



Aligning Sales with the Way Your Customers Buy!

Understanding the Four Components of the Decision

In Chapter One I mentioned the four components of the decision making process. Now I want to go into these in more detail because the statistical data found in the process is really important in where the emphasis of sales strategy and sales training is placed. In his book *Achieve Sales Excellence*, Howard Stevens explains the four components of the customer's decision making process when selecting a vendor. The results of his research are determined from 80,000 customer interviews! Howard Stevens is CEO of Chally Assessments an organization that approaches sales from a scientific standpoint. www.chally.com

The four components of a buyer's decision and how important they are in making the decision are:

- Sales Rep's competence 39%
- Total Solution 22%
- Quality 21%
- Price 18%

The order is also important as you will see when the Human Buyer Behavior model is explained in a later chapter. Without a qualified, competent sales rep, the buyer never gets to the point of looking at solution, quality or price. And interestingly, price is the last thing negotiated. Too many sales leaders think that price is paramount to the buyer because they are told, by their sales reps, that the deal was lost because the price was too high. The buyer just says that since using price as the disqualifier is the easiest thing to say. What the buyer actually may have been thinking was "As a sales rep, you stink. You don't have a clue about my business or my needs. All you do is talk and try to manipulate me with a lower price. I will string you along because I have to have 3 quotes, but you don't stand a chance at getting my business." The rep says "Boss, we lost the business because our price was too high." Did the rep really see the competitor's proposal? Unlikely. In all probability, the competitor was actually higher. Companies that sell strictly on price generally lose to the company who focuses on sales rep competence. Sales rep's competence not only trumps price, but also generally delivers higher margins, long lasting business, and customers who are not difficult to deal with. If your sales strategy is to sell on price, I bet you have



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customers who don't value what other services you have to offer. Do you know the reason why these customers do not value what you have to offer? By selling on price, you have told them that all the other benefits of what you offer are not that important or are no different than the competition. By selling on price your sales reps prove that there is no differentiation.

An easy example is automobile sales. Except for Cadillac, Lexus, Infinity and a few other high end cars, almost all car dealers sell on price. In their advertisements they claim all differentiating features, but at the end of the commercial the advertisement promotes that they have the lowest price. What was the last thing left in the car buyer's mind? Price of course. When you go to a dealership to look at a car, you most likely have done your homework regarding features and benefits. In my personal experience of purchasing nine cars, I have never had a sales rep actually engage me in a value-based discussion. Most of the time, all the sales rep does is show me a car, quote a price, and then hand me a business card and say "Call me if you are interested." I bet I could get 10,000 of the same stories within a month if I requested people to share their car buying experience on Facebook.

Why Sellers Sell on Price

Sales reps sell on price for a few reasons, but one of the main reasons or justifications is the fear of "What if I lose the sale?". Fear drives a sales rep to think illogically. Fear is increased when the prospect tells him or her that price is the only thing that will win the deal.

So what drives the customer to talk about price and focus on price? Typically, there are 3 scenarios:

- 1) The Sales Rep is not adding enough value in the relationship to be a differentiator.
- 2) In the buyer's mind there is no perceived added value. The sales rep has not understood the buyer's criteria in terms of tying the solution to the business impacts of increasing/protecting revenue, reducing/controlling expenses or reducing/controlling risk. *In other words, the sales rep has not identified what or how the customer will determine which is the best solution and therefore cannot present a solution in the manner where the customer can see that offering as the best solution.*
- 3) The criteria of a competent sales rep, a specific solution and the level of quality offered have no value to the customer, that is the added value does not fit within the



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customer's business objectives For instance: - your company's solution might be outside their budget range (Chevy budget when looking at a Cadillac or BMW). The extra features do not add value in terms of impacting revenue, reducing/controlling expenses or reducing risk. The risk of going with your company's solution is too great – customer has to change from existing vendor to your company and the implication of negative impact related service, parts, people, and processes is too great.

The Sales Rep's Competence

The 7 Rules of the Customer

Howard Stevens in the book *Achieve Sales Excellence* developed the seven rules of the customer from conducting 80,000 customer interviews. Neil Rackham's research with Xerox, IBM and other companies, which incorporates over 1500 sales calls, agrees with Steven's research. From my own anecdotal experience (Being a right brain thinker, I am not the analytical type who does such research.) they are right on the money. And, if you learn and apply these 7 rules in your sales processes, you will be right on the money too. I will cover the 7 rules very briefly. To truly understand and apply the full meaning and impact of these rules, I highly recommend studying (not just reading one time) *Achieve Sales Excellence*. If you are a senior leader, the last section of Steven's book asks eight questions for identifying world class sales organizations. These are some direct and tough questions but ones that should not be avoided. Your analysis and answers will help you assess whether you are in the 20th or 21st century in terms of your sales strategy and processes.

