

BREAK THE RULES! WAIT, WHAT RULES?

By Troy Harrison

I've written much in this space about the evolution of selling in recent years. Much of the evolution has been driven by the Internet, and the ease of access to information that the Internet gives customers and sellers alike. That the Internet is a double-edged sword for salespeople is a foregone conclusion by now. That the Internet is a primary force of change in sales is also a foregone conclusion. However, the Net isn't the only driver of change, and some of the change goes beyond being positive.

In fact, right now is probably the most fun time in selling that I can remember in my 27 years. Why? Because the old rules don't apply – and many of those old rules haven't been replaced by new ones. Changes in everything from the way salespeople are managed, to the way accounts are being managed, to how customers are interacted with, are being laid wide open for experimentation – and there's nothing more fun in sales than the freedom to experiment.

Example One: Paid Consulting. For as long as salespeople have been selling, one bugaboo has been customers who use us as “free consultants.” In other words, the customer allows us to do a comprehensive needs analysis, proscribe the correct products and/or services, and come up with a complete proposal to solve the customer's problem. The customer, then, takes that proposal and shops it to companies that don't have the cost of sales invested and can easily lowball a price – and the salesperson who offered real value ends up without the sale.

The ‘old line’ sales defense has been to not offer actionable information to the customer until the customer has committed to a purchase. The problem with this approach is that it can work against the salesperson who is trying to build a relationship – the salesperson comes off as standoffish and untrustworthy to the customer. Now, there's a better option (or at least one worth trying). A coaching client of mine had this situation recently and I suggested that she charge for the value of her consulting. After much discussion, she proposed this to the customer, and he readily agreed.

This is one moment where I think the Internet helps us. There is so much free content that's out there on the Web that I think people now have a much higher perceived value of knowledge and expertise that must be paid for. Hence, when a salesperson asks to charge for his/her expertise, the customer perceives that the expertise provided is well worth it. In the case of my coaching client, she got not only a consulting fee, but she also got the order.

Example Two: Team Selling. In an example I wrote about a few months ago, two salespeople who work for one of my clients decided to team up, thinking that in this case two heads were better than one. They were right. One is a superstar-level prospector, one is a highly talented and skilled account manager. In a process that was not initiated by management – but is now endorsed – they combined their territories and their talents.

The result is that the superstar prospector consistently wins more new business annually than nearly any other salesperson the company has (he has one guy that pushes him pretty hard), while the talented account manager hangs onto it and develops it. They both get to do the parts of sales that they like best and excel at, and the results are huge. In their business, a ‘quota’ level salesperson typically sells around \$1 million per year; at last count, the team achieved over SIX TIMES that level.

The best part is that this was initiated not by sales management – but by salespeople who were willing to put their own skin in the game in terms of commissions. They made decisions as entrepreneurs would, and that yielded a terrific result. Again, the ‘old rules’ of this industry are that the requirement is one salesperson per customer, and the person who won the business is the person who manages it. Rules broken, and a great result had.

Example Three: Two Tiered Pricing. One of the biggest complaints that salespeople have right now is the ‘cheap pricing’ complaint. “But, Troy,” they say, “Amazon and other sites have what I sell at cheap prices – but those sites don’t provide the service that I do, yet customers expect to pay those prices.” The result, typically, is that the salespeople try to negotiate UP from the ultra-cheap pricing on the Web, attempting to convince their customers of the value-add services they provide and attaching a value to those. That’s not a terrible model, but customers are seldom willing to acknowledge the full value of service provided to them – and the salesperson is working UP from a low- or no-profit deal.

Instead, why not establish two-tiered pricing? One of my clients did that. The logic works this way – IF they were allowed to provide the exact same service level as a website like Amazon (no personal interaction whatsoever, drop shipping, etc.), they could make a profit, albeit a small one, selling at those prices. So, they established two-tiered pricing. If customers emailed their orders to a specific email address, their prices were matched to the website in question (it wasn’t Amazon but an industry-specific one that was giving them fits). Customers receiving this price structure were only allowed to email orders in, and instead of receiving their orders next-day delivery by the company’s own service vehicles, they were drop-shipped to eliminate material handling costs.

IF customers had questions, needed advice, etc., they were placed into the company’s conventional pricing model which generated a significantly higher profit to account for the service and associated costs. Customers could go all one way or all the other – no cherry picking. The result was that sales have gone up; customers that wanted the ultra low pricing have a way to get it; however, most customers still choose the high-service level. Again, rules broken, a great result achieved.

The point is that right now, there are very few rules in selling. The Internet has turned things upside down. And all of these ‘rule breakers’ above did so in order to facilitate the way the customer wants to do business. Is it time to re-evaluate your sales model?

Troy Harrison is the author of “Sell Like You Mean It!”, “The Pocket Sales Manager,” and a Speaker, Consultant, and Sales Navigator. He helps companies build more profitable and productive sales forces. To schedule a free 45-minute Sales Strategy Review, call 913-645-3603 or e-mail Troy@TroyHarrison.com.