

Coaching Dealership Staff

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When to Coach

There are two basic times for coaching in automotive sales, with analogous opportunities in other dealership departments:

- ◆ The first one is the “moment of truth” or right after they have been with a customer.
 - Talk about strengths
 - Talk about what went right on the presentation
 - How did it go? How did you feel about this?
 - When the manager interacts with the customer, you get a “birds-eye” view of what happened on the sales table.
 - When we come off of the table, we have about 120 seconds of “Platinum” time to talk about what we saw.
 - If they got close to a sale, but there was no money there or if there was a condition we couldn’t overcome, “Congratulations! You got them that far – and that is as far as anyone could have gotten them.”
 - If on the other hand, they skipped parts of the presentation and didn’t get the sale, show them how they can get closer to a sale on their next opportunity.
 - This is never derogatory; rather it is a “mentoring” process. We know that if we keep coaching them up and up, we won’t need to work as much with them in the future.
- ◆ The second one is the mandatory (something that everyone just comes to) weekly training.
 - You teach all of the “basics” – the “platform” in the on-going training meeting.
 - The format changes...
 - Leader led



- The internal customers (our sales staff)
 - Roundtable discussion
 - External speaker
 - Watch a tape
- Always magnify your basic sales platform.

Coaching for Results – Observing

One of the skill sets that allow a good Sales Manager to becoming a GREAT Sales Manager is their ability to learn how to most effectively coach the sales staff. It starts with the observing step.

Careful observation is an essential coaching skill. In any coaching situation, begin by observing the work and interactions of your team. As you observe and gather data, you will start to analyze the data and form theories about what’s happening. As you think about an issue, be sure to check out your observations with others and to test your theories.

No matter what the coaching situation, always start with careful observation. You may want to assess if someone is ready for new responsibilities. Perhaps you need to analyze a problem performer. Or you may want to find chances for positive feedback and recognition.

Address the Impact of Behavior

When you observe an individual’s behavior, ask yourself exactly what the person is doing or not doing effectively. Your answer should address the effect of behavior on goals and co-workers. What effect does the person’s behavior have on achieving your group’s goals or objectives? What effect does the behavior have on other people?

Remember that you are observing. Be careful to separate observations from judgments or assumptions. For example, let’s say Chris has observed dynamics at team meetings and concludes that “Pat is domineering and doesn’t respect others in the group, so valuable contributions from others are getting lost.” Here, Chris is making inferences and a judgment. But if Chris states that “Pat interrupts others frequently during meetings, and co-workers are quiet and make few contributions,” Chris is making observations about peoples’ behavior. Chris might then talk with others about the possible effects of the observed behavior.

Test Your Theories

As you observe and analyze data, you’ll begin to form theories about what’s happening. Look for chances to test your theories. Confirm whether you are right or not, and be open to being wrong. Consider any cross-cultural issues that might help you better understand the situation or person involved. Examine the situation and behavior from multiple angles.



For example, observe the person in action. Is the person affected by stressful demands or unfamiliar circumstances? If a problem is new, is something happening in the person's life that is affecting work? It's not your role to be a therapist, but you should recognize that sometimes personal issues can affect work. Use judgment about when it's appropriate to offer help and how to do so without causing a person to feel that you're prying into personal issues.

Sometimes you might want to discuss situations with one of your trusted peers to hear another opinion. Be careful to do this in a manner that honors confidentiality. Finally, you don't know if your theories are accurate until you've discussed the situation with the person or people involved.

Ask If You Are Part of the Problem

Sometimes managers contribute to direct reports' problems. Ask yourself if you are part of the problem. Consider the following questions:

“Am I using my own performance as a yardstick to measure others?” You've probably progressed in your career by setting high expectations and achieving an outstanding track record. Assuming that others have identical motivations or identical strengths may be unrealistic and unfair.

“Have I passed up chances to listen?”

“Am I a good role model?” For example, if you view good listening skills as important in cultivating good teamwork, then model those skills every chance you get.

“Is it hard for me to identify with someone who's having a problem?” Be self-aware and recognize when your own feelings, such as anger or frustration, may keep you from appreciating what someone else is feeling – and cloud your observation and analysis skills.

Observation Leads to Effective Coaching

Effective coaching starts with observation, whether you want to help someone improve or encourage someone to grow. Observe carefully and relate behavior to its impact. Be careful to observe rather than judge. As you analyze behavior, be sure to check with others and test your theories. Finally, examine your own behavior — and over time you can become more self-aware and grow as a coach.

