Smart Selling in Tough Times

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The hideous massacre that occurred at the World Trade Center exacerbated an economic downturn that began on Black Friday, April 14, 2000. The market meltdown that day signaled a New Economy death spiral that made even the most buoyant and optimistic cringe at the sight of their 401K and NASDAQ high flyers. What followed was the sobering reality that tough times lay ahead. 18 months later the WTC attack has affected nearly every business in some significant way. Forget about a ripple effect--it's been more like a tsunami for most companies and their sales and marketing teams.

Now try this on for size…*less than 50% of today's business-to-business salespersons have ever sold during an economic downturn*. Hey, it's easy to hit quota when Janus is up 48%, but what's the plan when times really get tough? One of the great penalties of the longest business expansion in U.S. history (the Nifty '90s) is that an entire generation of sales professionals have worked all of their professional lives *knowing nothing about selling in hard times and how to deal with them*. Even if you do remember downturns in the '70s or '80s, selling in a recession is likely but a distant memory.

<u>So what's the plan?</u> What are the selling strategies and tactics for a reeling economy? Maybe it is best to start with *what not to do*. Here are a few misconceptions and time-tested action items that *don't work in tough times:*

- *Pumping-up the volume of client calls*
- *Selling "harder" and pushing buyers*
- *Lowering prices*
- *Cranking out more proposals*
- *Doing more demos*
- *Giving more presentations*
- *Prospecting and making more cold calls*

There is nothing wrong with ramping-up any of these selling activities. Keeping the pipe filled with prospects, hustling and working hard has always produced bottom line results. And, if you sell *low-value products on a one-time basis*--just go with the above action items. But, history tells us that *these activities prove to be less productive for more complex, consultative selling environments.* Why? There are lots of reasons, but the key one is that <u>buying cycles in economic downturns take up to 40% longer.</u> Pushing your clients and prospects produces anger and resentment. Besides, it makes you look needy and desperate. So, don't count on amping-up selling activities or price-cutting as a means for generating new business in tough times. It just doesn't fly.

There is a smart alternative, however, and it focuses on <u>less being more</u>. The tough times in the late '80s provide lessons worthy of review today. Research shows that unsuccessful salesperson focused on MORE…calls, deals, prospecting, etc. They chased every opportunity--*however small*. *They were busy, they were fired-up and they were ineffective.* The average value of each of their sales actually fell. They relentlessly burned themselves and their clients out--*toast for two*.

The survivors, however, *concentrated primarily on their best opportunities*. They spent their time developing call strategies and account development tactics rather than rushing from call-to-call. They were patient and put their energies into their best prospects. They sought to build partnerships and focused on client business issues.

Another differentiator between the survivors and those who failed in the '80s has to do with verbal selling skills. The losers became <u>talking brochures and bag divers</u>. It was amateur hour—*they sprayed and prayed*. In essence, they pitched features to poorly qualified prospects and came up short. This is bad business even in good times, but a recipe for disaster in hard times.

The opposite was true for the winners. The calls they made were longer and more insightful. They drilled-down and asked the tough follow-up questions. They sought out buyer "pain". Their conversations focused on strategies, consequences and implications. They held firm on price and sold value.

A key strategy for survival is not to cut price. There is a widespread fallacy that in tough times buyers buy on price. Nothing could be farther from the truth. Want to know what motivates buyers in tough times? *It is security and safety*. That's why selling cycles are 40% longer. Doah! Clients are leaner and meaner--*bad to the bone*. More decisions are being made by committees and groups, and it is the lower risk options that groups generally favor. Remember the saying, "No one ever got fired for buying IBM"? Big Blue's mantra resonates with today's more conservative purchase committees. Your message is, "Since budgets are tighter there is less margin for error. My (service/product) provides the greatest value for your investment. This makes justifying this decision to your senior management just good business."

So here is bottom-line advice for smart selling in tough times:

- *Focus on the best selling opportunities—put your energy here*
- *Qualify each prospect and don't chase down everything that moves*
- *Don't cave on price (customers actually paid 12% more in the last recession for equivalent products than they did in more robust economic times)*
- *Sell reliability, peace-of-mind, security and safety as key client benefits*
- *Plan each call, strategize and anticipate concerns that might be raised*

Cervantes said, "To be forewarned is to be forearmed." Stay up, be confident and think of this downturn as another opportunity for professional growth. Be the difference that makes the difference when prospects see all sales professionals as being the same.