

Now is the time to outsell the competition

In today's tough economic climate, Sales has a major contribution to make to the health, and even survival, of the company. Every executive with responsibility for sales will be asking what they can do to help maintain sales revenues. In this article we argue that not all initiatives to boost sales are equal, that there are some initiatives that meet the needs of recessionary times better than others, and that outselling your competition is the most cost-effective way of surviving tough economic times.

What's changed?

The good news is that the basics of selling have not changed. Sales decisions are still taken on an emotional basis and justified with logical arguments; but with budgets drawn to the centre and discretionary spending powers eliminated, the logical justification has to be that much stronger.

Customers' logical decision making criteria have changed. In times of fast growth benefits such as increased market share, greater business agility or better strategic positioning might have been enough to unlock budget; now revenue growth, increased margin or reduced costs, delivered this year, are the winning arguments.

The other major change is in timing. The economy has deteriorated very quickly, faster than many business leaders have been able to react, with the result that they are now just catching up with what they would have done several months ago if they had known then what they know now. Consequently, businesses need initiatives that produce results fast – within six months – so that is the criterion used in this article for selecting initiatives that will help in the current economic climate.

Outsell to survive

Naturally, every business is reducing costs, but cost reduction can be a slow process. Redundancy programmes generally increase costs in the short term. Sell-offs take time. And competitors are also cutting costs, so cost cutting is no guarantee of emerging from the downturn a winner. On the other hand, if a company can sell more than its competition it can win market share, keep production lines running at near to optimal efficiency, enjoy better economies of scale and be better positioned to exploit the upturn when it comes. Alongside cost reduction, outselling the competition is a key survival strategy for the current economic climate.

When seeking to improve sales quickly there are four main areas that can be addressed:

1. **The offering:** product or service features, functionality, propositions, reputation, pricing, service, terms and conditions
2. **Salespeople:** recruitment, training, personal development
3. **Sales environment:** management, targets, incentives, processes, tools
4. **Sales tactics:** lead generation, sales campaigns, discounts and promotions, how salespeople sell, qualification

Today, businesses are seeking fast results, so in this article we will consider each of the four areas and identify the quick wins.





The offering

The features, functionality and reputation of a product or service will usually take many months to change, so they are unlikely to help us outsell the competition in the short term. However, there are several areas to investigate for rapid, sales boosting improvements:

- **Pricing.** Could non-essential features be stripped out of the product to create a “basic” version that would establish a lower entry-level price?
- **Packaging.** Could multiple products be packaged together at more competitive prices? This increases revenue and reduces sales costs.
- **Propositions.** It can take many months to change the functionality and features of the product or service you offer, but the way it is presented to the market can be changed very quickly. For example, an Enterprise Resource Planning (ERP) system offers improved visibility of a company’s operations. This can translate into at least two different propositions: i) ERP provides operational data that improves the strategic planning process, and ii) ERP provides information that enables supply chain costs to be reduced. Guess which of these propositions is more attractive in today’s market! Sharpen up propositions so the benefits are clearly stated and match the mood of the market. Focus on propositions that offer quick wins – reduced costs, increased margin and revenue generation in the short term. It doesn’t take long to “re-invent” a product or service in this way and results will be seen within weeks.

Salespeople

In challenging economic times the salesforce is the company’s most important resource. There are several steps that can be taken to improve their effectiveness:

- **Retain your best salespeople.** Difficult times can sap the morale of even the best salespeople. Combat this by supporting them better. Provide

better sales tools and materials to reinforce them in their battle to win sales. Involve the best salespeople in decision making and planning. Make them part of your winning team, fighting against negative economic trends. Many companies will feel they already do this, but the current exceptional economic climate calls for exceptional measures in this area.

- **Bottle the magic.** Commonly, around 25% of a salesforce are above average performers, 50% are average and 25% are below par. If you could pass on some of the “magic” of the top 25% to the rest, sales would grow. Take action to gather and disseminate the wisdom and techniques of your top salespeople. The majority of your salespeople are average or worse. Improving their performance by just 10% will grow sales quickly.
- **Recruit opportunistically.** When other companies are cutting back there will always be good salespeople available to recruit. Keep some headcount free so it is possible to react quickly to acquire good sales talent when it becomes available.

Sales environment

Many of the most common initiatives to improve the sales environment are too slow or too expensive for current conditions.

Things like improved lead tracking software or a new CRM system will not increase sales this year. Significant overlay incentives are out of the question because most companies are looking to reduce costs, not increase them. Techniques that work in the current climate are:

- **Make everyone a salesperson:** if they are properly equipped, everyone in the company can sell. It may not be their primary role, but if you equip everyone with a simple statement of the main propositions and the reasons why the company is the best choice, the effective salesforce is multiplied.
- **Get the most out of recognition schemes:** making heroes out of good salespeople is a very cost-effective way of rewarding performance and creating examples for others to emulate. If there is a precedent of a high-cost event that takes salespeople to expensive locations then launch a new one, cut the frills and add that most important of ingredients – personal contact. An hour one-on-one with the CEO, where the CEO thanks the salesperson personally for their contribution, asks what could be done to make them more successful and really listens, can be more motivating than two weeks at a Mexican beach resort.



- **Make salespeople more self-sufficient:** Too many salespeople are in the habit of relying on the support of a solution specialist, business development executive or bid manager at every customer meeting. This is costly and squanders precious resource that could be closing sales rather than delivering routine presentations. Take steps to make salespeople self-sufficient for exploratory and early stage lead development activities. Every salesperson should be able to develop a lead singlehandedly up to the point of first qualification, at which stage enough is known about the opportunity to take a business decision as to whether it justifies additional resource.

Sales tactics

When there is no budget for sales campaigns, discounts or promotions, the company needs to focus on salesmanship. Pay attention to the following areas:

- **Focus on the right opportunities.** Resource cannot be wasted on “no-hope” deals, so it is essential to have clearly stated, objective and uniformly applied qualification criteria, specific to each product or solution or type of deal.
- **Call higher.** Budget has retreated upwards in the customer organisation, so salespeople must expect to call higher to find it. They will need to engage and influence VPs, SVPs and C-level executives, so

make sure they are aware of the business issues that attract attention at this level and that they have something to say about them.

- **Call wider.** The higher up the management chain a salesperson progresses, the broader is the pyramid below, and it remains true that, whilst only one person can authorise a deal, almost anyone can veto it. Consequently a successful sale needs a wider base of support than in the past, which means calling wider. For this to be effective a salesperson needs to understand what each product or service offers to executives across all disciplines.
- **Sell the business case.** The simple product or service sale, focusing on features and generic benefits, is not effective in the current financial climate. The salesperson should be selling a business case, so they had better understand what the business case is and be prepared to use a range of tools to help the customer build their own business case.
- **Know the “proof points”.** When companies are fighting to survive, competition is fierce. Salespeople need a clear understanding of the strengths and weaknesses of each offering, and a solid set of proof points that demonstrate the strengths.
- **Beat your biggest competitor.** In the current climate your biggest competitor is the “do nothing” option. Customers will seek to postpone decisions, so salespeople need to be able to show the cost to the customer of not taking action.

Outsell the competition

Much has changed and yet nothing has changed. This is not the first recession, so the good news is that many of the above recommendations have been tried and proven before. Companies that sold their way through past recessions will acknowledge that much of their success came from going back to sales basics and ensuring the tough application of proven techniques that show their customers the money.

This article was written by Alan Willis and Robert Blair of Solutions for Sales. For information about Solutions for Sales and further useful resources visit www.solutionsforsales.com or call +44 (0)1702 586742.

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