

Customer-Focused Selling

A Special Report:

Customer-Focused Selling

A dynamic process for a dynamic market

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Customer-Focused Selling

I. Selling is the most important activity in business.

Our first order of business is to distinguish between *marketing and selling*—often-interchanged terms—that *are not* synonymous. Red Motley, the Dean of American Salesmanship, is widely acknowledged for stating: "***Nothing happens until somebody sells something.***" Market research, competitive intelligence, technical innovation, product development and advertising do not produce sales. **Selling produces sales.**

Marketing defines what customers want, drives what companies produce and promotes demand for products and services. *Selling* continues the marketing process by presenting those products and services to customers. It's *Marketing's* job to discover customers' wants and needs, and marshal the organization's resources to produce products and services that satisfy those needs. Then, once those products and services are available, it's the job of *Selling* to demonstrate their value and help customers buy.

Marketing and selling are complementary activities and require parallel objectives and strategies. Teamwork and consistent open communication are paramount: Marketing needs feedback from sales to verify that customers want—and enjoy our products.

Selling generates the cash to meet payrolls, pay suppliers, fund research and develop new products. Without selling, there is no business. There's no organization to create jobs, no money to build plants, purchase equipment nor, to produce goods and services.

In the United States, productivity and quality have increased steadily over the past several years. American innovation in technology has fueled the world's thirst for instantaneous communication, entertainment and information. And, increased corporate earnings have produced enormous wealth for a growing number of shareholders.

The global economy, increased competition and high customer expectations have spawned an emphasis on continuous improvement and certified quality standards in every industry. Yet however popular or valuable these efforts, we must be mindful of one key fact: "*Nothing happens until somebody sells something.*"

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To sustain the quest for excellence, companies must pursue continuous improvement in their selling efforts—as passionately as they do in operations. Those who don't will produce less revenue—and either is acquired, downsize or disappear. Strong leadership is required to gain—and sustain a sales advantage. Sales people must be educated in value concepts and empowered to show sales leadership. The requirements for sales leadership can be found by examining the evolution of selling practices in our economy.

II. The Evolution of Customers' Expectations and Selling Practices.

The selling arena in 2000 is much different from the post-world war industrial boom that created the base for today's economy. Discerning customers expect quality and demand customized solutions to solve their problems and satisfy their needs. Research on selling practices since the 1940's have identified four distinct levels or styles of selling:

Willie Loman practiced level 1 selling in Arthur Miller's famous play: "Death of a Salesman." In Willie's era, any supplier with something to sell and "a good pitch" could make a sale. This was the phase of the "Commercial Visitor" when a pleasing personality, a shoeshine and a smile could instantly create customers and produce sales.

Level 2 selling arrived on the business scene in the '50s and 60's in response to increased competition and customers' technical requirements. Industry responded with the "Product Peddler" who, was now, armed with product specs and a price list—in addition to a shoeshine and a smile—could talk for hours about features and price.



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Level 3 selling became the domain of the "Consultant and Problem Solver" in the 1970's. In this era, both buyers and sellers were better educated and sophisticated about the selling and negotiating process. Behavioral scientists contributed to this more kind and gentle selling style when they discovered that sellers who acted as "counselors" and listened more than they talked, developed stronger business relationships.

Level 4 selling evolved in the 1980's when sales professionals strove to become "Business Partners." Customers who recognized suppliers as a critical operational resource awarded this designation. Larger manufacturers, faced with foreign competition, pressures to control costs, increase productivity and improve quality put suppliers on notice that they would deal with fewer sources. They redefined the selling process and changed relationships. Sellers at this level share their customers' challenges, and must demonstrate difference and substantiate value over price.

Having examined the evolution of selling practices, You may ask: "*What does this mean to me?*" It means you can't expect to develop Business Partnerships with only a shoeshine, a smile, a price book and a product pitch. You must shift from conventional selling methods in order to be perceived as a value-adding supplier. Sellers must develop and demonstrate *customer-focused* selling skills to earn and keep customers.

III. Conventional Wisdom vs. "Smart Selling"

Anyone who's been in selling for most of their career will tell you that selling is more challenging—and many sales professionals report that: "Selling is not as much fun." What's changed? Buyers expect more, and perceive few differences between products. Sales cycles are more complex, decisions take longer. There are more conditions to be met and obstacles to overcome. In short, it's a customer-driven market—and in such a market, conventional selling wisdom will no longer serve sellers who expect to succeed.

Conventional wisdom is reflected in behaviors and tactics used by "*typical salespeople:*" Fast talking, high pressure and "slick." Not the kind of person who is likely to win customers' trust and build long-term relationships. These sellers would rather "pitch" their product and defend (or argue about) their price—than take time to understand customers' needs and help them discover how their product fills those needs.

