

Communications In Action

Essential Sales Skills

Why essential sales skills? Because really effective sales people don't use complicated tricks or techniques, they simply do the essentials consistently well.

There are many different definitions of sales that we could use in creating a training workshop. We could say that sales is "convincing people to buy" or we could define it as "telling people what they need to hear". For the purposes of this workshop, we can define sales as:

The art of helping people make good decisions

This may or may not be your usual working definition, so just regard it as the context for the days training, and in doing so accept the simple premise that underpins it:

You are more likely to get what you want if you can help other people get what they want.

So, the focus of today is going to be on knowing what you want and then being flexible in how you get it. People who stick determinedly to one course of action rarely succeed and are often frustrated. People who stick determinedly to a goal, regardless of how they achieve it are usually successful - certainly, they are more successful than other people.

Your own situation may require you to adopt a different meaning than the one we're working to here, so bear in mind that the approach taken in this workshop is designed to generate maximum choice, maximum flexibility and maximum effectiveness. You can always limit your skills to fit into your own environment, but you would find it harder to expand your skills out of any limitations imposed on you through the course. By bearing this in mind throughout the day you will get the most from it and be most effective as a result of it.

These notes are available to download at www.ciauk.com/warwickshire

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Sales models

Transactional

Simple one-off sales where the customer will not buy more than once.

Repeat

Sales where the customer will place ongoing or regular orders.

Solution

Complex sales where the customer has a business problem but doesn't know what he needs to solve it.

Relationship

A complex or long term sales relationship that is driven by the relationship itself rather than by the product or customer need.

Planning your strategy

You need a plan. Any planning framework that gets you to think systematically about all the elements of the sales process is a good thing.

What do you want to sell?

Who needs that product?

Who do you want to talk to about that product?
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How many do you want to sell? (or what value of sales do you want?)

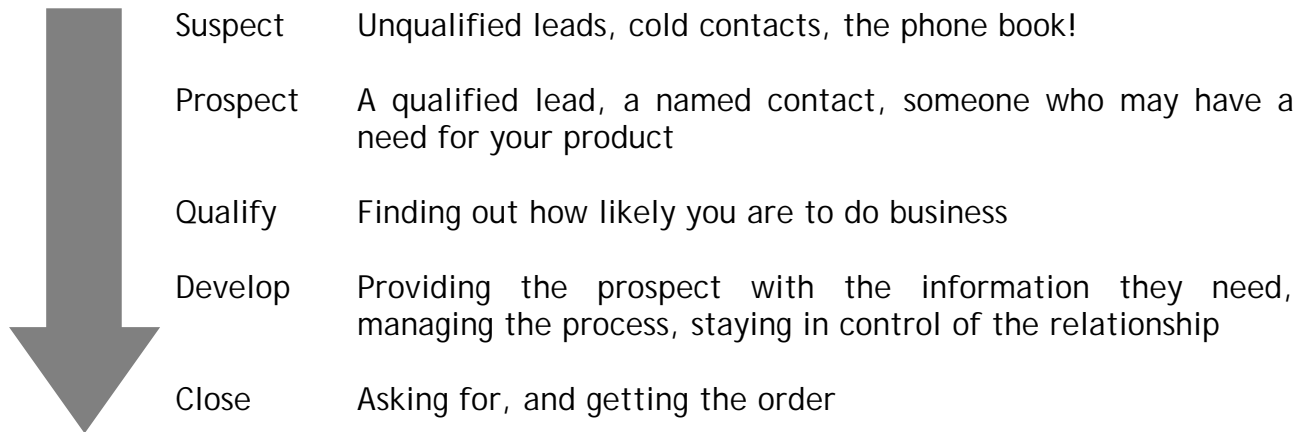
How many prospects do you need in order to get that?
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How many suspects do you need in order to have enough prospects?
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Need
Budget
Solution
Authority
Competition
Reason
Effort
Relationship
Timescales

