

Selling Power

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Expanded Opportunity

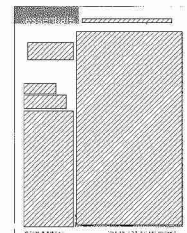
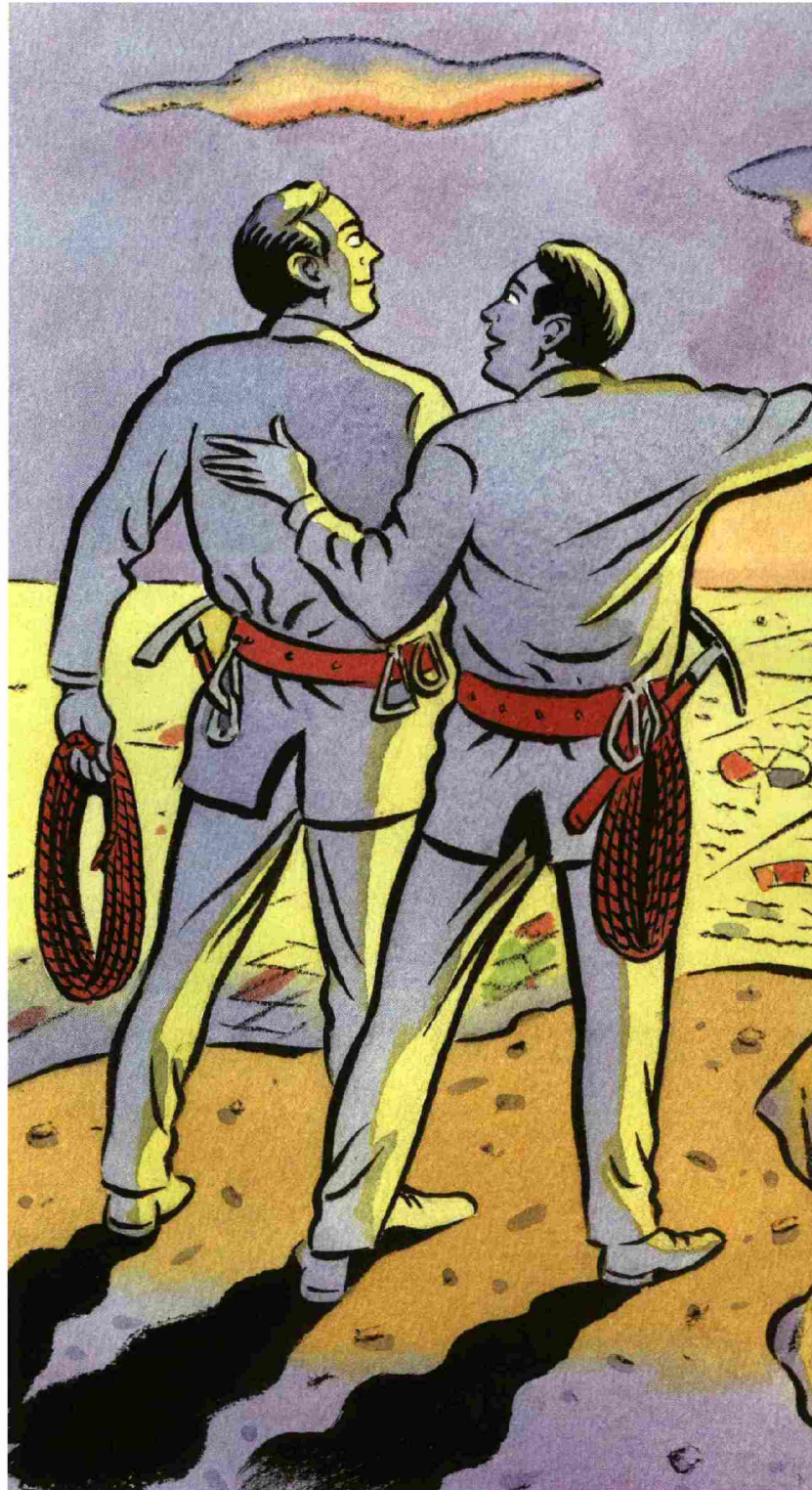
A step-by-step plan to grow an account's profitability after you're in the door

Some sales professionals stop sleuthing a client's industry and needs after landing the sale. Not Forest Mayberry, national accounts manager of Data Management Center. The Schaumburg, IL, data processing company handles outsourced invoices, statements, checks, benefits reports, and other ongoing customer information. Mayberry, who works with a network of distributors to sell the company's services, emphasizes the obligation to continue researching customer needs after the relationship has been established and find opportunities to create value that generate additional sales. By becoming well-versed in a customer's industry and competitive climate, Mayberry says he can optimize both sales and service delivery.

