I'm hearing you accurately, the first three months of the transition process have never gone well for you? Let's talk about what we do and if this addresses your concerns."

Negotiate: Show them by using examples of how you do this.

When negotiating, please remember to be brief (role playing preparation helps this greatly). The more you talk, the less they talk. And the more they talk, the greater the probability they'll get comfortable that you can manage their objections.

So that's what the salesman and I did the rest of the car ride—we prepped. When he got in front of the prospect, he uncovered their real objections and it made all the difference.

It's nothing more than the Boy Scout motto: "Be prepared." Yes, it's a little old fashioned, but it seems that there's no school like the old school when it comes to sales.



CORN SPEEDWELL

Veronica arvensis

IDENTIFICATION TIPS

- This low-growing winter annual thrives in open turf and often appears in solid stands.
- It has small lower leaves that are rounded and toothed; the upper leaves are pointed.
- The plant, which is entirely covered in fine hairs, grows small bright blue flowers with white throats.
- A distinctive heart-shaped seedpod grows below the flowers.
- Corn speedwell does not typically last long after flowering, and cannot live in high temperatures.

CONTROL TIPS

- Increase turfgrass density and minimize open turf areas with proper fertilization, mowing and irrigation.
- Because winter annuals germinate in the fall, treat this weed prior to germination in late summer or early fall with a preemergent herbicide containing dithiopyr.
- If speedwell is established, treat early stages of growth with a product containing clopyralid or triclopyr.

WILD VIOLET

Viola spp.

