



SALES

7 STEPS *to* *better selling*

WHEN THE ECONOMY SLOWS, SALESPeOPLE NEED TO INCREASE THEIR FACE TIME WITH CUSTOMERS, SPEND THEIR TIME WISELY AND START CREATING BUSINESS OPPORTUNITIES

By Victoria Fraza Kickham,
Managing Editor

If nothing happens in business until something is sold, then distributor sales reps may be under the greatest pressure in today's economic climate.

Whether you're selling in one of the deep recession pockets, such as residential construction or the automotive industry, or are beginning to feel the effects of a slowing industrial environment,

chances are you're worried about how much your customers are going to buy from you in 2009 and wondering where you can turn to drum up new business. We asked three sales experts and one of the country's largest distributors to give us some pointers on how distributor sales organizations can make the most of a slow economy; they offered the following seven steps:

1. Get your house in order

The first tip is for managers: A slower business environment is a window of opportunity to make structural changes to your sales organization, says consultant and sales trainer Dave Kahle, who works with business-to-business companies nationwide. He uses the term "structure" to refer not to people, but to the poli-

cies, rules, regulations and procedures that govern your sales organization. This includes your compensation plan, the way you define your sales territories, your sales reps' daily responsibilities and so on.

Now is the best time to make changes and fine-tune your structure, Kahle says, because employees are likely to be more accepting of change than they were when the economy was booming.

"It's a very practical thing," Kahle explains. "If people think that somebody else is looking for their job, they're going to be more accommodating to what the boss wants them to do. It's just the nature of the times right now."

It's not the time to make changes just for the sake of making changes, though. Kahle advises taking a critical look at



"IN TOUGH TIMES, CUSTOMERS ARE GOING THROUGH TOUGH TIMES TOO. THERE ISN'T A MORE COMPELLING TIME TO REDUCE COSTS AND ADD VALUE."

— Tom Reilly

things such as your compensation structure, which probably hasn't been examined in many years.

"Most sales compensation plans are vestiges of years gone by," he says. "When I work with a plan and ask a company why they have the plan they have, the number one answer is always, 'Because we have it.' It was never developed strategically. It was inherited. Now is the time to look at each piece of the structure and say, 'What should it be for the future if we're going to grow our business?'"

That said, it's also a good time to look at your people. Kahle recommends taking a close look at your sales force and determining the least productive members of the team. What you do with those low performers depends on your situation; you may have the resources to help them improve, or it may be time to make some staff cuts.

2. Make more calls

Sales expert and INDUSTRIAL DISTRIBUTION columnist Tom Reilly tells salespeople to make at least 25 percent more sales calls when the economy slows. He says most salespeople reduce their face-time with customers during tough times, giving those willing to increase their call volume even more leverage in the marketplace. Besides, he adds, even in a down economy there is business to be had; it's a matter of who's going to go out and get it.

"The best advice I could give is to put yourself in a 'creating' rather than a 'responding' mode," Reilly says. "You've got to get in there and identify areas where customers are spending money, and [where] you can save them money."

Tom Cox, vice president of sales for MSC Industrial Direct, agrees. MSC has about 900 salespeople across the country. The distributor began expanding its sales force in 2007 and continues to do so, though at a reduced level, now that the economy has slowed. MSC is maintaining its number of "feet on the street," filling spots that open up in existing territories,

looking to add sales reps in areas that will be accretive quickly and making room for top producers who may defect from competing distributors. The idea is to keep customer service levels up and take business from the competition.

"Our message to the sales team is very clear: Now's the time to focus on taking market share," Cox says. "That's the way we talk to the sales team now."

3. Spend your time wisely

Hand in hand with the "take market share" strategy is the need to make the most of your time. To that end, MSC has continued to invest in training programs that teach salespeople how to be more productive—in the office and on the road.

"We really need the sales team to be much more productive when they're out on sales calls [in order to] take market share," Cox explains. "We're training [them] on how to make the most of their day. Each visit has to have a meaning and a purpose."



MSC's Tom Cox says today's focus is on taking market share.

ensuring that their assets are being used effectively. Beyond training, that means ensuring that salespeople are making good use of their time by calling on customers that are doing well, paying their bills and have potential for growth.

"That may not sound like a big deal, but it can be a huge change for a lot of distributors, [whose] salespeople call on pretty much who they want to call on," Kahle says. "Often times, they'll call on people they have relationships with by

default. ... In every industry there are people who are growing and doing well. Those are the ones to focus on."