“Half of my job is to develop new business with distributors. The other half is to help distributors sell to their customers,” he says. “We're in the service business, and we need to carefully manage customer service, because we need to take care of our customers every day.”

DISCOVERY ZONE

Mark Burton, coauthor of *Pricing with Confidence: 10 Ways to Stop Leaving Money on the Table* (Wiley, 2008) says that it's easy to give in to the temptation of price-cutting to land business in the short term, but sales professionals should adopt a more holistic approach. “If demand is low because of economic conditions, low



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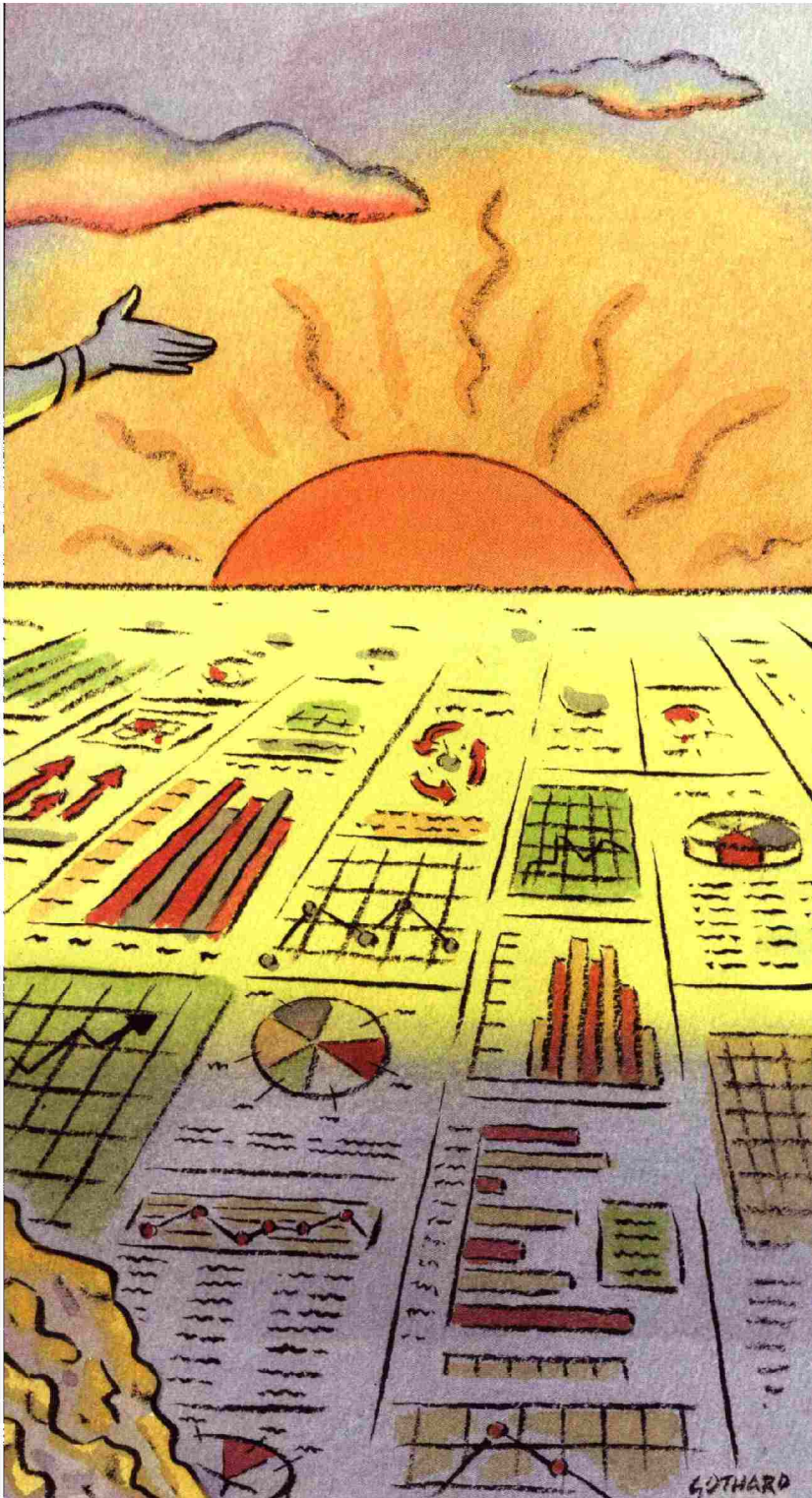
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prices aren't going to increase demand, but they are going to increase price competition," he says. "Now not only are you left with the same share of the marketplace, but it's worth less." Burton is also cofounder and vice president of Holden Advisors Corporation, a Concord, MA, price consulting firm, and he advises sales professionals to keep digging to find key value points and avoid a discounting mentality.