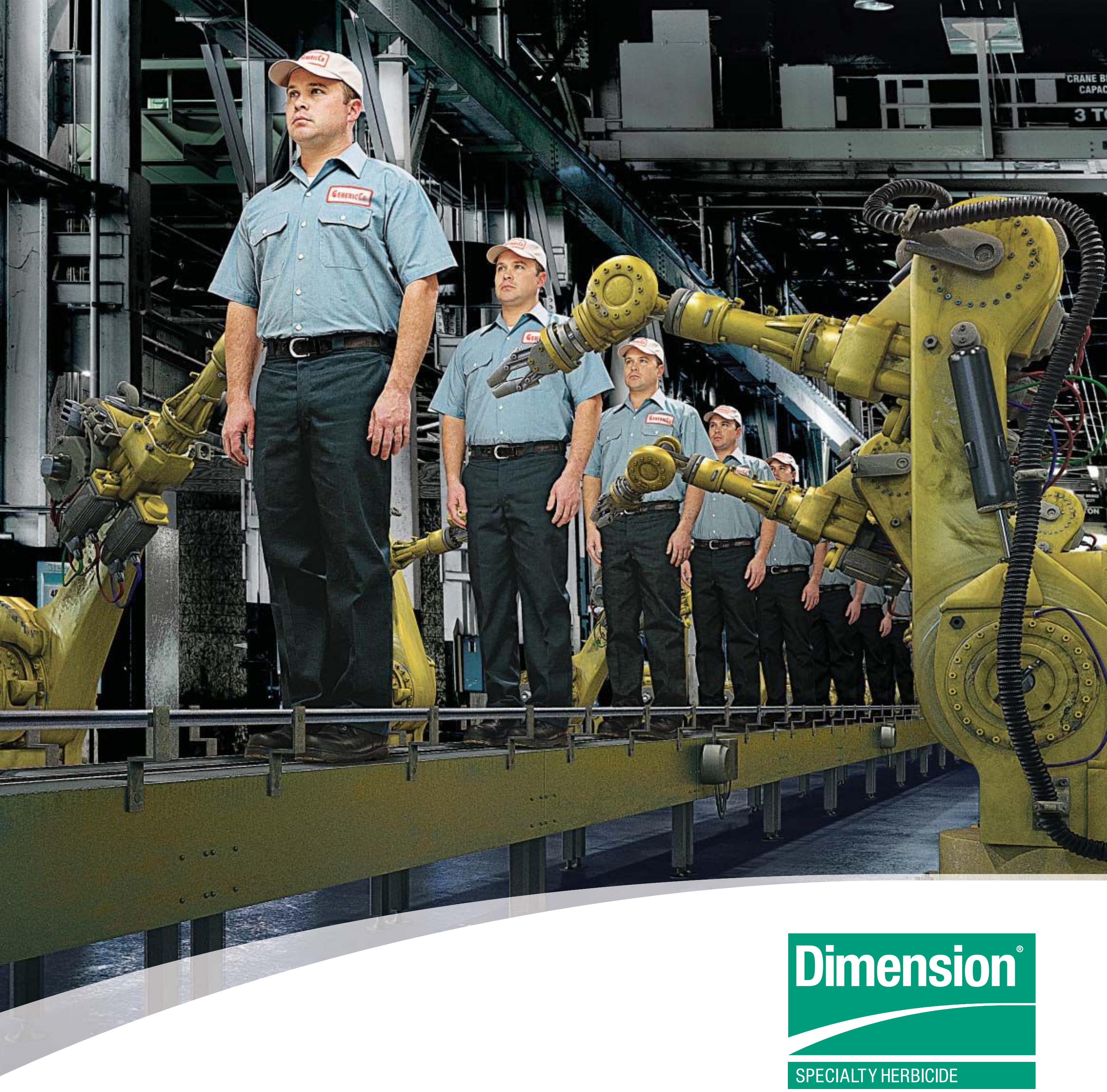
IDENTIFICATION TIPS

- This low-growing, clumping perennial can reach heights of up to 5 in. It grows from a dense, fibrous root system.
- Small, pansy-like flowers feature five blue-violet, lilac or white petals.
- Heart-shaped leaves with scalloped edges are often cupped toward the petiole to form a funnel shape.
- It's most often found in cool, shady, moist, fertile soil.

CONTROL TIPS

- Wild violet is difficult to control because of its aggressive growth, waxy leaves and resistance to many herbicides.
- Apply a postemergent broadleaf herbicide as soon as violets reach the two-leaf growth stage. Repeat applications may be necessary if the violets are well established.
- In turfgrass and sites labeled for use, apply a postemergent herbicide containing triclopyr, either alone or in two- and three-way combinations with other broadleaf herbicides.

PHOTOS: F. YELVERTON (LEFT); ROB ROUTLEDGE, SAULT COLLEGE, BUGWOOD.ORG



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'AFFORDABLE'

Will "Obamacare" batter or bolster your bottom line?

Though the new health care law is a tough pill to swallow, small companies may benefit from some provisions.

BY **PHILLIP M. PERRY**

The question is an important one, given the impact of health insurance costs on the earnings of small business owners. While calculating the precise effect of the complicated Affordable Care Act (ACA) is difficult, you have a good chance of turning it to your advantage if you have fewer than 50 employees or "full-time equivalents" (FTEs).

"Smaller businesses stand to gain a number of benefits from the law," says Karl Ahlrichs, benefits consultant for Indianapolis-based insurance broker Gregory & Appel. Among the favorable provisions are competitive statewide insurance exchanges, premium reform and tax credits.

Employers are eager for some relief, given the rising costs of health insurance. Average annual premiums for employer-provided family coverage grew to just under $16,000 in 2012, a rate some 4 percent higher than 2011, according to a report from the Kaiser Family Foundation.

KEY POSITIVES

Here's a rundown of how small firms may benefit from some of the law's provisions.

Competitive exchanges. Competition is good. That's the theory behind the new statewide health insurance exchanges, designed to allow small businesses to shop for plans from competing carriers. These exchanges will be available for employers with fewer than 50 people in 2014. Most exchanges are expected to offer plans from only a single carrier for the first year. After that, plans from multiple carriers will be offered.

"To understand how the exchanges will work, imagine navigating to a travel website that aggregates airfares," says Ahlrichs. "You type in your parameters and the site sorts your options and

ILLUSTRATION: ISTOCK INTERNATIONAL INC.

CARE?

you pick what you want. That's what employees will be doing with the exchange sites."

Under the best of conditions the new exchanges also will help trim the human resources overhead by providing a host of robust administrative services. "Businesses that send employees to the health insurance exchanges will be getting out of the health insurance management business," notes Ahlrichs.