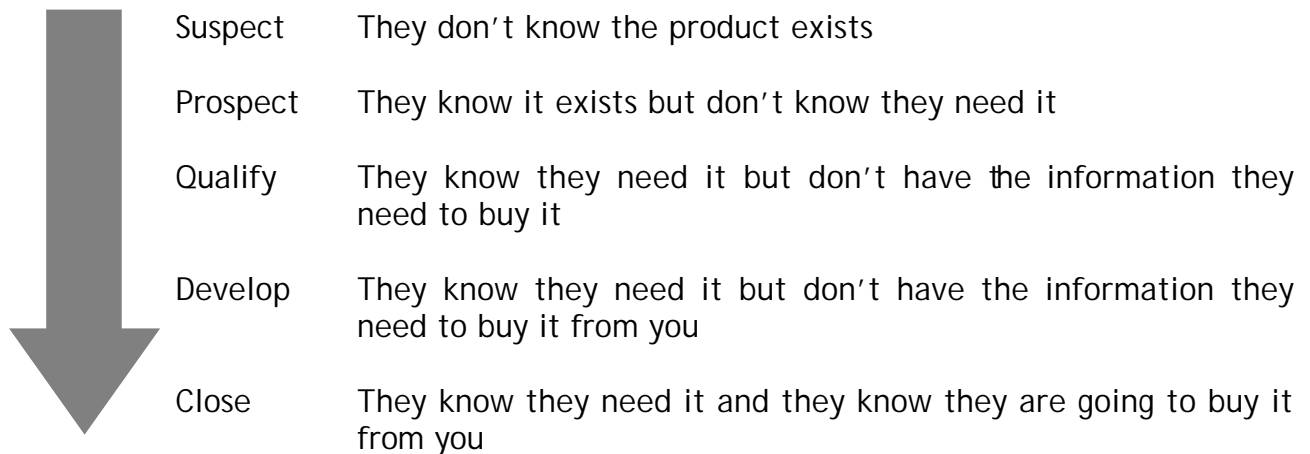
The sales process

In sales, things usually happen in a particular order. The typical sales process normally relates to a single transaction - obviously you will have many such transactions ongoing at any time, all at different stages. By recognising the process and where you are in it with each transaction, you can plan where to go next in order to convert more prospects into orders.



So, by staying in control of the process you are able to maximise the time you spend developing suspects into prospects.

Looking at this from the customer's point of view:



We'll spend some time looking at each of these stages in detail.

Suspect

This is traditionally where marketing takes place - identifying people who you want to talk to. At this stage, you don't really know any details about the person or their needs - you only know that you want to talk to them.

Traditionally, you would call suspects in order to move to the next stage - meeting with prospects.

Typical suspecting activities include:

- Marketing
- Buying or building lists and databases
- Advertising
- Cold calling
- Direct mail
- Direct email
- Websites

Suspecting is basically the process of identifying, at a very superficial level, who is likely to do business with you. For example, if you are a plumber you know that your suspect list is likely to include homeowners.

Who are your suspects?

Prospect

A prospect is someone who could become a customer. They have a need for your product and there is no particular reason why they wouldn't do business with you. At this stage, you are most vulnerable to losing the business because by identifying your prospect you are creating the possibility for competition.

The process of making sales calls, commonly called 'cold calling', is probably the most obvious form of prospecting. Making sales calls simply involves calling every potential buyer in a designated area to find out the following information:

- Does the company or consumer have a need for your product or service?
- Who is the decision maker?
- When is an opportunity likely to arise?

So, prospecting is the process of refining your suspect list into a prospect list. It's the process of filtering out people who will never buy from you so that you create a list of people who might buy from you.

At the prospecting stage, you may come across a live opportunity - this is relatively rare, simply because of the chance of calling a customer at the specific time they are about to buy something and have not yet decided on a supplier.

How do you prospect now?

What new ways of prospecting will you adopt?