Coaching for Results – Questioning

Coaching is an interactive, collaborative process that requires a special set of skills. One such skill is questioning. You can develop questioning skills by understanding how different types of questions yield different responses. You'll then know how to use questions to get the information you need.

Open vs. Closed Questions

There are two basic kinds of questions – open and closed. A closed question produces a “yes,” a “no,” or some other short answer. Use closed questions when you want to focus a response. For example, the question, “Is the project on schedule?” most likely receives either a “yes” or a “no.” You can also use closed questions to confirm your understanding of what the other person has said. A question like, “So the critical issue is cost?” produces a simple “yes” or “no”, perhaps followed by a clarification.

An open question encourages the sharing of ideas and information. Use open questions to invite participation by the other person in a conversation. For instance, this question – “What’s happening with the project?” – generates an explanation, not just a short “yes” or “no” answer.

Use open questions to explore alternatives and possibilities. To do this, ask a question that begins with “What would happen if...?” Or use open questions to encourage an individual to examine different perspectives. In this case, ask a question like, “What’s another possible explanation?”

Open Questions Lead to Better Coaching

Sometimes an individual’s attitudes or needs may be at the root of a problem. To uncover information about attitudes and needs, ask a question like, “How do you feel about this?”, or “Under what conditions could you make this happen?”

Finally, open questions can be “closed slightly” to get a more specific response. For example, if you want to establish priorities but still allow for elaboration, ask a question like, “What do you think are the three most important issues here?”

When coaching, managers usually ask too many closed questions and not enough open questions. Make a special effort to ask more open questions. Your coaching will be more effective when you open the door for the other person to participate in a conversation.

Coaching for Results – Listening

We don’t always listen well when others are speaking. Our thoughts may wander onto another topic, such as: an urgent project, pressing personal issues, or where to go for lunch. Or we may be planning what to say next instead of focusing on what the speaker is saying. Many people – whether manager or subordinate – spend the time when the other person is speaking waiting for their “turn” rather than actively listening.

To coach well, you must listen well – which means “listen actively.” Active listening shows interest in both the speaker and what’s being said. This puts the speaker at ease and encourages the speaker to continue and to elaborate. Active listening also clarifies what’s been said. The

more you hear, and the more accurately you hear it, the more information you have for effective coaching.

When listening to others, be aware of cross-cultural issues and adapt your style to suit a particular situation. Whatever the situation, the goal is to put the person at ease and encourage communication.

Use Nonverbal Techniques

How do you “listen actively”? Here are several nonverbal techniques that you can consider:

Avoid distractions. Put your other work aside, face the person who is talking, and focus your attention. Look at the person – not out the window or at papers on your desk.

Smile. A smile shows interest and helps put the speaker at ease. As you hear ideas being expressed, indicate that you understand key points.

Don’t interrupt. Wait for the speaker to finish, and give your full attention until it’s your turn to speak.

Be relaxed. Use relaxed yet attentive body language. Sit close enough to show interest, but not so close that you intrude on the speaker’s space.

Use Verbal Techniques

Verbal techniques can also help:

Use casual phrases. When appropriate, use short expressions such as “I see” and “Yes” to communicate that you are following what’s being said.

Speak in a friendly tone of voice. A friendly and casual tone of voice helps create an accepting atmosphere that encourages openness.

Paraphrase what’s said. Say back to the speaker what you’ve just heard, but in your own words. This clarifies what’s been said and helps keep you from jumping to incorrect conclusions.

Look for the Other Person’s Nonverbal Cues

Finally, look for nonverbal cues from the speaker. Actions, postures, and gestures often signal a message. For instance, a speaker may state that a situation is fine – yet crossed arms and body language suggest otherwise. They may shake their head “no” while their words appear to say “yes”. Physical cues aren’t always reliable, but they can be revealing.

To listen actively, remember your choice of nonverbal techniques: avoid distractions, smile, don't interrupt, and be relaxed.

Include verbal techniques: use casual phrases, speak in a friendly tone, and paraphrase what's said. Finally, look for nonverbal cues.

Active listening puts the speaker at ease and encourages communication. When you do these things, you'll hear more and become better informed. Being well informed is essential to good coaching.

Coaching for Results – Giving Feedback

Giving feedback is an essential part of coaching. It provides a chance for people to see themselves from different perspectives. When done well, feedback serves as a mirror. It allows people to reflect on how others view their behavior.

Too often, we give feedback only to tell people what they've done wrong or how they can improve. But as a manager, you should also give positive, encouraging feedback – to let people know when they've done well. Positive feedback is essential. It helps people learn how to use their strengths and motivates them to develop their potential.

