

Surviving Through Selling

An Approach For Hard Times

When the business climate is rocky or when the economy is going through a downturn, most businesses look to improve their bottom lines via cost-cutting measures.

The natural inclination is to find areas of the business that can be pared back or made more efficient. While taking these measures will help improve the near term financial picture, they usually fall short of having a sustainable long term positive impact on the business, the type of impact that will bring sustained increased sales to the top line and a better margin to the bottom line.

Instead, during these times, business executives should be asking themselves questions like:

- How do we hold on to the business we already have?
- How do we get more business in these hard times?
- How do we expedite the decision-making cycle when companies are cutting back?
- How do we improve our profits overall?
- How can we use new products to improve our sales?

The answers to these questions can be found by focusing on increasing sales. Shifting the focus to sales will improve both top-line sales *and* bottom-line profits.

Selling to improve the financial picture

The focal point is the sales force, that group who is responsible for selling the products, services and solutions to new prospects and existing customers. Many sales people in companies today haven't sold in hard times and are not properly equipped to sell in anything less than good times.

The reality is yesterday a company's sales force had to be good enough to sell its competitive advantage. Today sales people have to be good enough to be a company's competitive advantage.

Ideally, a business can optimize its bottom line by implementing both strategies – increasing sales **and** reducing costs.

Sales strategies for hard times

Here are several high-impact areas to focus on in the sales arena:

1. *Creating value by keeping the briefcase shut*

Most sales people, whether it is in good times or in hard times, know only one way to sell their products. Most sales people walk into a customer's office and do a very good job at opening their briefcase and telling the customer all about their product, service or solution. Oh yes, they're excited, and, in fact, many times they succeed in generating some level of interest with the customer. The only problem is the sales person is not creating value for their product in terms of how it can help the customer.

Your sales people need to take the time to understand the customer's issues and how your product is able to "create value" for the customer, not just in the eyes of the sales person but, more importantly, in the eyes of the customer.

2. *Effectiveness versus efficiency*

Efficiency is the ability to make more calls – i.e., work harder. Effectiveness is how well a sales person does when they make sales calls i.e., when they are in front of the customer. You can usually motivate sales people to work harder but you can't motivate sales people to be more effective. The reality is that a sales person's effectiveness is dependent on their skill level. If they don't have the skill to make an effective sales call, they need sales training or sales coaching.

The good news is that most sales people have the capacity for skill development. Some sales training and a fair amount of sales coaching is required to get sales people to act differently i.e. to be more effective.

3. *Aligning marketing and sales*

Many organizations never take the time to strategically align marketing and sales. They have talented marketing people who do a fine job creating great looking collateral material and in turn, the sales organization is full of eager and bright sales people who fervently believe in their company's product. Unfortunately, in today's business climate this is not enough.

In reality, the marketing people may very well be creating "stuff" that fails to communicate how their company's product can solve business needs and provide value to the customer; and the sales people may be communicating only the features of their products and not taking the time to understand the

customer's needs and how their product creates value by solving them. The best approach is to assure that marketing and sales are on the same page.

4. *Don't forget about the existing customer*

Many sales people chase new business at the expense of existing clients. Sales people need to pay more attention to the customer and create value around additional customer-focused solutions by taking the time to better understand the customer.

Sometimes it can be as simple as asking the customer, "Are there areas where I might be able to help you?" or, "Help me to understand the challenges that are on your radar screen that are important to solve in the near term."

5. *Less reporting and more planning*

When sales begin to ebb, many well-intentioned sales managers begin to demand an increased frequency of reports to be completed and turned in on a regular basis. They believe this will cause results to improve. Unfortunately this doesn't work that well.

The sales manager should be placing emphasis on better and more thorough account and sales call planning. The sales manager should be asking questions like, "What do you hope to realistically accomplish in the meeting with the customer? What would make the meeting valuable for the customer? What are possible hurdles that could prevent you from achieving your goal for the sales call? What can you do to minimize these hurdles?" Better planning directly attributes to increased sales, especially if the planning is customer focused.

6. *Better negotiation*

Sales people are only human. When their customers explain that they can't afford to spend as much on the product, the sales people are usually very eager to oblige. They cut the price of the product hoping the customer will buy from them. Unfortunately this doesn't always guarantee a sale because the customer might still have other reasons not to buy.

These customer concerns almost always have nothing to do with price. Instead, they are about the perceived value the customer places on the product, service or solution. If the customer sees value in what the sales person is trying to sell them they will be more likely to buy. Once again the key is to get the sales force to behave differently.

Sales reps need to better understand the problems and issues that the customer is facing. Ineffective negotiation can be a major reason why sales targets are

missed or why profit expectations are not achieved. Effective negotiation is truly the art of understanding the customer as well or better than they understand themselves.

7. Early versus late management involvement in the selling process

Historically, the sales manager plays the role of the super-closer, the one who can swoop in and convince the customer that their product, service or solution is clearly superior. And in the event that the customer wants a price concession, then the manager is usually empowered to authorize the appropriate price concession on the spot. Everyone walks away happy. Or so it seems.

The reality is that the sales manager's time has not been utilized very well at all. At the point in the selling cycle where they finally made that joint sales call to close the deal it was probably too little too late in terms of creating high value in the eyes of the customer. Oh yes the customer saw value in the product but not enough that the sales person was capable of closing the sale on his own.

The sales manager's time would have been better spent if he had called on the customer earlier in the selling process. He might have been able to team-up with the sales rep to better understand the customer's business issues. Subsequently, they might have been able to recommend a higher-value solution to the customer. And, they might have been able to close the sale even though the customer was thinking – "while the price is higher than I initially expected, the level of value it provides to my organization more than offsets the additional cost."

Product capabilities mean nothing unless the customer sees value in them. Getting the sales manager involved early in the selling process to help create customer value could be a better use of his time than trying to close a customer who sees limited value to the product or who would require a significant price concession to close the sale.

The payback is worth the effort

The potential to improve top-line sales and bottom-line profits through more effective efforts of the sales force exists in most organizations today. It takes time to develop a sales force to be able to attain these results. However, the payback is a high one; you will close more sales at a higher price point.