Qualify

Qualification is the most important part of the whole process, and it is the part that most sales people don't spend enough time on. Many sales people will immediately start developing a prospect - sending information, spending time in meetings, presenting solutions - before first taking the time necessary to focus their efforts. Some sales people even move straight from suspecting to developing the sale, wasting a lot of time and energy on people who will not be buying anything.

There are many qualification frameworks and mnemonics around, which all amount to the same set of criteria:

Need	Does the customer actually need what you are selling?
Budget	Can they afford it?
Solution	Do you have the right solution to their problem?
Authority	Is the prospect able to make a buying decision?
Competition	Are there any competitive solutions? (including 'do nothing')
Reason	Is there a compelling reason to buy?
Effort	What is the cost of sale? Is it worth the effort?
Relationship	Are you close enough to win the business?
Timescales	Is the customer's timescale soon enough for you? Can you respond?

Let's qualify these examples:

A man goes into a car showroom to buy a new car

A business owner is interested in marketing services

You came on this training course

Go back and qualify your sales plan on page 3

Develop

This is the stage where you do the real selling. At this point, you are finding out what the prospect needs to know in order to make a decision. This stage may take 5 minutes or it might take 6 months, depending on what the solution is.

What is the most important skill for this stage of the sales process? Is it:

Presenting?

Informing?

Persuading?

Influencing?

Selling?

It's none of these. The most important skill for you at this stage is **listening**.

At the development stage, the customer is helping you to sell to them. They are telling you what is important to them and what they need to know in order to make a decision.

At every stage of the sales process, you are continually qualifying. Anything can happen at any time, so you always need to have all the information you can get your hands on.

At the development stage, you are typically discovering the customer's needs, understanding their buying process and creating a solution that gives them what they want at the price they are able to pay.

At this stage, you are doing one of the most important parts of the whole sales cycle - creating value. If you do not create value now, the customer will challenge your price when you try to close. If you don't want to get caught in the discounting trap, you must create value in your product or solution now, whilst the customer is still providing you with the information you need.

You may have heard of a sales process called SPIN. SPIN is a proprietary sales model developed by Neil Rackham and licensed by the Huthwaite organisation, and so I am not allowed to tell you about it. If I were, I would tell you that the SPIN model was developed from the habits of high performing sales people at Xerox. Whilst the model is now a little out of date, and can be specific to the IT industry, it has some useful concepts to think about when creating value.

Situation - what the customer is doing, their marketplace, their business systems

Problem - their current problems

Implication - what those problems mean in terms of lost opportunities or time

Need-payoff - the value of those problems compared to the cost of solving them. Really, this step is 'Value' but that would make the acronym SPIV which is probably not the image they want to portray.

The concept is simple. The best sales people at Xerox sold solutions by asking lots of questions. At first, they wanted to gather lots of background information about the customer. Then, they wanted to know about problems. After that, they wanted to know what those problems meant. Finally, they wanted to know what those problems cost.

Let's say, for example, that your car is unreliable. The problem is that sometimes it doesn't start on cold mornings. The implication is that you can't rely on the car and if it doesn't start, you have to get the bus and arrive at work late. The Need-payoff is the cost of the bus fare. If you had your car serviced, you would save the bus fare. What about the possibility of losing your job? Clearly that is worth a lot more than the bus fare.

This leads to what I call "worry-based selling" which is basically the technique used by the insurance industry. They are not asking you to buy their product to solve a problem - they are asking you to buy it in case you ever have a problem that you haven't had yet. You could also call this the "What if?" technique.

Clearly, you can justify a much more expensive solution against the worry of losing your job than the reality of the bus fare.

