



LEADERSHIP FOR SALES

THIS WHITE PAPER, the second in our current series, discusses how to energise sales people who have lost their momentum, by applying the principles of leadership discussed in our white paper 'Leadership for Changing Times'. By building awareness, intuition and vision, sales people become valuable change agents for their clients and keep themselves motivated and successful.

White Paper Series — Paper 2

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SALES BASICS

PERSUASION IS A BASIC CAPABILITY OF ALL HUMAN BEINGS.

We learn from an early age how to get what we need for survival and self gratification. As a child, we move through a process of understanding the behaviour that gets us the food and love that we want. The process is in four phases:

Unconscious incompetence: we start off as a clean state, not understanding how good and bad we are at persuasion.

Conscious incompetence: we become aware that we are not doing the right things to get what we want.

Conscious competence: we learn how to behave to get what we want.

Unconscious competence: we instinctively behave in a way that gets us what we want without needing to think about it.

Where it is important to us, most of us have become so good at persuasion that we don't need to think about it. We automatically work out strategies for persuading our boss, our partner, or our children to give us what we want by noticing what is important to them and using that as part of a logical argument to get what we want, for example: 'Promote me or I will leave you with all this work!'; 'You can have the new car if I get my holiday'; 'If you don't behave properly, you will go to bed early'. We reinforce the words with the right tone of voice and with the appropriate body language, all without thinking. Whether we are successful or not depends on how well this unconscious competence works in a fresh situation.

SELLING - THE BUSINESS FACE OF PERSUASION

As it is vital to the success of business, over the years selling has been treated scientifically. The process of selling has been dissected and analysed. When we were taught to sell we were introduced to a process broken down into five steps: the introduction, establishing the need, selling the benefits, handling objections, closing the sale. Each step had been rigorously inspected and modified over time and, handled properly, training in this process is highly effective at moving sales people from conscious incompetence to conscious competence in selling.

Unfortunately, the results of this kind of training can sometimes seem like a formulaic, clumsy process that batters the customer into buying, and gives selling the reputation of an arm lock rather than a well-structured conversation with an objective. Yes, we are thinking here about double glazing and financial sales people.

What's the real heart of selling?

How does selling work?

THE FIVE STEPS of selling are the same, no matter what the scale of the operation, or the product: whether selling a television to a consumer, a new accounting system to a local retailer or a vast communications network to a global conglomerate. The differences in these sales tend to be in complexity and timing. The retail customers know they want a television, they simply want to find one that suits them - follow the five-step process and most visits will end in a sale. The local retailer may not feel he needs a new accounting system, so the steps will centre on the inadequacies of the existing system and the superior benefits of the proposed system and several visits may be needed to close the sale. The sale to the global conglomerate may take several years and require a long-term relationship to manage all aspects of the initial and future sales and the service issues.

Over time, the sales person develops unconscious competence in the five step process as they use it everyday, and they develop tone of voice and body language to support the words that persuade.

Unfortunately, the problem for all sales people, regardless of the nature of the sale, is that the process can become formulaic for them too. It becomes a habit and the habit can turn into a rut, where the sales person stops paying attention. They slip from unconscious competence back to unconscious incompetence. After a time, they take their customers' needs for granted. They wait to react until existing customers call them. They stop seeking new customers and new contacts. Whilst many sales people can reach their targets this way, they will never reach their potential. Worse, their companies will never reach their potential!

Time for a sales refresher course! Or, maybe, a different way of thinking about sales!

LEADING CHANGE IN SALES

Even if they do manage to stay out of the rut, the full potential of sales people cannot be achieved unless they themselves recognise the full potential of their role for both their customers and their companies. Their customers, like most of us, have a strong resistance to change, even if change is vital to the continuing health of their business. All sales people are, by role, leaders of change. This is an important point of perception for them, their companies and their customers. The shift in mindset that accompanies this shift in perception will ensure that sales people get out of the rut and into the groove.

What are the basic steps in a sale?

What might be wrong with our approach?

How can we achieve our full sales potential?

Every sale involves change – something is added and something, generally money, is taken away. How can we make sure that the change is optimal for both customer and supplier? That is a leadership job and the job of a sales person. Let's call these change-leading sales people 'Account Directors', as this is the role they will grow into.

To be an Account Director requires the three fundamental skills described in our first white paper *Leadership for Changing Times*. These skills are: building awareness, intuitive decision making and vision creation.

But first you need the right attitude!