A simple question can help you determine which customers are growing and doing well, according to sales expert Jeff Thull: "Ask your customers, 'How would you characterize the conversations within your organization?' You'll get a quick answer and you can very easily discern the ones you should be spending time with."

Thull is president and CEO of Prime Resource Group, which works with companies involved in complex sales.

Those that are hunkering down and waiting for the tough times to pass may not be worth your time, he explains. On the other hand, those that are focused on strengthening their processes and skills and creating business opportunities are a good place to spend your time.

"I would go so far as to say, 'If I have a choice, I'm not going to call on those customers that are whining and let them take me down with them,'" Thull says.

4. Get closer to your customers

Now is also the time to learn more about your customers. What long-term projects do they have planned for when the economy improves? How are their end markets performing? What are the toughest challenges they're facing? What are competing distributors offering them?

When you have more of this information, you're in a better position to offer advice on how your products and services can help them accomplish their goals, says Thull.

"Spending time and seeing yourself as a coach or advisor to your customers is so important," he says.

Thull advises coaching customers on strategies for penetrating their accounts—specifically, on ways that your products and services can help them better serve their markets.

"You can look at [the current slowdown] as, 'It's out of our control and we have to accept what happens,' or you can really focus on your customers, discover

who is going to aggressively move forward and then work with them to find out what you can do to help support their business.

This [mindset] allows you to get a deeper understanding of your customers.”

MSC is putting that theory to work with its focus on cost-reduction strategies.

“As [customers] are purchasing less and business is slowing down, they have more time to spend with our salespeople, so we’re taking advantage of that,” Cox says. “They’re listening to how we can help them, [and] how we’ve helped other customers take costs out of their businesses. That’s really what the MSC model is all about—solutions.”

5. Don't cut your price

Whatever you do, resist the urge to cut your price in tough times. As Reilly explains, you’ll only have to fight harder to get your price back in line later.

“The problem is, you’ve got to fight for that same ground twice,” he says. “To get your price back up after that, you’ve got to re-fight to take ground that you’ve already conquered.”

Instead, he advises finding more ways to add value during tough times.

“There are things you can do for customers because you have the resources and can ease their pain just a bit,” Reilly explains.

Reilly points to a distributor sales rep he recently worked with as an example. Realizing that his customer was purchasing a wide range of items for a particular job, the distributor sales rep decided to find a more cost-effective way for the customer to purchase them. He calculated the cost of ordering each individual item and realized he could put them all together into a kit with one part number, effectively reducing the customer’s purchasing costs.

“In tough times, customers are going through tough times too,” Reilly explains. “There isn’t a more compelling time to reduce costs and add value.”

6. Create business

The most successful salespeople take personal responsibility for adjusting to and coping with tough times, says Thull. Rather than sit back and wait for things to get better, they go after the business

that is still out there.

“An awful lot of salespeople are order takers, so as the economy grows, so grows their volume,” Thull explains. “But the [top performers] tend to create business. They’re the ones that will look closer at a more finite set of customers that are aggressively looking to step up their sales and marketing efforts during a down economy.

“[As a result], their market share becomes larger and their sales stay the same—or even go up. Those are the ‘business thinkers.’”

7. Have a positive attitude

Reilly says tough times reveal character; they introduce you to a strength you didn’t know you had.

“Everyone is tested in tough times,” he says. “And everybody that I know who has accomplished something of significance in life has come from a position of adversity. The people I know that triumph in tough times realize that there’s a time limit on tough times. They feel the pain, but then they move on.”

As Thull explained earlier, it comes down to choice: You can sit back and wait for things to get better or you can get out there and make the most of the opportunities that still exist.

“The ‘tough timers,’ as I call them, can stand back and look at a situation from different perspectives and make a choice about how they want to process the information and respond to it,” Reilly adds. “They don’t let themselves get overwhelmed by the emotion.”

Kahle has an even simpler take on the importance of attitude in slow economic times. And it applies to all employees, not just salespeople.

“Make sure, in your job, that you strive to be a valuable and profitable employee,” he says. “Work harder, work longer, work smarter. Make yourself a valuable and profitable employee.”

“Just from a very practical point of view, if your boss has to cut the sales force by two people, you don’t want to be one of the two people. Find ways to be profitable and valuable to your employer.” ■



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