The 7 rules of the Customer are:

1. You must be personally accountable for our results
2. You must understand our business
3. You must be on our side
4. You must bring us applications – not just products
5. You must be easily accessible
6. You must solve our problems
7. You must be innovative in responding to our needs



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Rule #1 "You must be personally accountable for our results." Sales people who understand Customer Aligned Selling take personal responsibility for the customer's results. These reps' foremost concern is that the customer buys and achieves the best solutions, i.e. the results that the customer expected and paid for. These reps act as business agents or, outsourced managers who are responsible for all aspects of the relationship between his or her company and the buyer. They act as the single point of contact within their organization to ensure that the buyer is getting the right resources and the right communication. They may delegate some activities, but they do not delegate the responsibility. They are responsible for the client's outcome (i.e. outcome ownership) and the client knows it. Client ownership is the path to achieving Raving Fan status.

Rule #2 "You must understand our business." In order to personally manage the business relationship, a sales rep must truly understand the customer's business. This involves not only understanding the customer, their organization, culture, competencies and business strategy, but also their industry, the financial and economic pressures, industry trends and even the competition. "It means seeing the customer's business as its CEO sees the business."

Rule # 3 "You must be on our side." To truly serve your customer, you must see things from their perspective and then represent your customer's point of view back to your company. Your job is to make sure that in your company's quest for profit and efficiency, that your customer's viewpoint or perspective is not forgotten i.e. your job is to keep your company from alienating your customer. In having your customer's perspective, you must be aware that their perspective is the only one that matters to them. You must also be aware of vested interests in your company that are not to the customer's benefit and work around them. Lastly, your advocacy for your customer is most valid when your customer is not present. You must represent them at all times.

Rule #4 "You must bring us applications" Customers want substantiated value at every step of the sales process. Substantiated value does not mean presenting features and benefits and hoping that the buyer understands how those features and benefits will help them. Bringing applications means the sales rep can discuss the product's usage and the outcomes or results of using that product within the buyer's company. Your customer wants to know how your offering applies to their particular situation or need, can be implemented and convinced that it will produced the desired results. The sales reps skill must be in creating a match between the seller's offerings and the buyer's situation thus bringing them applications.



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Rule #5 “You must be easily accessible” The average sales person spends a very small amount of time in actual contact with customers. In several studies, the actual direct time with customers was less than 25% and that included problem-solving. In today’s world, every company should have a defined process for keeping in touch with the customer from automated email responses, 24-hour call back rule, problem escalation and communication rules to even texting. The key for the customer is the level and quality of response. Good communication is the key – not indifferent or unhelpful responses. What causes stress for a customer is a sense of being out of control and not having the right information to regain control.

Rule #6 “You must solve our problems” What makes great sales people is that they understand there will be problems and they become experts at solving those problems whether caused by their company, by the customer or by some other factor. Great sales reps have the mindset of a troubleshooter and equip themselves to deal with problems in advance. They see problem solving as a positive challenge and a valuable opportunity. The sales person remains personally responsible for the problem resolution; they do not delegate the final responsibility to another.

Rule #7 “You must be innovative to responding to our needs” Customers want their supplier or service provider to be continuously improving the service or offering throughout the relationship. Executives want to talk with salespeople who can keep them up to date on innovative new solutions that can address strategic challenges and provide new opportunities for improving their company’s sales, reducing costs or generally growing the company profits. Executives want salespeople to be up to date, continual learners, so that there is added value in a relationship, not just what the sales rep’s company offers at that moment. This requires sales reps to understand the industry, to be subject matter experts, to understand the customer’s competitors, and to be looking for innovative ideas in other industries. Innovation comes from reading a lot and having a broad network of contacts in different industries.

About New Sales Solutions

New Sales Solutions specializes in helping companies align their sales strategy and tactics with how customers buy. Our process is based upon the current science of human buyer behavior and how people learn, interact and apply information. We implement a value based sales process resulting in less sales time, loyal customers, and a measurable ROI for clients. Happy Sales Reps – Happy Customers.

Contact Bill Hart 205-982-5534 or bill@billhartbizgrowth.com to discuss your sales goals.