Proactive and reactive [B]

In addition to the three skills, an Account Director should always be proactive rather than just reactive. Think of reactive as being pushed by the force of people or events, and proactive as influencing the behaviour of people and the outcome of events. A great sales person is always trying to influence, even when they appear to be simply reacting. This is the difference between having things happen to you and making things happen for you.

Let's look at a simple example. One great sales person, let's call him Alan, sells menswear in a local department store. At the start of each year, regular customers go into the store to buy a new suit. However, Alan does not simply sell his customers the suit they think they want. He starts by remembering their names. He remembers what they bought last time. He shows them four or five suits he had set aside for them, and the shirts, the ties and the shoes he had selected that would together make an outfit to create an impression in the boardroom. Of course, his customers know that in reality nothing has been put to one side, but through delightful, friendly, entertaining and knowledgeable conversation his customers always come away with at least two of everything. What's more, the clothes always have the desired effect in the boardroom!

In a similar way, an Account Director is always looking to influence, to make things happen, to be proactive. This keeps them sharp and also ensures their maximum enjoyment from their role.

What's the key to the right results?

APPLYING THE THREE LEADERSHIP SKILLS [A]

Building awareness [B]

To be an Account Director you have to get to know your company, its products and services, its market and its competitors *and* you have to get to know your customers, their products and services, their markets and their competitors.

The big journey you make when you start working with new customers is in moving from gathering data about them, through understanding them and finally knowing them and their environment, instinctively. We explain the difference between understanding and knowing in our first white paper *Leadership for Changing Times*.

Getting to know customers takes time. Just as it takes about a year from passing your driving test to knowing how to drive, it takes about a year to really know a new customer. After that year, an Account Director will be instinctively drawn to the best opportunities and to the best contacts to make those opportunities bear fruit.

Reaching that point feels like magic. The problem is, knowing can turn into complacency, then into habit and then into a rut, without us noticing it, and the magic goes away.

How to get to know a customer and how to stay out of the rut require the same activity.

Gathering wide area information

The way our brain works is to turn repetitive activity into habit. This shift to habit obeys the first law of nature – *don't waste energy* – which all creatures follow. Try the 'alien test' the next time you walk down a familiar path. Imagine that you are a first-time visitor and really notice the detail of what you are passing. Prepare to be amazed by how much you have missed since the last time you really looked around you.

With a new customer you are acting like a visitor to their habits, habits that are generally expressed as *'the way we do business around here'*. You come fitted with a fresh pair of eyes and ears which will notice opportunities and threats that they may have been missing. By collecting written and oral information about your customer's environment and their company, you can find fresh and interesting opportunities to make changes that will have a positive impact on their business and the business of your company.

Maintaining the mindset of a visitor to your customers is the way that you can keep yourself out of the rut and grow new business.

What are the key leadership skills in selling?

Why is information so important?

Embracing informers

Most sales people understand the potential of developing rapport with the influencers and decision makers in a company. It's essential to add informers to the list. Informers are the people who can help you understand the company in ways that allow you to find new opportunities. And they can be anyone, from the car park attendant to the chairman. The opportunities they bring can be unexpected and very profitable.

One example neatly illustrates the point. The chief telephonist at a well-known children's retailer was complaining to the local telephone company that customers who wanted to place telephone orders from their catalogue were reporting engaged lines. She felt the company needed more lines. A quick test in the local exchange showed that at busy times, only one in every seven calls was getting through - a disaster when you think that the other six all wanted to buy something.

Further conversation with the telesales team showed that half the calls were for bulk order nappies (which were boring to deal with). A discussion with the finance director about profit margins confirmed that the nappies had a lower profit margin than the clothes in the catalogue. Contact with the local Callcentre showed that the calls for nappies could be handled more cheaply and more speedily by the Callcentre than in-house.

The idea of 'NappyLine' was ultimately sold to the finance director, with benefits to all involved: the parents got an improved service, the customer achieved higher profit margins and a happier telesales team, and the telephone company, instead of just a couple of extra telephone lines, gained a large new revenue stream, and the sales people gained a large bonus.

So, whilst seeking influencers and decision makers, the informers should not be ignored: they may give you the key pieces of information that lead to that exciting new opportunity.

Chatting – with a purpose

It is just too easy as a sales person to become one-dimensional. Think of those customer events set up for sales people to get to know their customers. For most sales people they are just another sales meeting to talk more and more about their products and services: customers get bored and show signs of wanting to escape.

Selling is simply a conversation with an objective, but you can get so wrapped up in the objective that you limit your potential. A great deal is going on when you converse with someone. As well as becoming interested and excited about your objectives, customers are also picking up signs about your interest in them and their objectives and whether it is their interests you have at heart - or merely your own.

