

Invasion of the Tire-Kickers: Revving Up Revenue in an Ailing Economy

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A Sales Issue
Quick Read

Successful sales organizations weather tough times with thoughtful initiatives, skilled salespeople, and healthy client relationships.

Are We There Yet?

If not, it sure feels like it. Housing is so bad that your mortgage is upside down. Credit is so tight that you can't borrow a garden hoe. The dollar is so weak that a pint in London sets you back a day's pay.

So, is it a "technical recession"? Who cares, really, because for reasons of their own, customers and prospects are sitting on their checkbooks.

And what's the impact on you of this excruciating state of suspended compensation?

- Sales cycles longer than the River Nile.
- Client conversations that move smoothly from price, to price, and finally on to price.
- Formerly friendly clients who won't give you an Altoid.
- And, of course, the invasion of the tire-kickers.

You say you've done everything obvious and nothing works?

Maybe it's time to narrow your focus.

Up the Ladder

In a booming economy, average salespeople can thrive at one rung above an order-taker. Now, with few orders to take, you'll need to cultivate sales in a logical way.

First, create a clear line of sight. Help salespeople see how your sales strategy should guide their efforts—specifically, (a) who to sell to, (b) what value proposition to sell, and (c) what sales process to follow.

Until you communicate that kind of clarity, each salesperson will likely take a different tack, which rarely brings the predictable revenue you need.

Earning customer loyalty and face time takes discipline and the right mindset: customer first, not product first. Cash-strapped prospects won't make time for a product-obsessed seller. They will value their relationship with a trusted business advisor.

Especially in today's market, a clear strategy and customer-relationship process support wise investments, adaptability, and predictable results.

"Damn the Torpedoes!"¹

Since all markets undergo cyclical change, there's no shortage of instructive tales about forging ahead when money is tight.

- Before World War II, department-store giants Montgomery Ward and Sears battled for market share. Expecting a recession, Wards turned cautious. Sears expanded. When the market boomed and Wards decided to spend, it was too late. Locked out of lucrative locations, the company never recovered.
- Bain & Co. studied 700 firms in the recession of 1991-92.² Twenty percent entered behind their competitors yet emerged in front, while 20 percent went in a leader and came out a laggard—twice the shift you'd expect in a stable economy. According to Bain, bold players like Wal-Mart expanded their offerings. Timid players like Kmart struggle to this day.



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History's lesson: At every point in the economic cycle, successful sales organizations prepare for the opportunities that inevitably come.

- McKinsey & Co. studied 1,300 firms in the downturn of 2001-02.³ Forty percent fell from the top, while 15 percent rose to the top. Citing "strategic flexibility," McKinsey noted that the winners foresaw and readied themselves for new opportunities.

The lesson here? At every point in the economic cycle, successful sales organizations prepare for the opportunities that inevitably come.

Which Way Is North?

So much for history. What can you do now to get sales productivity back on track?

Equip people with selling and negotiating skills.

The simple fact is, skillful salespeople win. Properly supported, they:

- Exude confidence and inspire confidence in clients.
- Fathom deeper client needs, often financial.
- Drive purchase behavior by positioning what they sell as revenue-generating strategic necessities.
- Negotiate mutually-beneficial terms.

As a result, these salespeople close far more business in a suffocating economy. What's more, your investment in selling skills reduces costs through shorter sales cycles, generates immediate revenue, and positions you for long-term success.

Get to know existing accounts.

In tough times, savvy salespeople expand contacts in their accounts—to grow immediate sales and to hold the accounts when contacts move on. These salespeople do what it takes to understand the roles that contacts play in purchase decisions, as well as the business realities that shape buying decisions.

Instead of cutting back on sales calls to reduce costs, salespeople need regular client dialogue. Those who maintain and expand their contacts reap rewards over dormant competitors as the market improves.

Plan for the best.

In a down economy, formal account planning can rev up sales—if it helps salespeople identify buyers and assess their buying potential. Wise planning moves accounts forward by helping salespeople to:

- Foresee and overcome objections.
- Build long-term presence in their accounts.
- Zero in on the right prospects—those with potential to buy.
- Engage prospects by tailoring an approach to their key business issues.
- Ask the right questions at the right time to shape productive dialogue.

1 So said Admiral David Farragut aboard The Hartford in Mobile Bay, Alabama, August 5, 1864.

2 Baveja and Hagey, "In recession, opportunity," Orange County Register, 12/26/02, www.bain.com

3 Dobbs, Karakolev, and Raj, "Preparing for the next downturn," undated, <http://www.mckinseyquarterly.com>

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Create the conditions that motivate selling.

Any impact from motivational speeches and awards is usually short-lived. In a listless economy, salespeople need leaders who continuously foster the self-motivation required to handle more rejection and longer sales cycles.

To create an environment that supports productive self-motivation:

- Regularly assess individual performance and recommend specific behavior changes.
- Provide the stimulation, focus, and information that salespeople need to succeed.
- Devise creative incentive programs.
- Make yourself available for advice.
- Go out of your way to reinforce key methods and model desired behaviors.

This kind of leadership keeps people active and positive, yielding real payoffs as self-motivated salespeople engage clients and prospects.

Carpe Diem

As it always has, the market is very likely to improve. Meanwhile, of course, you need to sell. What's the summary wisdom of successful sales organizations?

- Secure short-term business by staying close to customers.
- Respond quickly to changing customer needs and concerns.
- Take strategic steps to position yourself for long-term success.
- And, above all, avoid the temptation to wait and see.

In short, successful sales organizations weather tough times with thoughtful initiatives, skilled salespeople, and healthy client relationships. This is a timeless model for rewing up revenue—in any economy.

About the Authors

Seleste Lunsford, AchieveGlobal Executive Consultant, advises clients nationally and internationally on developing effective sales people, sales leaders, and sales systems and processes.

Seleste has held positions in sales, product management, marketing, and management consulting. These positions honed her considerable abilities in strategic planning, market analysis and business-case development, process redesign, and product design and development.

Seleste has written for numerous national publications, including *Selling Power and Pharma Voice*, and is co-author of two books: *Secrets of Top-Performing Sales People* and *Strategies that Win Sales*. She is a sought-after speaker at business conferences.

Seleste earned an MBA from Florida State University, where she also earned a B.S. in physics.

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Craig's background includes two years as writer and product designer with Louis Allen Associates, a management consulting firm in Palo Alto, California; six years as a stand-up trainer with the American Institute of Banking, San Francisco; 10 years on the faculty of College of Marin, where he taught English, creative writing, philosophy, journalism and humanities.

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