Be Timely, Descriptive, and Specific

Whether you are giving positive or negative feedback, the following guidelines will help you improve your coaching:

Feedback is helpful when it is timely. If you've observed a potential problem, give feedback as soon as possible afterwards. But in a situation where you or others are experiencing strong emotions – such as anger or frustration – wait for the emotions to cool down.

Feedback is helpful when it is detailed and descriptive. Use words that paint a vivid picture of actions and activities. Describe what you see and what you hear. Describing our observations is far more effective than attempting to explain motivations or feelings.

Your feedback should be about specific actions, not a general situation – especially when you are discussing a problem. Most people find it difficult to receive negative feedback. But if the feedback you give focuses on the specific behavior that is problematic, it will be easier for the other person to hear your comments – and to understand exactly what needs to change.

Focus on Behavior and Consequences

Feedback should be focused on behavior and its consequences. Describe both the actions and the observable impact that those actions have on goals and other people. For example, don't say, "You're not working hard enough." Instead say, "When you miss a deadline, there's a snowball



effect. It means that others have to readjust their schedules and we may not meet our ship date.” Or, instead of saying, “You did a great job,” say something like, “During your presentation you did a great job of engaging the audience. They responded with new ideas that will help us provide better service.”

Be Clear and Sincere

Feedback is helpful when it is clear. Don't clutter your key points with unnecessary ideas. Be simple. And then clarify what the other person heard and understood. For example, after you've given feedback, ask the other person to rephrase, in their own words, what you've said. Did they hear what you intended to say?

Finally, feedback is effective when it is motivated by a sincere desire to help. Don't give feedback just because your manager said to or because you need to get something off your chest. Give feedback because you sincerely want to help the other person.

Effective feedback is timely, descriptive and specific, focused on behavior and consequences, clear, and sincere. And effective feedback is crucial to effective coaching.

Coaching for Results – Gaining Agreement

An important coaching objective is to reach agreement on an “action plan” with the person you are coaching. An action plan describes the specific changes in behavior the person needs to make. Once you agree on an action plan, clearly ask for – and get – a commitment to follow through with the plan. Finally, be sure to schedule follow-up meetings to assess progress. But how do you and the other person reach agreement?

Begin with an Open Discussion

Begin by involving the person in a discussion. Ask open questions. Encourage the other person to share their thoughts and make suggestions. You should not dictate a solution. Instead, together, agree on the desired goals. And, together, agree on an action plan for achieving those goals.

Don't Avoid Negative Feedback

Reaching agreement may not be easy. For many people, it's hard to hear negative feedback. With this in mind, a helpful approach when giving feedback is to “sandwich” negative feedback between two genuine, positive messages.

Sometimes, when faced with negative feedback about behavior, a person may deny that a problem exists. If that happens, you must balance your need to address the problem with your need to maintain a good working relationship with the other person. Balancing these needs can be hard. Often both people avoid dealing with a difficult issue. The coach may back off in fear

of upsetting a good working relationship, and the other person will most likely not bring up a difficult issue again. As coach, it's your responsibility to tackle problems and follow through. You and those you coach gain nothing if you avoid problems.

When to Be Indirect

You can choose between two basic approaches to reaching agreement: direct or indirect. With a direct approach, you get right to the point. With an indirect approach, you discuss relevant issues and gradually move toward your objective.

Which approach should you use? How a person responds to feedback will suggest which approach to take.

With people who tend to hear feedback as criticism, an indirect approach may be better. For instance, first discuss the challenges they've faced and how much you value their work. Then discuss the problem you've observed, describing it specifically in terms of goals and impact on others. Express confidence that the individual can make the changes needed to fix the problem. Find the right balance: You want the person to grasp the seriousness of the situation, but you don't want a valued employee to become discouraged, give up, or leave.

When to Be Direct

When should you be direct? If an individual doesn't respond to feedback or doesn't appear to care about changing behavior, you need to be more explicit. Calmly and clearly explain how and why the behavior must change. You can be supportive, yet still make sure the person understands the implications of what will happen if they don't change. Again, find the right balance. You need to confront a person who doesn't acknowledge the effects of their behavior. But you still want to encourage the person, maintain trust, and not hamper future coaching.

Some Problems Can't Be Fixed

Unfortunately, some problems can't be fixed. The situation may be too severe or, for some reason, it may not make sense to coach the problem performer. In these cases, your organization has its own policies and procedures for removing an employee from a position. You should know the formal steps required and understand the relevant legal issues.