Why is information so important?

Why is a chat such a good thing?

Account Directors need to be multi-dimensional. They need to have the ability to chat about topics that are not work-related and to relax with their customer. This is much more enjoyable and natural for both parties, but it is still a conversation with an objective. To make their proposition compelling, sales people need to form theories about their customer contacts, their passions and goals in life and work, their issues and their company, and while chatting they should be checking out these theories by weaving in appropriate questions.

Questioning and listening

The biggest single problem with sales people in a rut is that they stop questioning and listening. They become so certain of what the customer will buy that they go straight to their answer, almost omitting the customer from the sales equation. They believe that their customer will want their product or service, without first discussing what that product or service can do for their customer.

Take, for example, a customer event which included a series of customer discussions around eight areas of need. Each of the eight discussion groups was facilitated by a market researcher with the intention that the sales people would sit at the back of the rooms and just listen and learn about the latest issues. Every researcher reported that within five minutes of the start of a discussion, sales people were beginning to pitch in with products and services. They did not seem prepared to listen and learn and as a result they were likely to miss the big opportunities.

Successful Account Directors really listen and use their questioning skills to open up conversations. This not only reveals new and much bigger opportunities, but it also gives context to make their final proposition compelling to their customers.

Collecting competitor intelligence

The final piece in the puzzle of building the awareness of an Account Director is to keep a sharp eye on competitors, not just their prices, products and services, but also any alliances and partnerships they are making, and any problems they are facing. They can also give bright ideas on how to improve your basic selling skills.

Intuitive decision making [B]

The way our instincts work is very much connected with our senses. As we open up our awareness of all aspects of a customer's environment, we start to be intuitively drawn to the right contacts, the right issues and the right proposition. It is the feeding of the intuition through an ever-evolving cycle of questioning contacts and gaining information that shifts the sales person from understanding to knowing the customer.

Why is listening so important? (and why is it difficult for salespeople?!)

How can we use our instincts in selling?

This has the ultimate impact - that the customer starts to rely on, and trust, the Account Director to suggest the most valuable area to work on and turns the relationship into a long-term partnership. An Account Director knows she has reached this point when she is offered a presentation slot at the board meeting, a desk, a car parking slot or a job. She also becomes someone that they are glad to introduce to their colleagues.

REMEMBER: CLIENTS CAN FALL INTO A RUT TOO. Through a fresh feel for their market, the Account Director can help them make a better impression on their managers and peers.

Vision creation - Developing compelling propositions [B]

Building awareness and intuition really pays dividends when an Account Director starts to put her proposition to the customer. Instead of just the usual features and benefits of her company's products and services, the proposition includes these additional compelling essentials.

How can we wow the customer?

Revelations

The proposition contains information about opportunities or threats that the customer hasn't noticed or if they have noticed, they didn't fully understand their importance or impact. The proposition works to maximise the opportunities and minimise the threats.

Relationships

An essential part of the proposition is the Account Director, the person they have learned really cares about their business and their opinions. She is someone they can trust before, during and after delivery, and the value of this relationship can factor strongly into the financial equation of the proposition.

Benefits

The proposition draws from a greater scope of their business so the range of benefits will be wider and greater than they expected.

Developments

Finally, the Account Director's understanding of her customer's needs can grow so strong that she is able to convince her own company to make essential developments to their products, services or financial offerings to better suit the customer.

And so back to Persuasion [B]

Remember, persuasion is something everyone can do if they are interested and really value the outcome. If your sales people value their outcomes and want to maximise their potential, start their journey in account direction now.

Proactive, Aware, Intuitive and Visionary, your sales people will repay you with great sales plus great ideas for strong new customer propositions.

Business Tracks Ltd

CHANGING BEHAVIOUR IS DIFFICULT. Business Tracks was born out of the conviction that a wider perspective is needed for training leaders and sales people to seek out new opportunities in a rapidly changing world. We offer a distinctive and insightful approach to individuals and companies enabling them to lead change within their business.

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about this?*

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Inspiration and food for thought

SPIN Selling - Neil Rackham

Excellent detail on when to use / what kinds of questions during the progress of a sale

How to Master the Art of Selling - Tom Hopkins

One of the best overviews of the sales art.

Intuition at Work— Gary Klein

Presents convincing evidence on intuitive decision making and has great exercises to help improve your skills

The Tools of Leadership - Max Landsberg

An interesting story of leadership with a useful perspective— and good tools!

The Harvard Business Review

Up to date articles on latest thinking on leadership and business

