



*Editor's note: This is the fourth in a series of seven articles examining innovative sales techniques based on The Art of War by Sun Tzu. Read the first article in the May issue of Collector magazine.*

## Finding Balance

Do you know your sales strengths and weaknesses?

*By Marc Trezza*

In business, discussions about operational planning constantly arise, and many leaders wonder: Does strategy determine tactics or do tactics determine strategy?

Here's the simple answer: Strategy *always* comes before tactics, just as thinking comes before doing.

However, thinking can be the easy part; the doing is more difficult. It's a business fundamental that the strategy must be correct for the tactics to succeed. There is no chicken and egg problem here. The strategy must be right first—you *must be doing the right thing*.

Then the tactics can support the strategy by doing things right. Excellent strategy at higher levels can sustain many tactical failures at lower levels, but the opposite is rarely true. Sustained tactical success—even continuous brilliant execution of tactics—seldom overcomes an inadequate strategic posture.

Bad strategy supported by good tactics is a fast route to failure. Driving fast and skillfully in the wrong direction will not get you to your destination. Success requires a balance of

strategy and tactics, otherwise the tacticians (your salespeople) will not understand why they are—or should—be doing what.

When we do not understand the underlying concepts, we do not have the ability to improve (or improvise) properly.

### THE STRATEGY GAP

Without a clear understanding of how the marketplace has changed in terms of what buyers do and don't want to hear, how they view collection agencies in the overall scheme of managing their department, how their process for evaluating and hiring agencies has evolved and how they feel about the way agencies typically conduct their sales efforts, agencies (and salespeople) have no idea how to behave.

But by taking the time and effort to understand how a patient account manager's or college business officer's world has changed, you can engage them in a productive way.

It's also important to understand how your current sales approach distinguishes

you from the approach used by most of your competitors; except for competing on lower and lower rates, how can you differentiate yourself in the sales process? How can you sell value instead of rate if you do not know what a buyer actually values?

In the many years I have been studying collection sales, one of the most counter-productive agency perceptions is that when it comes to sales, the agency knows what is best for the buyer.

Ultimately, whether or not that is true is irrelevant. Buyers don't like it. Moreover, it reinforces preconceived agency notions rather than the pursuit of actual knowledge, and stifles growth due to the inability to recognize how significantly things have changed.

Focusing solely on how great your agency's features are is a failed sales approach because it falls on deaf ears, and it pushes the buyer away. It's an approach that was valid decades ago when we were convincing buyers the value of hiring an agency at all. Today any



sizeable buyer already has at least one agency, so “selling” someone on features that their current agencies already have is a complete waste of everyone’s time.

### MICROMANAGEMENT VS. EMPOWERMENT

Don’t sow the seeds of failure by micromanaging. There are a variety of alibis for this behavior, but none are valid. Micromanagement is a problem driven by one or more of the following factors:

- Not hiring well.
- Not training well.
- Not empowering or trusting others.

No subordinate can operate at a level of competency when the boss supervises every detail. The result is that good people will eventually “fire the boss” by leaving the organization. Turnover of quality people is a huge red flag.

Often leaders resist new information because it might cause them to change their course of direction. The greater the impact of

the new information, the more strenuously it is resisted because it implies that if changes must be made, then we were wrong before.

In my June *Collector* magazine article, I talked about strategy vs. tactics equating to inside your walls vs. outside your walls.

Inside your walls you should think about:

- Management approach (people management vs. task management).
- Sales methodology.
- Collection sales training.
- Numbers such as activity benchmarks, time management and call analysis.
- Real-world market analysis.
- Value proposition.

Outside your walls you should think about:

- Buyer perceptions (by market, by prospect).
- Prospects’ buying processes.
- Differentiators between you and the best agencies.
- Buyer-based consultative selling vs. seller-based feature selling.
- Marketing materials.
- Real-world sales professionalism.

You must objectively analyze each of the above elements to determine your strengths and weaknesses. If you’re not happy with sales, you must start from the assumption that it’s broken, figure out why and then assess what needs to be done to effect positive change.

If this is not your area of expertise, get outside help. No one can fix problems they can’t see. If, for example, a CEO with an accounting background started an agency and was unable to turn around a weak collection floor, wouldn’t you recommend that person hire a collection management expert? The same is true for sales.

When you’re ready, you can start by applying these Sun Tzu principles to your sales approach.

### UNDERSTAND WHEN AND HOW TO LAUNCH AN OFFENSIVE

What are the strengths and weaknesses of your competitors? What is their reputation? What is their sales approach?

Ask clients about agencies that preceded you. What did they like? What did they not like? What made them decide to change? What made them pick you?

Building dossiers on your competitors and gaining insights into buyers’ thinking will help you to develop a strategic advantage.

### ALLOCATE RESOURCES

What’s required to get the job done? If you are unhappy with sales, and you view money spent on operations as an investment but money spent on marketing and sales as a cost, unhappiness is predictable. You can’t achieve positive change without allocating sufficient resources. If you want real change, you have to invest in it.

### PLAN A UNITED EFFORT

An analogy I often use is that business development is like the four legs of a stool—they must all be equally strong and mutually supportive. These legs are operations, sales, marketing and client service.

### TAKE ADVANTAGE OF OPPORTUNITIES

Be prepared to act in ways that others are not. Seek out and *listen to* real-world outside expertise.

Here’s a simple rule: To experience change you have to embrace and want change. You must reject established approaches that are not succeeding and welcome new ideas. You cannot cling to old methods and get positive change.

If salespeople are programmed to talk about agency features instead of listening to buyer perspectives and working collaboratively to develop implementable solutions, buyers will shut down and your salesperson will fail. This is a transformational process that requires expert sales training.

For example: Statistically, more agencies get fired because of client service issues and/or complaints than recovery rate. If your salespeople do not understand how to properly sell those aspects of “the relationship” instead of features and empty performance guarantees, you are not taking advantage of opportunities.

This requires selling trust, not features. Without proper training and coaching, that simply won’t happen.

## DECENTRALIZE

Team leaders must know their area and be empowered with authority. Sales management is a very different animal.

If sales is not being run by a true professional collection sales manager who is given the authority to actually manage, unhappiness is sure to follow. If you can't afford a direct-hire sales manager, bring in a proven expert on an interim basis to turn things around. It is generally less expensive, faster and gets better results.

Real success requires several critical elements:

- A sales manager who knows how to motivate, train, coach and manage collection salespeople.
- Market analysis and development.

- Marketing materials that differentiate your agency from other top agencies.
- Resource allocation to get the job done.
- The willingness to change, combined with the enthusiastic support of senior management and staff.
- Patience. A complete reinvention of the sales process takes time. Allow people to make reasonable mistakes early on. When properly handled, mistakes become learning tools that help salespeople grow.

These fundamental principles are just some of the guidelines that lead to success. Although principles can sometimes be violated, they must always be considered. Applying these principles

is an art, and it's within this art that judgment comes into play.

A professional is aware of the subtleties of business rules; amateurs too often ignore the rules. Both take risks, winning and losing, but only one has the odds in their favor.

The greater the professional collection sales manager's experience, the greater their understanding of the risks of straying from the principles and the less likely they'll be to stray without a valid reason. ❏

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