Premium reform. Small businesses have long been the targets of prohibitive premium hikes when one employee is hit with a costly illness. The new law levels the playing field. "Starting in 2014 insurance carriers will not be able to set premiums based on health status, sex or claim history," says Julie Stich, director of research at the International Foundation of Employee Benefit Plans (IFEBP), a research organization based in Brookfield, Wis. "That will help small group plans where one catastrophic claim can cause health costs to go up."

Penalty exemption. If you have fewer than 50 full-time employees, you'll be exempted from penalties for not providing health insurance. If you have 50 or more such employees and your employees purchase insurance from the new state exchanges, you will pay a fine of $2,000 per employee who does so, excluding the first 30 employees from the assessment (see sidebar at right).

Tax credit. The law provides for a tax credit for businesses with 25 or fewer employees if the company pays at least half of the employee premiums.

Downward pricing pressure. The law also may encourage more transparency in the area of fees for medical services, says Ahlrichs. In consumer-driven health plans people will be given a set amount of money with which they can shop for services. They will be able to go to a website, enter a service such as an "appendectomy" and get a list of physicians that perform that procedure, a quality rating and a cost. "Comparison shopping should put downward pressure on prices," notes Ahlrichs.

Transparency. Do you know how much your broker is being paid for arranging your insurance? Today such commissions are buried in your premiums. This may change under the new law as pressure mounts to reduce administrative costs. Brokers may start charging fees for their services, which may well dampen overall costs while promoting accountability and performance.

EMPLOYEE MOBILITY

There's another hidden benefit the new law may provide smaller businesses: access to higher quality personnel.

"Today at larger employers there are many high-quality mid-career professionals who are frustrated because they cannot be very entrepreneurial," says Ahlrichs. "They would love to join a smaller organization where they can try things out or they might want to band together and start something."

In the current system, says Ahlrichs, if such people quit their current positions they may be uninsurable. "They may have a daughter or wife who's a diabetic or cancer survivor," he says, "Or they themselves may have some chronic condition. As a result, they are handcuffed to their desks because of health care."

When the exchanges come online the handcuffs come off. "There will be

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Your take
Green Industry professionals' views on the ACA.

Kyle Narsavage
President
Green Sweep
Silver Spring, Md.

Number of employees: 46
Challenge: Maintaining fewer than 50 employees
Solution: "We're being very selective about which contracts we accept. For one, we want to make sure that it's a profitable job and also because at first a job may seem profitable but it could cause us to spend money to hire more employees, which is money we may not make back down the road."

EMPLOYER MANDATE **DELAYED**

In July the Obama administration delayed a key provision of the Affordable Care Act, the so-called "employer mandate," by a year. This provision, which requires employers with 50 or more full-time equivalent employees to provide health insurance for their workers or pay a $2,000 penalty, has been put off from Jan. 1, 2014, until 2015.

The delay is reportedly in response to complaints from the business community about reporting requirements for employers with 50 or more full-time workers.

WHAT LARGE EMPLOYERS MUST DO **NOW**

What steps should large firms take to get up to speed with the requirements of the Affordable Care Act (ACA)? "Employers need to take a look at their current health insurance plans and make the changes required to be in compliance," says Julie Stich, director of research at the International Foundation of Employee Benefit Plans, a research organization based in Brookfield, Wis. "Then communicate these changes to employees and revise the plan descriptions and handbooks." Here are some specific steps:

1 Determine full-time equivalencies.

"The big issue for many employers will be calculating the average hourly workweek in determining who is an equivalent full-time worker," says Karl Ahlrichs, benefits consultant for Indianapolis-based insurance broker Gregory & Appel. "It goes beyond the simple drawing of a line in the sand at 30 hours. The new system uses new terms and new ways of calculating things that, if ignored, can cost an employer significantly." Failing to accurately determine full-time equivalencies can result in costly fines. "The employers most at risk hire many part-time or seasonal workers."

In analyzing their workers, employers are required to apply a measurement or "look-back" period that can be anywhere from three to 12 months. If an employee averages 30 hours a week or 130 hours a month during that period, the employer must offer coverage equal to either six months or the length of the look-back period, whichever is longer.

