

## Case Study Series

# Oakwood Temporary Housing

### CASE PROFILE

**Company Name:** Oakwood Temporary Housing

**Industry:** Hospitality/Business Services

**Employees:** 3,000+

**Warehouse & Office Locations:** 3,000+

**Key Challenges:**

- Tenured sales force who felt entitled
- Lack of understanding of how top performers closed business
- Significant performance gap between top performers and everyone else
- Account management mentality instead of focus on individual opportunities
- Sales training implemented over the years, but never engrained or reinforced

**Solution:**

- *Strategic Selling*®
- *Strategic Selling*® Coaching

**Interviewed:**

- Ken Revenaugh, vice president, sales operations
- Chris Ahearn, corporate SVP of sales and marketing
- Alvin LeBourgeois, Miller Heiman sales consultant

### The Challenge

In the mid 1990s, technology began to drastically change the way companies handled the administrative areas of Oakwood's business. The traditional branch or regional office that managed payroll, human resources, accounts payable, benefits administration, etc. underwent a major shift whereby many of those functions were centralized in shared services environment. The result was the shift of buying from individuals within a local office to a separately managed and centralized function located elsewhere. This change disconnected the local selling relationships that drove Oakwood's business since its founding in the late 1960s.

The next major shift came when the concept of outsourcing took hold. Many of the companies that centralized their buying now realized they could outsource the administration to third party companies. Fortunately, Oakwood had established relationships with the third party companies. As the third party companies grew and consolidated, Oakwood scaled to meet their needs and experienced rapid growth.

The next change was caused by the development of an industry association and the dot com explosion. Demand quickly outpaced supply and competitors suddenly popped up everywhere. The competitors were more nimble and many times were lower priced than Oakwood.

Because of the growing popularity and awareness of value offered by temporary furnished apartments, Oakwood continued to grow, but more from scaling operations to meet demand than from traditional sales. The salespeople were busy taking reservations instead of proactively acquiring new business. The next wrinkle occurred when procurement entered the buying process and added a new level of complexity.

The final blow came from the use of the internet as a tool to market and acquire business. Suddenly, any small or local operator could market itself as a national or even global company. The internet also allowed clients and prospects to conduct comparative shopping exercises. As all the market shifts collided, Oakwood woke up to a cold reality that there was a new and unfamiliar norm. The simplicity of having a good relationship with a single buyer drastically changed to a more complex sale with multiple buying influences and new, competitive challenges. For the first time Oakwood had a real challenge. The sales and marketing organization fell prey to the misconception that if they just worked harder and faster, they could regain momentum.

By 2006, there was a significant gap between top performers, middle performers and poor performers. While a few sales leaders and salespeople were in tune with the increased sophistication of the market, most weren't. Worse yet, the sales team seemed to have an account management mindset, focusing on accounts and not specific opportunities to grow the business. This wasn't surprising. It was in the DNA of the organization and supported by the compensation plan and lack of sales process.

"We began to introduce some different training concepts to test the waters," said Chris Ahearn, corporate SVP of sales and marketing. "We found that while the training programs had an impact and there was enthusiasm to learn, there was no foundation to sustain the effort or frame of reference to calibrate what good looked like. I realized

we needed more than training, or process— we needed a full-scale transformation and change of culture."

As an industry leader for so many years, salespeople felt a sense of entitlement and many refused to recognize the reality of the situation. It was clear that Oakwood needed a strategic initiative to spur change and sustain momentum over time.

## The Objective

In order to leverage the best practices of their top performers, the leadership team at Oakwood was determined to create a formal sales process that documented and defined the stages in the sales cycle.

"The team asked itself, 'How are we winning? What are top performers doing to win a disproportionate volume of business?'" said Ken Revenaugh, vice president of sales operations. "We weren't interested in a tip or a trick. We knew we needed to reinvent our entire organization."

According to Revenaugh, the leadership team at Oakwood was interested in how to move the masses. With middle performers making up majority of their sales team, they saw great potential to improve performance.

## The Project

The initial plan was for Oakwood to build a sales playbook. Like other organizations of its size, Oakwood has an internal university with curriculum designers committed to developing this sort of program. However, Ahearn was convinced that with such unique needs and significant challenges, no off-the-shelf, plug-and-play methodology would work. An integrated approach was needed.

In the early stages, another training supplier was selected, but when they were unwilling to integrate with the overall goals of the transformation, Revenaugh reached out to Alvin LeBourgeois, a Miller Heiman sales consultant who had previous experience working with Revenaugh and Ahearn. Revenaugh outlined his objectives. He explained his interest in tapping into LeBourgeois' expertise to get insight and collaborate on how to develop a sales methodology. LeBourgeois suggested Miller Heiman's *Strategic Selling*®, but received some initial objections as the business fit wasn't fully apparent.