However difficult it may be, don't avoid such a situation. The longer you wait to address a performance problem, the longer your work group operates below its full potential. In most coaching situations, you will successfully reach agreement, decide on an action plan, and gain commitment. Then you can schedule follow-up meetings to evaluate the progress in reaching your mutual goals.



Case Study Summary

Make sure to use all your coaching skills.

When Observing

- ◆ Take the time for careful observation.
- ◆ Don't make assumptions or jump to conclusions.
- ◆ Separate observations from judgments.
- ◆ Address the impact of behavior on other people and on goals.
- ◆ Ask if you are part of the problem.
- ◆ Check out your theories.
- ◆ Always talk with the person involved.

When Listening and Questioning

- ◆ Put the listener at ease.
- ◆ Indicate interest and understanding.
- ◆ Maintain eye contact.
- ◆ Avoid distractions.
- ◆ Ask "open" questions to draw out information.
- ◆ Don't interrupt.
- ◆ Offer encouragement.
- ◆ Listen carefully to the person's concerns and ideas.
- ◆ Paraphrase and clarify what is said.
- ◆ Look for nonverbal cues and pay attention to body language.

When Giving Feedback

- ◆ Give feedback that is timely, specific, descriptive, clear, and motivated by a sincere desire to help.
- ◆ Focus on observed behavior and its effect on others (both co-workers and customers):
 - Negative feedback that is focused on specific behavior is easier to accept.
 - Remember to give positive feedback: People also need to understand their strengths.
- ◆ For people who tend to hear feedback as criticism:
 - Take an indirect approach.
 - Point out challenges successfully faced and how much you value their work.
 - Describe the problem in objective terms.
 - Express confidence in their ability to fix the problem.
- ◆ For people who don't respond to feedback:
 - Take a more direct approach.



- Calmly and clearly explain how and why the behavior must change.
- Explain the consequences if the behavior does not change.
- Encourage the other person to take “ownership” of the solution.

To create an action plan and gain agreement

- ◆ Involve the other person in a discussion.
- ◆ Discuss challenges faced and how you value their work.
- ◆ Ask about the other person's concerns, ideas, suggestions, and proposed solutions.
- ◆ Together, describe the specific changes in behavior the person needs to make.
- ◆ Turn the desired outcomes into an action plan and get commitment.
- ◆ Express confidence that the other person can carry out the plan.
- ◆ Schedule follow-up.

Coaching “Up”

Sales people go thru ups and downs.

- ◆ Our goal is to have them at 100%.
- ◆ You have to understand them.
- ◆ Some can help themselves.
 - You can't beat them down.
 - Remind them of past successes.
 - “We're going to stand behind you.”

Some need more intense coaching.

- ◆ It is the fault of the economy, etc.
- ◆ A check-up from the neck up
- ◆ They just don't know what's happening.
- ◆ A blanket way just doesn't work.
- ◆ Each salesperson is different.

Coaching “Out”

Sometimes we get a “dull knife” in the set. You know this because you track performance.

- ◆ You have to have the “data”.
- ◆ Cover up the names, and just look at the statistics.
- ◆ What are the production guidelines?



The sequence of sales staff improvement:

1. A verbal discussion
2. Let them sell you a vehicle
3. Carefully observe them selling a vehicle – a “birds-eye” view
4. Written warning
5. Suspension
6. Say “good-bye” professionally

Exit Interviews

Many dealerships conduct exit interviews with employees prior to their leaving. An exit interview with a quality employee leaving the company can provide insightful information. However, we must be aware of any personal agendas that prevent an objective analysis. This is a very brief information gathering meeting, with continued improvement as the goal. The exit interview should not be conducted by the person’s immediate supervisor, but by someone a level above or by the Human Resource department.

Every company, regardless of size and industry, suffers from its poor selection procedures. The cost of turnover is magnified when we add in the training expense, additional recruiting expense, the drain on management’s time and lost business through customer dissatisfaction and employee morale – not to mention the personal discouragement and frustration a manager feels when people do not work out and the process must start all over again.

Sasha Corporation compiled a set of 16 studies on staff turnover costs for relatively low-wage employees. They reported that the across those studies, the average cost of turnover was nearly \$10,000 per incident. This number includes indirect costs, such as management training and administrative time spent to get the new employee situated; lost productivity of new staff, in addition to direct costs such as advertising, testing, interviewing, accounting, and orientation. The higher up the line the position is, the more expensive the costs. This number also does not take into account any lost business or dissatisfied customers.