

ARE YOU FOCUSED ON YOUR COMPETITORS OR YOUR CUSTOMERS?

By, Troy Harrison

I had an interesting conversation last week. I was talking to a prospective client and toward the end of the conversation, he said, “You should know that I’m talking to one of your competitors, too. Would you like to know who it is?” I think my response surprised him.

I said, “You’re welcome to tell me if you like, but it won’t change my behavior. My offerings are dependent on my clients, not my competitors.” He was surprised by this, and I understand why. In sales, we are constantly having our competitors being used as leverage against us by customers who want to gain better pricing, terms, etc., and a potential service provider that won’t play that game is anathema to many people. But, why did I say that? Therein lies a window into my philosophy, as well as some hard questions you might want to ask yourself.

I find that too many companies focus inordinately on their competition, rather than their customers. That manifests itself in any number of ways; here are some of the most common:

Pricing: When a sales manager demands to know “who we’re up against” before issuing pricing, you have a problem. I’ve seen that in a number of my clients, and I always ask the same question: “Why?” Dithering over pricing based on your competition is one of the dumbest, and least customer-friendly, things you can do. You know what your costs are. You also know what your acceptable profit margin is. You also know, or should know, what the common market pricing for your services is. So, why not offer a deal you are comfortable with? If your pricing is dependent upon having fewer competitors for the business, aren’t you incenting your customers to bring in multiple vendors?

Hiring: There are certain industries where the “competitor hire” is way too common. Company managers, instead of having the courage to hire people from outside their industry and grow their own talent, decide that they should hire salespeople from their competitors. The problem with this approach is obvious; you seldom if ever get your competitors’ top people. Usually, you get the people they are glad to get rid of, which makes them stronger and you weaker in one hire. Competitor hires, in my experience, have about a 90% fail rate.

Marketing: One aspect of social media marketing that has become prevalent is what I call “reactive marketing.” This happens when a sales manager, marketing director, or even a company president spends significant time monitoring social media postings of direct competitors. On the face of it, that’s not a bad thing; the problem comes in when the person makes the bulk of THEIR postings reactive, rather than proactive. For instance, company X posts that they have some sort of a special on machine Y. Competitor Z then posts a different special on machine A to try to “combat” their marketing. The problem with this is that competitor Z is letting company X set their agenda for them. This can also happen during a sales call, when all of the salesperson’s positioning is designed to go up against a competitor’s features, benefits, specs, etc.

Proposal presentation strategy: Recently, I was presenting a training program when a salesperson said, “I always like to be the last person to present my proposal; that way they have everyone else’s numbers when I go in.” Seriously, what difference does that make? From a strategic perspective, I actually prefer to be FIRST, for a couple of reasons. First, the first person to propose is the first person to have the chance to close – and I’ve seen, and sold, many deals where the second person in never had a shot

because the first person got the business. And second, if you're trying to communicate to your customer that you will have a sense of urgency in servicing the business, why not demonstrate that by exhibiting that same sense of urgency in proposing the business?

Your offering: I see many companies and sales teams that want to alter key pieces of the offering, such as product specs, service frequencies, contract terms, and more, based on who their competitors for a given deal are. This makes no sense – value, and solutions, are driven not by your competitor, but by your customer's needs. Focus your offering on solving your customers' needs, and your competitors become irrelevant.

The problem with all of these approaches, and other competition-dependent sales tactics, is that you are allowing your competitors to set the arena and the rules of the game. One of my favorite sayings is, "You can't BEAT your competitors if you're trying to BE your competitors." When you are as reactive to your competitors as in the examples above, you're simply trying to be a less-effective version of your competition. And worse – your customers will sense it.

Now, are there times when competitive selling is important? Sure. For instance, if the customers of one of your competitors suddenly start informing you of service problems that the competitor is having, with resultant dissatisfaction, you might want to put together an attack on that competitor – AS LONG AS it doesn't distract your salespeople from building productive funnels. Sales blitzes can be great short-term tactics.

The key is to not let your competitors – even your toughest competitors – set your agenda for you; if you do, you're in trouble, and your customers will know it.

Here's the best strategy for dealing with your competition: Act as the best possible version of YOU. Focus on your customers and their needs. And act as if your competitors don't exist – you'll be surprised how often this becomes a self-fulfilling prophecy.

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 navigate the Elements of Sales to reach sales success. To schedule a free 45-minute Sales Strategy Review, call 913-645-3603 or e-mail Troy@TroyHarrison.com.