Smart Selling in Tough Times

Workshop Leaders:

John Kratz

Ken Jondahl
Workshop Topics

- How recessions can impact *sales cycles*
- How to *match* your sales approaches to different buyer types
- Activities that may not work
- Sales tactics for different buyer types
Our Goal

- Stimulate your *thinking* about successful selling during a recession
- Provide suggested *strategies* and *tactics* that you can put to *immediate* use
- Have fun!
How Bad is it Really?

“How Bad is it Really?

“My economic downturn is a terrible thing to waste!”
Recession Impact: Survey of Sales Executives/Consultants

- 77% reported buying decisions are taking longer
- 52% stated buyers are purchasing less
- 41% felt buyers were demanding more price concessions
- 38% were directing sales organizations to pursue new categories of customers

Source: Josh Gordon, Selling 2.0, Whitepaper for The Customer Collective
Common Issues During Recessions?

- Our sales people have never sold during an economic downturn
- Our sales people are not as prepared as they could be to call higher in the organization
- The length of our sales cycles are increasing
- Buyers are requiring more value justification and are stalling out in the land of “NDI”
- Marketing messages aimed too low in the buying organization & focused on buyers that can’t make the buying decision
- Others?
Different Types of Buyers Require Different Approaches!

- **Price Buyers**: Shortest Cycle Time
  - Efficient sales cycles
  - Price, delivery, works out of box

- **Value Buyers**: Medium Cycle Time
  - Buying cycles extended in tough times
  - Solution first, value justification next

- **Strategic Buyers**: Longest Cycle Time
  - Company abilities is first priority
  - Ability to deploy company resources

Group Research Based on “Creating Real Value for Your Customers” – Huthwaite Group
Tactics That Can Hurt!

“Yes they shaved our margins a little, but they signed the contract!”
Activities That May Not Work!

• Inaction?
  • “Isn’t a great strategy for good times, in a recession, it’s suicidal.”

• Increase Sales Activities?
  • More Calls ≠ More Orders!
  • Price Buyers - increase the right activities!
  • Value Buyers - increase the right prospects!
  • Focusing on the wrong end of the sales cycle!

• Price Reductions?
  • Value Buyers will purchase safety, security and reliability at a price premium!
Recession Tactics: Price Buyers

- Pumping-up the volume of “productive” calls
- Minimize non-productive activity reporting
- Negotiate with company agreed upon concessions
- Streamline pricing/quotations processes for speed
Where is the “Value” Customer at Today?

• During a recession, the normal value buying cycle will be extended
  • Some studies have shown up to 40%
• Security and safety become more important!
  • “No one ever got fired for buying IBM”
• More buying decisions are being made by committees and groups
• Budgets are tighter
  • Approval of funds may be moving higher in your customers organization!
The Value Line*

*Line moves up or down dependent upon size of expenditure and organization. It also varies from opportunity to opportunity.
Recession Tactics: Value Buyers

• Have a process to discover all key buyers goals, needs, issues

• Train more on the product usage tied to value for each key buyer, (not product features)

• Begin your coaching at the prospect stage

• Call higher on both new and existing customers

• Sell reliability, peace of mind, security and safety

• Have a process to work with buying committees
Recession Tactics: Strategic Buyers

- Initiate at Senior Executive Levels:
  - **Both** buyer and seller organizations
- Integrate *cross-functional* teams on both sides
- Have a process for *discovering* and *clearly defining* customer’s *goals, needs, issues*
- Develop *mutually-agreeable* evaluation timelines with agreed upon go/no go steps
Review

• More activity does not equal more orders
• Have a process to discover all key buyers goals, needs, issues
• Train more on the product usage vs. product features
• Begin your coaching at the prospect stage
• Call higher on both new and existing customers
• Sell reliability, peace of mind, security and safety
• Have a process to work with buying committees
Take Away Considerations

• Protect and grow your existing 80/20, both volume and margin

• Grow new prospects where you are the strongest

• Identify your unique product features providing the most competitive position

• Convert product “features” to product “usage” by title/position/roles

• Using your unique product “usage”, what key players by title/position/role should you be calling on?
Questions?