Companies can introduce lower-end products that allow them to stay engaged with customers with smaller budgets and then add more services as the level of purchasing escalates. This is an approach that Mayberry's company takes, offering services a la carte. However, as customers begin to buy, it's easier to add on other services, since the customer is already in the system.

"If we get their invoicing service business, but they don't need our archiving service, once the account is set up it's a simple matter of just turning on the archiving service once they see the value that will have. Then we can add other services that are based off of that information," he says.

By staying in touch with the customer, Mayberry can illustrate the value of his services over time. He shows customers the strategies, including invoice design, that Data Management Center uses to reduce the number of days sales are outstanding and get receivables in the door more quickly. Turnaround time for accounts receivable isn't typically something that a customer will share with a new sales rep, but Mayberry coaches his distributors to become valued advisors, sharing their industry expertise. When he can get information about the collection cycle, he can illustrate in dollars how much value his service brings to the company.

The questions he asks are familiar to any business owner or accounting manager: What happens when a customer loses an invoice and can't pay because of it? Which is a customer more likely to pay promptly, an invoice or a statement?

"Sometimes, we can improve the way an invoice looks and improve how fast it's paid. These are things that we find out over time and have real value to the customer," Mayberry says. As the level of purchasing increases, the company is often able to offer better pricing on bundled services while the customer's overall profitability increases, as well.

RELATIONSHIP BUILDING

The Value of a Sales Professional

Brian Garner, an account executive with CN Robinson Lighting Supply Company, a Bowie, MD, supplier of energy-efficient lighting systems, is having a hard time shifting the sales conversation to value, but he says it's still possible, even in a tough economy. "Everyone seems to be saying the same thing - 'I need a lower price.' It does get frustrating, especially when I'm not building much into the price to begin with."

He's still able to turn the conversation around in cases in which he has been able to prove himself an asset to the client over time. He does that by consulting suppliers and getting information about industry trends and what they're seeing across the board. He visits prospects' Websites, where he follows their company news and values, reads industry publications, and consults association Websites, as well. This is particularly helpful because his energy-efficient product lines are a great match for companies and industries that are trying to be more green - a very hot topic and key priority at many organizations today.

He also gathers information directly from the customer, a practice he says gets easier as the relationship develops. By sharing his wealth of product and industry information and by following through on his commitments to the customer, he builds a relationship based on trust. Being such a valued resource for his customers has been key in maintaining and growing long-term relationships, Garner says. "For customers who need to know that I'll be there to provide service to them and do what I say I'm going to do, it makes a big difference in their loyalty to me and my company."

Deliver value based on a clear and consistent focus or framework the right combination of tangible and intangible value.

dollar redistribution that Castro suggests, can illustrate value, as can value-based incentives for longer-term commitments. For example, it may make good business sense to hold a price steady for a customer who can guarantee a certain amount of business over time or on a month-to-month basis. Conversely, a customer who needs last-minute order fulfillment may be charged a premium, Burton says.

It's critical to work with your client to develop methods of measuring your value. That means working closely with the customer to monitor your product or service and ensure that it is performing or delivered as expected. Such monitoring wins the customer's trust and yields more information about the company's overall business practices, which may lead to new

selling opportunities.

It's also a good idea to submit regular progress reports, which may vary depending on the type of product or service you provide. Burton notes that some suppliers or vendors will complete semiannual or annual business reports, while others will opt for monthly reports. Whatever method you adopt, the collaboration - how well you and your customer work together - should be the central theme, and the value that your company provides should be explicit.

Data Management Center does this. Clients send information to the company daily, so Mayberry's team reviews processes on a regular basis to make suggestions for greater efficiency. "We create reasons to stay in touch with clients. If, in the course of the original conversation, they said they'd be

SHOW THEM THE VALUE

Alvaro Castro, a salesperson with Parkway Resort, a time-share and vacation company in Kissimmee, FL, tries to build trust by sharing his knowledge of the area's vacation market. He helps his customers take a closer look at how they spend their vacation dollars - lodging, transportation, meals - which is something that many have never done before. Then he counsels them on making choices that will offer greater value and greater enjoyment for the amount of money they have to spend.

"I try not to cheapen the product, but I can show customers how to make their vacations less expensive with our time shares. But that doesn't mean giving anything away. I show them how they can use us to spend less money than they would otherwise while on vacation," he says.

Burton's promise of savings by using a product or service is the crux of the value conversation. Analysis, as in the vacation-

interested in another service in six months, you can bet that we'll be back in touch about that service in five months," he says.

That illustrates another essential to increasing an account's profitability and value over time: do what you say you will. Burton says that opportunities are often missed simply because of the lack of follow-through. No salesperson wants to miss a sales opportunity if that means leaving money on the table. Cultivating customer trust, monitoring the account for new opportunities, and delivering on your promises can create strong customer bonds that let you maximize the account's potential while providing excellent service.

- GWEN MORAN

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