LeBourgeois continued to work with Revenaugh and Oakwood in a consulting capacity, helping the sales leadership team look at top performers to identify the specific activities that were producing results.

“It was more than just looking at what top performers are doing,” LeBourgeois said. “We looked at each activity closely, and then we figured out which of those activities could be tied back directly to results.”

Eventually, 126 activities were identified to be incorporated into a sales playbook. Leadership changed their mind about *Strategic Selling*® when LeBourgeois showed them how 26 of those best practices would be addressed by the *Strategic Selling*® process. With a great deal of time and resources committed to the transformation, leadership began to realize that adopting the core Miller Heiman process as a foundation would be the quickest and most efficient way to get the organization up to speed.

“We knew what we were looking to accomplish, but recognized that building it on our own would mean it would take too long to get where we needed to be,” Revenaugh said. “A good plan now was better than a great plan later.”

Sales leaders at Oakwood quickly adopted the recommendations by LeBourgeois as he took the time to align his program customization to the overall transformation goals. From that point forward, the materials were branded by Oakwood University to match the Sales Playbook theme.

“We met in the middle about what customization meant,” said Revenaugh. “All of the learning events were themed, and everything was branded. Our sales team did not feel like they were going through Miller Heiman training, and they weren’t. They were experiencing an Oakwood transformation.”

After spending six months to build the Sales Playbook, Oakwood began training its team on the process. During the training sessions, the participants learned from real examples in their business. They used real strategies that have won business for their colleagues and worked on real accounts in their funnel.

“It felt like all we were doing was transferring best practices,” Revenaugh said. “The team received it very well.”

Ultimately, it took five months to train all sales managers and associates. The initial workshops were led by LeBourgeois, but eventually two Oakwood University training instructors became certified in Miller Heiman *Strategic Selling*® and began leading the sessions. To complete the cultural change, the entire senior executive team received training on the Playbook.

## The Results

Immediately after the initial training, Oakwood salespeople moved from an account management mindset to a Single Sales Objective (opportunity) management mindset. Leadership instantly heard positive feedback from their team. In a survey given to participants, 94.1 percent of the attendees rated the program as “exceptional.”

“For the first time, it wasn’t like we were going through a theoretical exercise,” said Andria Lamantia, a top-performing sales executive for Oakwood. “I immediately began using the tools and improved my ability to either close deals or walk away from low-potential opportunities.”

Ronna Goldstein, a thirty-year sales manager with Oakwood noted that *Strategic Selling*® was the most practical initiative ever implemented at Oakwood.

“This is the first time I feel I can endorse an initiative, coach my team to it and expect them to embrace the process,” Goldstein said

Certain concepts, such as Miller Heiman’s Single Sales Objective (SSO), brought new light to the way the organization looked at sales. With more focus on SSOs, wins increased more than three-fold with 946 won by August of 2009 vs. 304 SSOs won in all of 2008. By August, Oakwood’s win revenue more than doubled 2008’s from \$53 million to \$129 million.

“We went from a focus on account management to looking at each SSO,” Revenaugh said. “The best performers already had this mentality, selling blocks of apartments instead of taking reservations. This concept finally resonated with others in the organization.”

To ensure their investment in opportunity management was realized, Oakwood adopted Miller Heiman’s *Strategic*

*Selling*® *Coaching* and *Strategic Selling*® Funnel Management processes. According to Revenaugh, these programs bolstered the capabilities of Oakwood's frontline sales managers to drive transformational change in SSO management.

## The Long Haul

Since implementing *Strategic Selling*®, it is now engrained in Oakwood's culture. Each week, regional sales teams participate in a sales huddle where they review SSOs in the pipeline. They also conduct regular reviews of Blue Sheets (Miller Heiman's *Strategic Selling*® sales tool) as a team to collaborate on important SSOs using a common language.

The Sales Playbook is part of Oakwood's every day culture. With posters featuring its logo around the office, and a copy of the actual Playbook at each salesperson's desk, leadership has embraced this transformation and looks forward to ongoing reinforcement.

## About Oakwood

Oakwood Temporary Housing, founded in 1960, is the leading provider of temporary furnished and serviced apartments worldwide. With nearly 15,000 furnished and conventional residences in 3,000 locations throughout North America, Europe, and Asia, Oakwood offers a full spectrum of housing solutions to meet the needs of business and leisure travelers.

Oakwood focuses on providing temporary housing to professionals in a variety of industries including travel, insurance, government, entertainment and consulting, working closely with professionals in a number of job functions including relocation, human resources and procurement.