Selling in Tough Times

Over the past 17 years we have been fortunate to have experienced positive growth which has spoilt those of us in sales. The cycle has been so long that fewer than 50% of today's business- to-business salespeople have ever sold during an economic downturn. For those who were in sales in previous economic downturns of 1991, 1987 and 1982 will remember what it was like. This current cycle according to financial forecasters will remain for at least 2 years and according to Bill Gates of Microsoft - 10 years. This is enough to depress anyone and it has already impacted on many salespeople, particularly the younger salesperson. The selling environment has changed and we need to adapt in order to survive and grow.

So what happened in previous economic downturns?

1. Clients, and particularly prospective clients, became more risk aversive and preferred to deal with suppliers they knew, trusted and who had a good track record.

2. Trying to secure an appointment with the decision-maker was difficult and almost impossible, particularly with medium to large organisations. This is because the sales process can become more complex due to the number of people involved in the decision - making process. For example, the general manager of a national company signed off on all sales training and development needs for 6 years. This convention changed to a requirement for input and agreement from 5 state managers...consensus- based buying.

This sales process takes considerably longer and unless a solid relationship has been developed with all buyer influencers (the 5 state managers) the sale could be in jeopardy. Profit margins are also reduced because the selling cycle is longer due to the need for additional selling activities to secure the same amount of business. The decision-making process *can take up to 40% longer in a down economy.

3. The new protocol meant a dramatic increase in the volume of sales calls, proposals, demonstrations and presentations. Sales pipelines became full of mediocre opportunities that resulted in minimal, if any, impact on sales. Sales forecasts were often 'rubbery'. Clients become more cautious and, unless the sales person could clearly demonstrate greater value, the status quo remained.

4. Clients were pushed to buy: high pressure selling
Who likes to feel they are being high pressured to buy? This shows a lack of respect for the other person, a limited selling ability, and can permanently damage the relationship between the salesperson and the client and the represented company. If a sale is made there is always a strong risk the order will be cancelled as soon as the salesperson leaves.
The competitor who doesn't employ these tactics is the one who will get the business now and in the future.

5. Discounting
This may appear as an easy fix to a short term problem. However, discounting creates other problems. Greater volume needs to be sold in order to generate the same amount of profit and, if this isn't achieved, the company will be in a weaker financial position.
When the economy does turn and grow the company won't be in a position to take advantage of opportunities. In fact, some of these companies will be taken over by a stronger competitor. Discounting also negatively impacts on an industry and is too great a price to pay.

6. Making more cold calls
Simply increasing sales activity levels without a sound sales strategy won't necessarily produce more sales. In this economic environment prospective clients are reluctant to change suppliers and prefer to stay with those whom they know, like and trust.

How do we take advantage of an economic downturn?

1. Think survival and growth
Salespeople who are only in survival mode tend to overreact to problems and their decisions are often fear-based. To begin thinking growth, set clearly defined written goals for the next 30 days. Then identify the action steps you need on a daily and weekly basis to make it happen.

2. Re-evaluate who you associate with
You cannot afford nor would you want to be affected by people who are constantly looking for and speaking gloom. It becomes a self- fulfilling prophecy... the law of psychological reciprocity...what you think of most of the time will happen. Associate and develop networks with people who have a positive, uplifting attitude.

3. Build a brick wall around key clients. Concentrate on the best selling opportunities
Even if you know who your key clients are why not validate their position by ranking them in terms of revenue contributed from the highest to the lowest. The top 20% 1-20 category A,
21-75 category B and 76-100 category C. You now know where to allocate most of your time. Thoroughly qualify every sales opportunity so your sales pipeline is full of genuine business potential. It will also make financial forecasting more accurate.

4. Focus on selling value, reliability, security, stability, safety and peace of mind
Value doesn’t have to be tangible as product quality. Intangible value can build strong loyal relationships. For example send articles of interest that are of a personal or business nature and important to the client. It shows you are thinking of them and that you care. Provide a guarantee or a warranty. By demonstrating reliability through your behaviour you will create an emotional sense of ease.

Kurt’s expertise is in sales strategy, sales management development; group structured sales training and infield sales coaching. As a sales person he has successfully sold products and services in 4 major market/product segments: new product sales, consultative sales, relationship sales and retail. During his selling career he created sales records for three companies in two industries and won many other sales awards for outstanding performance.