Let's apply this model to a few business examples:

You need a new computer

You need a new car

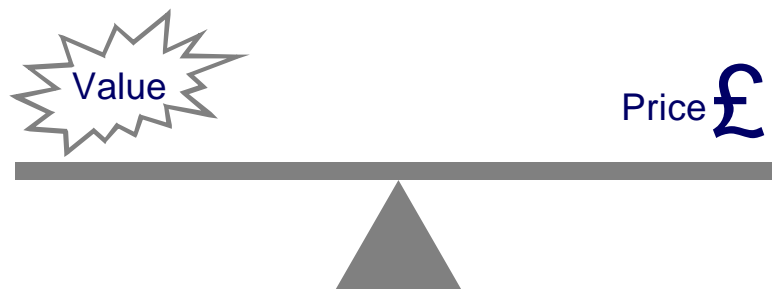
You came on this course

Your company needs new furniture

Your company needs new computers

In all of these cases, the customer will only buy when the perceived value exceeds the cost. Therefore, models like SPIN increase the perceived value of the solution in order to balance the high cost.

The other way to address this is, of course, to drop your prices. Is that what you want to do?



One more point on pricing - if a few people don't tell you you're too expensive, you're not charging enough.

Understanding needs and outcomes

Possibly the most important skill for helping other people get what they want is to be able to understand their needs, even when they aren't very good at expressing them. Think of a time when you've had really good service in a shop or restaurant and I bet it has something to do with the other person predicting your needs or exceeding your expectations.

It's easy to imagine that you are exceeding your customers' expectations by giving them more than they have asked for, but beware of giving them 'more' according to your criteria than to theirs. For example, in choosing a removal company to help me move house, price is not my main selection criteria once it falls into a broadly competitive range. My main criteria are reliability and care - I want the removal company to turn up on time, move me efficiently and not break anything. In order to get this, I will pay more than the lowest price as long as the price is "in the ball park" i.e. in the range limited by the supplier's competitors or market.

If a removal company tries to win my business by offering a discount, I will probably rule them out. If a company gave me a list of previous customers I could speak to, I would probably be more impressed, but I probably wouldn't call anyone. If the person who comes to provide the estimate gives an air of confidence and capability, I will probably choose that company.

Therefore, in exceeding your customers' expectations, it's vital to know what their criteria are, and how they are different to your own.

In negotiations, everyone wants something in order to get something else - people want cars to go places, they want furniture to sit on and they want money to buy things. The products are not an end in themselves, they are a means to an end. A very useful step in the sales process is for you to find out what ends are served by the product. This will make you more flexible and more effective.

What is your customer asking for?

What will having that do for them?

What else can you offer that achieves the same result - or better?

The only time I've ever seen customers really unhappy is when they were given what they asked for instead of what they wanted. Therefore, always find out what people *really* want instead of simply giving them what they ask for.

Getting ready to close

The final stage of the sales cycle is simply to get the order. Whilst there are hundreds of complicated and contrived closing techniques, the simplest is to ask for the order. In fact, many sales people are so worried about closing that they fail to notice the point at which the customer really wants to buy! At best, you'll just take longer to close than you need to. At worst, the frustrated prospect will go somewhere else.

How do you know when to close? By paying attention to buying signals, such as:

Objections

In order for a customer to raise an objection, they have to imagine buying the product. An objection is therefore an obstacle to overcome so that you can both get what you want. If a customer raises an objection, they are helping you to sell to them.

Questions

Interest in the product and questions about pricing, delivery, installation, use, warranty, service etc. also indicate the customer is imagining owning the product.

Negotiation

If the customer wants to negotiate with you then they are putting effort into reaching an agreement, meaning they want to buy the product.

Agreement

If the customer simply agrees with you and agrees with your proposal then you don't need to make it any more complicated.

Closing techniques

Ask for the order, then shut up!

Summarise the process and ask if they are now in a position to proceed

Summarise their key buying criteria and ask if they are now in a position to proceed

What's your favourite closing technique?

Objections

What kinds of objections are there?

Real objections

Explore, understand, consider, help the customer to find a way around the problem

Misunderstandings

Explore, understand, consider, clarify the customer's understanding

Red herrings

Find out what's really going on. Are they stalling for time? Don't they have the authority? Are they using you as a stick to beat another supplier? Remember, the most important tool you have in dealing with objections is **qualification**.

