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BRIDGING A CULTURAL GAP

BC Hydro gets battle-ready for the deregulated market

Can a major hydroelectric utility reinvent itself, marry its existing internal cultures with the new external ones necessary in a drastically altered marketplace, and learn to sell its products and services effectively? You bet it can. And it's happening at BC Hydro.

With 1.7 million customers and annual revenues of \$2.5 billion, BC Hydro ranks as the third largest hydroelectric utility in Canada. As a direct retailer of power, the Hydro caters to 95 per cent of the province's electrical energy demand from industrial, commercial and residential consumers.

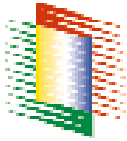
In an industry facing the prospect of intense competitive pressures in the context of impending deregulation, the ability to change with the times is the key to survival and success. Recognizing that regulation of the industry will have a dramatic impact on the way the company conducts business and interacts with its customers, BC Hydro has undertaken a series of initiatives for organizational restructuring. The cornerstone of the project was the creation of an integrated Sales and Marketing Division, unlike anything existing in the industry today, mandated to gain a thorough understanding of current market dynamics, and to design sales and marketing programmes for addressing customer needs.

Where "the customer is king"

The sales organization, originally manned with long term BC Hydro employees, had a highly engineering dominated culture whose focus was clearly internal. The need was to inject new, customer oriented thinking into the organization, while training existing sales representatives in the techniques required to be effective in their new roles.

Readily defined but difficult to accomplish, this task posed the need for an external consultant, from private industry, with expertise and proven track record in providing cost effective solutions for achieving sales force productivity to client organizations in competitive marketplaces. For this key consultancy role, BC Hydro selected The Performax Sales & Marketing Group, a 12 year old Toronto-based company with a record of successful consulting in this specialized field.

"We had a unique challenge," explains Mike Gormick, BC Hydro's Director of Marketing & Sales. "With the introduction of experienced sales reps from a variety of industries into the existing organization, we had to find a common language with terminology everyone could understand. We also had to implement an effective sales management process that would have credibility with the sales reps. That's why we turned to Performax for help." Performax was engaged early in the development of the organization - to help define an "ideal culture" for the fledgling new sales group and to facilitate the change from an engineering and operations-driven culture to one where "the customer is king".



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The Opportunity Management Workshop

The first task for Gormick was to create, in partnership with the consultants, a new sales structure, with new job models, selling processes and management systems to support the company's mission. To implement the new culture every member of the sales and sales management team went through an intensive Opportunity Management workshop, which helped them to clearly understand their new roles and gave them the tools to plan and monitor how they are performing.

Key to success in this effort was a set of customized tools, developed by Performax, which BC Hydro has branded "The Sales Generator". The system is a customizable software application for the creation and management of an integrated set of sales processes. Developed in the form of a personal workbook for sales professionals and sales managers at all levels with BC Hydro, the system breaks down the sales process into four key areas:

- The Goal Sheet
- The Personal Success Checklist Tool
- The Strategy & Plan Tool
- The Opportunity Tracking and Forecasting Tool

Because it is customized for the individual, the system helps each rep understand exactly what he/she needs to do to be successful in their assigned role. In the BC Hydro environment, the system injected a level of discipline and organization into the sales process through the documentation of each step or activity required for reps to reach their revenue goals. "The system points out where there are shortcomings in the process and what steps you need to take to correct them, and gives accurate and timely information about the status of each opportunity", says Gormick. He also uses the information captured in the system as a valuable coaching tool. Monthly meetings - instead of merely questioning why certain activities are not moving forward - become an avenue to offer help, guidelines and assistance to the individual reps. Enabled thus to see for themselves what needs to be done, they cannot ignore the issues and are promoted to take responsibility for their own success, Gormick adds. Results since the implementation of the system are assessed by BC Hydro as impressive. Every member of the sales team is consistently using the system - a major feat for any sales organization. The team has been able to identify individual sales reps in need of assistance who otherwise may have slipped through the cracks. In-depth documentation of goals, activities and next steps has allowed for the smooth transition of people in and out of the sales organization in a manner that, to the customer, is seamless.

From a marketing perspective, the system has provided a vehicle to capture market information and build it into the sales forecast. Additionally, it allows for the efficient allocation of products to be sold both by customer and account rep, and provides a tracking mechanism to determine how effective a marketing initiative has been.

There's more to be done

The work doesn't stop there. As the organization evolves, the consultancy team will be going back to BC Hydro in the near future to conduct a management coaching session and will be conducting ongoing consulting and support.

Over time, as the system becomes a fully integrated standard for sales operations at BC Hydro, Gormick anticipates substantial benefits: "We will be able to build solid, long-lasting relationships with our key customers - especially our industrial clients where deregulation will impact first - and provide them with value-added products and services. As the market opens up and competition comes to the hydroelectric industry in British Columbia, we'll be ready to face it head on - and win!"



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