This calculation will be especially difficult for those employers who have not been keeping careful track of their employees. "Employers who have a lot of variable-hour employees, and have not been keeping close watch, need to do the exercise now to see who falls into the full-time bucket and what measurement period will be best for them," says Joan Smyth, partner at the New York-based Mercer consulting firm.

2 Analyze labor costs.

Companies should analyze the income of their workforces, particularly if they include a large number of relatively low-wage employees. That's important because employers may be penalized not only for failing to provide any health insurance coverage, but also for providing coverage that fails to meet the standards of affordability as defined by the law and as determined by employees' family incomes (W2 wages can be used as a proxy for family income).

With these figures in hand, companies can perform the calculations to see the financial impact of three options: not offering any coverage, offering coverage which is not "affordable" under the definitions of the government or offering coverage that's affordable (that is, charges employees premiums that are 9.5 percent, or less, of family income.) In some cases it may be cheaper to not offer insurance than to offer insurance and pay a penalty.

3 Update benefits plan language.

"Employers must update their benefits plan language to be in compliance with the ACA," says Ahlrichs. "Many plans must undergo a significant rewrite to reflect the new world."

He cautions that Department of Labor audits are rising in frequency and that they will be looking hard at this area. "One of the ways they will help fund the ACA is by penalizing organizations which are in violation," says Ahlrichs. "Expect 80 percent of DOL questions to revolve around how the ACA language is not in company documents and expect fines to be assessed."

4 Get the communications right.

"Employee communications will be huge," says Ahlrichs. "Employees will turn to their employers for answers. You can benefit significantly by having early and aggressive communication about what the changes mean and about your new wellness plan."

5 Draw up a five-year benefits plan.

"Draw up a five-year strategic benefits plan that's aligned with the one for your whole organization," says Ahlrichs. "This is not the time to patch last year's model. This is the time for a clean sheet of paper and a plan written with someone who understands the implications of the law.

"If your company has a strategic benefits plan and your competition does not it will help you and hurt them," says Ahlrichs. "Maybe not in the first three months, but certainly in the first couple of years. Over time if you get ahead of these issues and make the right decisions you will have a significant competitive advantage."

ILLUSTRATION: ISTOCK INTERNATIONAL INC.

Your take
Green Industry professionals' views on the ACA.

Evan Moffitt

Director of business development
KD Janni Landscaping
San Luis Obispo, Calif.

Number of employees: 42
Challenge: The costs that come with hiring more than 50 employees
Solution: "We're preparing for a strong push and growth. We want to grow to where we have 75 employees so that our numbers will be able to cover costs. We're trying to grow our business."

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a significant shift in high-performing talent out of the larger organizations and into smaller ones," says Ahlrichs. "This could be a huge benefit to small entrepreneurial organizations, which position themselves as places where talented people can exercise some freedom."

DECISION TIME

Many business owners are upset about the minimum level of benefits required by the new law. In some cases those levels are higher than what's currently being offered in the workplace. That means greater expense in the form of higher premiums.

Will employers, as a result, drop health insurance coverage completely and opt to pay the fine? Ahlrichs says some will be tempted. "A lot of CEOs may want to tell their employees, 'Go to the exchange and I'll pay the $2,000 fine.'"

Employers who decide not to offer the insurance should realize there are additional ramifications, points out Ahlrichs. The first problem is the $2,000 fine is not tax deductible. The second problem is the employees who go to the exchanges find out insurance is not free.

"Maybe the premium for a family is $8,000 annually," poses Ahlrichs. "Who pays it? If the employer wants to keep the employees, the employer may want to make them whole and give them the $8,000 needed to pay for their insurance."

The story doesn't end there, adds Ahlrichs. The premium payments are now taxable, so paychecks have to be grossed up to around $10,000, in the above example, so the employees can pay premiums out of after-tax dollars.

Put it all together and cessation of a health insurance program can backfire, concludes Ahlrichs.

Realistically, though, the decision to retain or drop health insurance might depend less on the costs of noncompliance