You already know all the tricks people use in negotiations, because you've already heard them all or used them all yourself. Let's have a look at the more common ones.

"But that's all I can afford"

This may be absolutely true, or this may be a ruse to get you to discount or meet someone's price demand.

If this is true then the person genuinely cannot afford what they want and should not be looking. If this is false then it's a nice try. In either case, standing up to this will force them to either back away or offer more. You may choose to offer discounts to people who genuinely can't afford your product, if you really want to. Just don't confuse that with being fooled by this simple trick.

From the other point of view, sales people will tell you that their price is already at rock bottom and they can't afford to discount any further. In that case, you have to decide if you are looking at products that you really can't afford, or if this is a trick. In either case, walk away and see what happens.

"You'll have to ask my husband/wife/boss"

When you reach a stage where the other person wants to think or back off, they will often defer to a third party who has more authority than they do. As with all the tricks, this works both ways. A salesperson will defer to a boss - real or imaginary - to make a decision, and may even come back from that conversation with a tempting special offer if you sign right away. Don't be fooled by this.

A buyer will often find the final decision is just too much pressure and will defer to someone with more authority - often a trick to give themselves time or to back away completely.

"That's expensive, I only paid x last time"

That was last time, this is this time. If the previous supplier was willing to give away the product or service at a ridiculous price then that's their lookout. It's always better to negotiate some good business than lots of bad business.

"The other guy said it would be cheaper"

Other guys have a tendency to do that. If you can't find this other guy then give the customer the chance to walk away. Of course, this trick taps into your compulsion to trust and defend your colleagues. If you don't give in then you are undermining what your colleague said - or at least what a potential customer with a desire for a discount said they said.

"I'll meet you half way"

A very reasonable and fair sounding offer that gets you to pull your selling price down or your buying price up. You can't say no, because it sounds so fair. Or can you?

"How much for just this bit? And this bit? And this bit?"

Breaking a package down into components is an excellent way to erode the price. I knew someone who bought a furniture set using this trick. He said he didn't want the footstool, so why should he pay for it. After the deal was closed, he said "You might as well throw in that odd footstool - you've got no use for it now!" Remember - if your product or service is a package, keep it that way. You can achieve the same result by asking a supplier to itemise their quote.

"I just don't want to pay that much"

Well, at least they're honest. What can you do? They've effectively given you an ultimatum. You either accept their price or walk away. In fact, what they're really telling you is "I want your product or service but you haven't created enough value yet". You have a simple choice - either build up the perceived value or remove cost in order to meet their target price.

Percentage based service fees are often difficult to defend, and it's often why legal fees are fixed - it makes it harder to negotiate them down. Surely, the same amount of work is involved in selling a £100,000 house or a £1,000,000 house? Therefore, why should they charge a percentage? By quoting you a fixed rate, they avoid this problem.

You could calculate your percentage behind the scenes and then offer the client a fixed price service - remembering to list all the components of the service that constitute the asking price.

"I'll think about it"

This means "no". Treat it as a "no" and act accordingly. Either write off the negotiation or challenge them directly - "what can I do to help you make the right decision?"

No

This means maybe, but you haven't completely convinced me yet. The key is in their behaviour, not in their words. If they are still talking to you, they're still interested.

A good way to handle any objection is to use this process:

Listen

No interrupting. No buts. No trying to get your point across. Just listen as if your life depended on it.

Restate

Make sure you have listened properly by restating the objection. "Let me make sure I understand", "Let me check I understand you", "Let make sure I give you the information you need"

Question

Find out more about the nature of the objection or the thought process behind it.

Isolate

Is that the only objection? "Is there anything else that concerns you about this?", "Do you have any other questions about this?"

Answer

Provide the clearest, most concise, most honest answer you can. No tricks. If you have done everything else right, this part is easy.

Confirm

Make sure you answered the question, and that the customer understood the answer.