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Consequently, high-pressure sellers push for the "close" and encounter "objections"—largely because they failed to earn the customer's trust. They are guilty of "*Premature Presentation*" because they were more interested in what they wanted to say, than in determining what and why the customer wanted to buy.

Customer-Focused Selling requires taking a hard look at selling, and how we sell. You cannot be successful by emulating or imitating your competitors. You must perform differently to be perceived as different—and better. Emphasizing such features as quality products and superior customer service are the "price of admission" and no longer sufficient to impress customers or cause them to keep suppliers.

An article in Business Week several years ago titled: "**SMART SELLING: HOW TO WIN OVER TODAY'S TOUGHER CUSTOMER**" described requirements for selling in a customer-driven market:

- **GET EVERYONE INVOLVED:** Salespeople no longer act solo. Smart selling requires focusing the entire company: Everyone from product designers to plant managers and financial officers must be involved in selling and servicing customers.
- **RETHINK TRAINING:** Smart selling means building relationships with customers, not just slam-dunking them on a single sale. Forget high-pressure—sellers need new skills: They must learn to be customer advocates—whose detailed knowledge of their customers' businesses helps them spot sales opportunities and service problems.
- **INSPIRE FROM THE TOP:** Smart selling needs the involvement and attention of top management. CEOs and top managers must visibly lead the smart selling charge by calling regularly on customers and addressing sales training sessions.
- **CHANGE THE MOTIVATION:** Change everything from how salespeople are hired, trained, and paid, to how the CEO does his or her job. Salespeople need constant recognition—but maybe not just commissions—incentives to scoring a quick sales hit. Instead, include measures of long-term customer satisfaction in compensation.

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- **FORGE ELECTRONIC LINKS:** Use marketing and distribution technology to track relationships with customers, make sure the right products get to the right place at the right times, and make order-taking easy. It all adds up to high-tech intimacy.
- **TALK TO CUSTOMERS:** Smart sellers solve customers' problems—and don't just take orders. Make frequent phone calls, assign employees to customers sites and drop notes to those who order frequently. Customers like the attention, and the added communication makes for better intelligence gathering.

Companies who sell smart anticipate *and* respond to the needs of the market place. They concentrate on solving *customers'* problems and meeting *customers'* needs—not *their* needs. Sales people who sell smart focus *more* on adding value and selling solutions and *less* on products and price. They ask questions about customers' business priorities and do more listening than talking. Finally, because of the strategies and skills they use, they are perceived as "*Consultants*" and soon become "*Business Partners*."

IV. The Need for Customer-Focused Selling Strategies and Selling Skills.

Research on practices of successful sales people determined that Strategy is 70% of an effective selling effort and Skills 30%. **Strategy** defines who to sell to and how to sell them. **Skills** are the communicating tools you use to carry out your selling strategies.

Strategies include Gathering Information to Get Customers' Feedback, Determine Customers' Buying Motives, Uncover Needs and Learn about Customers' Business Objectives. Once you understand your customers' needs, it's critical to **act!**

Skills include Interpersonal Communication techniques to Build Rapport, Develop Trust, Ask Questions, Recommend Solutions, Handle Concerns, Gain Commitment *and* **Build** Business Partnerships. *Smart Selling* does not require new skills, but focused skills for Questioning, *Listening, Observing, Verifying and explaining*. What's new is, **these skills are used to communicate—and not manipulate.**

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By employing customer-focused selling strategies and skills you will be able to determine why customers buy—to understand **their** buying motives. It's important to remember that customers choose suppliers and products for their reasons—and not ours. You may believe that you understand your customers' buying motives, and you may have demonstrated the ability to meet their needs. You may also believe that your customers have a positive perception of your company and your products.

However, given all that we've discussed about the dynamics of the market place, can you be sure that customers *still* perceive you positively—and that their buying motives are have not changed? Can you be sure that their reasons for initially doing business are the same motives that will motivate them to continue to buy? It's easy to be lulled into a false sense of security with accounts—especially long-time customers. You cannot afford to be complacent in a global economy, and *you can be sure that your competitors are not sleeping*. If customers' perception of your company is positive, you need to reinforce that perception. If their perception has become negative, you must find out why and take action to improve their perception and regain their trust.

This is why *Customer-Focused Selling* skills are critical with prospective and present customers. By selling smarter, you will encourage and enable customers to share their business issues, challenges and objectives. ***Ask them what they want to achieve or accomplish.*** Once you're armed with this information, you will be able to present your product or services as a solution: A way to help customers achieve their objectives. And with current customers, using *Customer-focused Selling* skills will help you get feedback you need about how you are doing—in serving their needs—so you can keep and expand the business you have earned.

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