

An Economy Driven Sales Reset

It is my opinion that the present economic situation is best described as a “reset in values” rather than arguing over whether or not it is a “recession” or “depression.” We may well see a generation of people whose values are redefined by their experiences during these times much as we have seen the depression generation’s values.

Given that much wealth has been “destroyed” and that economic security is now on everyone’s mind, we may well see our economy NOT return to such consumer focused activity. If we accept that such may be the case, then the question is; how will we change our companies to accommodate a lower revenue stream? Even if you believe that the consumer will eventually forget all the pain from these past several years, it would be wise to have a worst case scenario plan developed just in case. What will you do when sales are more difficult to come by, when it is an extended buyer’s market and relationships matter more than ever? How will you survive with a long sales cycle?

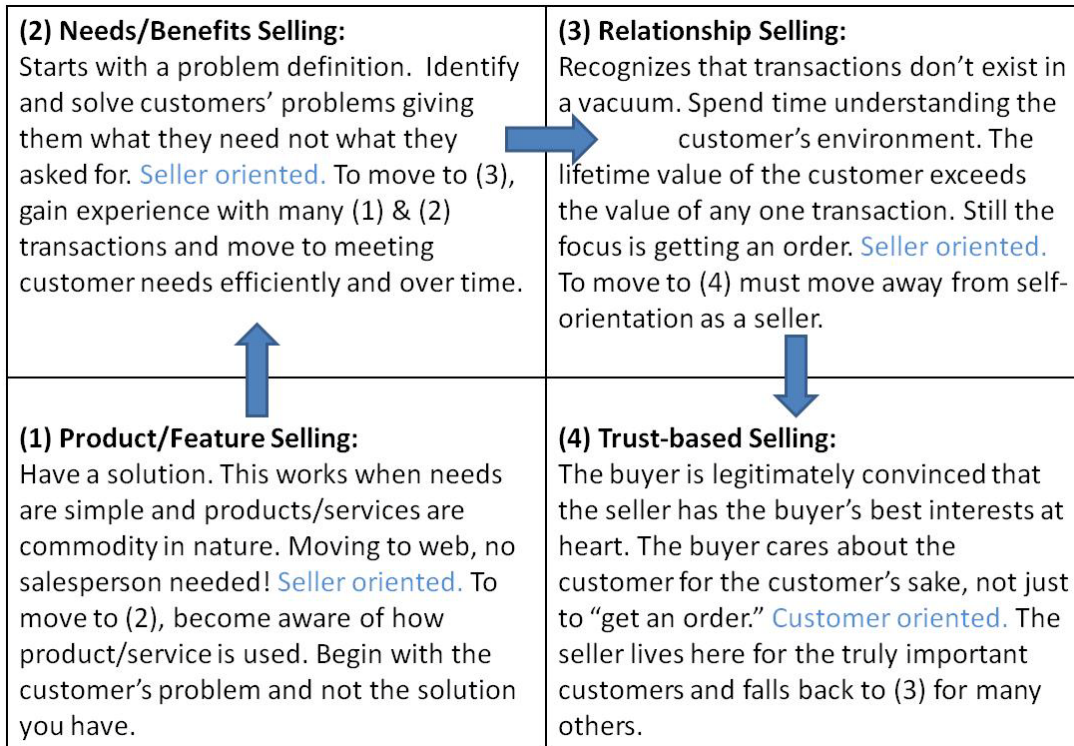
I believe it is time for all of us to get “back to basics.” As consumers we must make each significant purchase count and partner only with vendors we trust. Our horizons must lengthen beyond immediate gratification to wise use of financial and ecological resources. We will have to find new solutions to old problems, become less of a “throwaway society” and focus more on innovation of products and services. What would such trends mean to your business?

In his 2006 book *“Trust-based Selling,”* Charles Green writes eloquently about what it will take to build long-term relationships using customer focus and collaboration. We should all dust that book off and re-read it to get a hint about what we might need to do to survive the next couple of decades. As business owners, we will need to begin changing our corporate culture from one of short-term (quarterly if we’re public) goals to at least mid-term goals with a long-term vision. We must move up the ladder of sales awareness to the fourth rung. As defined by Green, the sales ladder comprises four rungsⁱ: (1) Product/Feature Selling, (2) Needs/Benefits Selling, (3) Relationship Selling and (4) Trust-based Selling (See Figure 1 below).