Close

The end. Fin. No more objections.

Closing

When a sale is a simple transaction, it's easy to recognise the start and end and to act accordingly. Not all sales are as clearly defined, and it's very important to recognise the point at which you need to stop selling.

It's vitally important in any commercial negotiation to ensure that the other person is satisfied with the outcome, otherwise you risk having them change their minds later on. When people make decisions, you need to make sure they stay made.

The simplest way to achieve this is to ask questions about the decision itself:

You're happy with that outcome?

Have we covered everything that is important to you?

Is there anything else that you would like to discuss?

The next part is very important, so make sure you remember it:

Ignore what they say in response to these questions. Only pay attention to what they do.

Next, talk them through the process that follows on after the decision. Push the decision into the past by walking them through all the steps that will happen next.

OK, so now that we've reached that decision, let's just talk through what happens now

This is a vital closing step. People unmake decisions because those decision are not fully made - they still linger in the present and have elements that are not fully resolved. By talking through the next steps, you force the other person to think through the implications of the decision. If any unexpected side effects are going to occur, this process will flush them out so that you can deal with them. In other words, the other person may have made the decision without fully weighing up the implications, this step helps you to guide them through a more effective decision process than they one they naturally use.

If the decision was a wholly good one, then this process simply pushes the decision into the past and focuses the other person on the action they now need to take as a result of the decision.

And always remember to say thankyou!

The single most powerful sales technique?

The second most powerful sales technique?

Follow up

What do you do when you've got the order? Run out the door, in case the customer changes his mind?

Many sales people will just be grateful to get orders and will be reluctant to go back to that customers. These same sales people want to know what went wrong when a deal is lost.

It's far more useful to go back to your customers and ask "why did you buy from me?"

This gives you several valuable pieces of information:

- It tells you what you are doing right so that you can do it more often
- It tells you how to sell to that customer next time
- It forces the customer to put their decision into words so that they become more comfortable with it

This final point is very important. As customers, we want to feel that we make good decisions. If we don't feel comfortable we will suffer 'buyer's remorse' and will change our minds. As a sales person, this is a very important time to reassure the customer and to let them know that they made a good decision. If they can see that you are still around, they know you are comfortable with the decision too. If you run off, you must be frightened they'll change their minds!

Following up is not a part of the traditional sales cycle, yet it is vitally important to recognise that the job of a sales person does not end when the order is signed.

Remember!

Sales is a process. Once you know how to do it, you really can't go wrong. If you are finding customers who have a genuine need for your product and who are able to make a buying decision then you have to work to lose the sale.

Sales is the art of helping people make good decisions

There are many different sales models, therefore lots of sales environments where you can apply your skills

Planning systematically is key to predicting your success

Every sales follows the sales cycle, whether that's in 5 minutes or 5 months

By knowing where you are in the sales cycle, you know what you need to do to keep the process moving

The most powerful and flexible sales tool you have is your ability to ask questions

The second most powerful sales tool you have is your ability to shut up

Your ability to pitch or tell is way down at the bottom of the list

Give your customers what they need instead of what they ask for and they will always be happy

Objections are an expression of interest

The customer is ready to buy when the perceived value is equal to or greater than the price

Some people talk about the ABC of sales - Always Be Closing. I say "Always Be Listening", although it's not quite as catchy

Always follow up - reassure the customer that you are there to help them enjoy the product and get the most value from it. They might even buy some more from you!

And finally... remember to enjoy yourself!

More information

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Other modules in this series of Business Skills courses include:

- Communication and Interpersonal Skills
- Presentation Skills
- Negotiation and Influence Skills
- Personal and Time Management Skills
- Team Building Skills
- Essential Sales Skills
- Creative Problem Solving Skills
- Networking Skills
- NLP Foundation

Recommended reading:

Everything is negotiable - Gavin Kennedy
Influence: Science and Practice - Robert Cialdini

All of these and more can be found on the recommended reading list at www.ciauk.com/books