There is an old saying with which most business people are quite familiar: “Nothing happens until there is a sale.” To this I would add that, “There will be no significant sale until there is trust.” And if we believe that purchase will be slower, more deliberate and with more long-term goals in mind, then it follows that there will be far more competition for the significant purchases and therefore more trust required. And it takes a relatively long time to build trust. So will the buyer and seller want to build trust for every transaction?

I believe the first two rungs on the ladder will not require salespeople in the long run. We are developing web-based systems that will allow me to research and purchase without much help if any at all from a sales person. Almost everything I purchase from books to office supplies, from theater tickets to computers I largely purchase on-line these days. Only rarely do I need to speak with a sales person for these commodity products or services. The rest of the “large purchases” are based on research and

Figure 1 – The four rungs on the sales ladder



trust along with consultation with a few colleagues. If that's where we are headed then any salesperson earning her or his living will be spending a great deal of time building relationships and trust.

Green helps us understand the trust building process and provides a definition of trust that I find fascinating. Trust is defined as $T=(C+R+I)/S$ where "T" is trust, "C" is credibility, "R" is reliability, "I" is intimacy and "S" is self-orientation. If you wish to do so, you can rank yourself on each of the variables on a scale from 1 to 10 for any particular product and/or service at each customer.

Credibility has to do with the words we speak and the perception of our "domain expertise." Are you a credible resource for the topic, product, or service at hand?

Reliability on the other hand has to do with do we deliver on the promises we make. Do you deliver the product or service when you say you will? Every time?

Intimacy refers more to the relationship that you have with the other person. Do you make sure to understand the context in which they work? Do you go out of your way to make sure you support them and never embarrass them?

Self-orientation is the outlook or attitude of the person involved. In other words, is that person's (you, the seller for example) more interested in achieving their own goals or do they have the other person (the client or customer for example) best interest at heart – authentically, and not just to get an order or reach some other goal.

As you can see from the formula for trust, if you are perceived to have a high self-orientation, then you will diminish trust. Even if you have a reasonable “rating” on the other parameters, you will likely undo any trust if you are perceived as being “in it for himself or herself.”

Green also provides a guideline for building trustⁱⁱⁱ (Figure 2 below). He refers to the Trust Creation Process as:

Figure 2: Trust Creation Process



Engage: understand what your customer values; be well-prepared to discuss one of those issues

Listen: to the themes and issues that are important and real to the customer

Frame: the true root issue or opportunity statement in terms both of you agree to

Envision: jointly, an alternative end state of how things will look when resolved

Commit: action; offer specific actionable steps that are agree upon by both parties

The point of all this is that we must recognize the conundrum here. We must authentically have our customer’s best interests at heart. We must have faith that by doing so, we will gain more business. Yet, we cannot be authentically customer-oriented if our goal is to gain more business for ourselves! We will be seen as manipulative if we feign “other-orientation” when we really are dealing with our own best interests at heart. There will be no trust.

So if we want to be prepared for this new economy, then we must accept that there will a lower level of consumerism and a higher level of savings. This will affect all of us right through the whole supply chain. If we are in commodity products, we should move sales to be web-based with customer support rather than sales personnel. If we have complex products and/or intangible services, then we should be prepared for a longer and more competitive sales process. We should train our sales people to always work on the top two rungs of the ladder (relationship and trust-based selling) and insure that our major customers and products are being presented in the trust-based selling space. As business owners and leaders, we must change the way we remunerate our sales team so that their goals are more aligned with the customer’s needs (not taking orders of the desk to meet quota). We have to move away from the short-term gains at the expense of long-term trusting relationships. All of this will require focus, commitment and a drastic change in most corporate cultures.

ⁱ Charles Green, Trust-based Selling, McGraw Hill; ISBN0-07-146194-9, Copyright 2006, page 19

ⁱⁱ *Ibid* page 45

ⁱⁱⁱ *Ibid* page 47