

The second of a three-part series exploring the topic of system selling.

System development. Where value selling begins: Part 2

Last month, in the first part of this series, we returned to the basic principles upon which Value-Selling is supported. There have been more than 100 books and countless articles discussing alternative selling techniques. A few of these titles may ring a familiar bell: Competitive Selling, Best Practices—Customer-Focused Solutions, The Grid for Sales Excellence, Growth Partnering—How to Build Your Company's Profits by Building Customer Profits and Customer Centered Growth to name a handful.

In part one we said that there is nothing worse in a sales situation than in trying to market a naked product, or one that has been stripped of its unique performance value. In other words, it is a product or service that has been stripped of its value. This happens when an abundance of similar offerings are being made available on the market. In addition buyers compress these offerings even further into a common and familiar phrase that says, "your product is no different from a dozen others we could use in our operation and for less money."

Remember the often used phrase, "the customer is always right"? Well it is more accurate to alter this phrase and to always remember that, "the customer is always right, sometimes." Understanding this principle is the first rule of understanding how customers behave.

Customers are made up of many departments and individuals with as many different opinions about common issues as there are numbers of people. Therefore, to take one, two or even three of your customer's individual judgments and use them for your direction solely is a path laid out in degrees of failure. Why is this true? Because the individual within your customer is only right sometimes. They may only see parts of the issue, problem

or opportunity. As a result, they are biased their direction is skewed.

So guess what it takes to fully understand what your target customer(s) really want and more importantly, what they really need? It takes you, the salesperson, to gain more comprehensive customer data, information, knowledge and wisdom, beyond the individuals in your single customer and yes, beyond their collective knowledge as well.

HOW DOES ONE BECOME A SUCCESSFUL SELLER?

In the first four sentences of a customer dialogue, a successful sales person does these four things very well:

- Identifies a customer problem in financial terms. That is, in terms of what the current situation (problem, issue, opportunity) is costing the customer, or what the customer could be earning (gaining) without the problem;
- Quantifies a profit-improvement solution to the problem;
- Takes a position as manager of a problem-solving system and accepts single-source responsibility for its performance. In the course of defining the system in terms of the contribution its components make to improve customer profits, products and services are mentioned for the first time in this space; lastly
- The fourth sentence proposes a partnership in terms of applying the system to solve the customer's problem, or unmet need.

You may be saying this "system selling" must take a great deal of time. You may also be saying, "I don't think I can afford the time to do this. I can't cover all my accounts if I try this concept.." Well, you would be right!

It takes more time to become an effective system seller and furthermore, you probably

can't handle all the accounts you're assigned if you become an effective systems seller.

Roughly 80 percent of profit generating sales are made by 20 percent or less of the sales population. Over the course of my career two sales individuals who I had the distinct pleasure of managing, or should I say had the pleasure of watching them manage me, were Carl Peraino and Walt Pascoe.

The two are as different as night and day in terms of personality. Carl is an outgoing and gregarious, 'hail-fellow-well-met' kind of guy. One you might meet at a party and say later, "I really like that guy Carl, he's entertaining and I think he may have some substance under all that bluster." Walt, on the other hand, came out of the lab where he was a technical director and would be considered a complete 'wall-flower' at this hypothetical party. He was somewhat bashful and lacked much of a sense of humor as well.

What these two had in common was the ability to system sell. They both set sales records however they were able to set these sales records in parallel with also setting the highest profits per sale in the process. When I tell people about these two star salesmen, I refer to the "The Peraino or Pascoe Model."

When I first started to manage Walt, I asked him to defend his low calls per customer ratio. At the time he was averaging one call per day where the other 11 sales persons averaged almost three per day. Walt simply referred to the records, which said he was selling 30 percent of the division's revenue at 49 percent gross margin while the other 11 were selling the remaining 70 percent at 38 percent gross profit. It wasn't too long after this encounter that I began traveling with Walt to learn how he did it.

The Peraino model was very similar. I hired Carl on a trial basis and 14

months later, he was salesman of the year for my division as well as the whole corporation and contributing the highest per sale profits of any of the 32 national sales people. What was Carl's call frequency? He actually averaged less than one call per day.

So what can these two diametrically opposite personalities—the extrovert and the introvert—have in common that made them so successful? They both had a passion to understand and to become wise in what each of their core customers goals/objectives were from the top to the bottom of these organizations, and they were analytical.

Most of all, as system sellers, they both knew that they must position themselves as the vital ingredient in the selling process. That is, they knew to be ultra-successful, no other individual could hold the epicenter position except the systems seller.

Additionally, there were key tactics they understood, such as:

- In industrial products where there is a multiplicity of customer positions that can block or enhance the sales process, as a system seller, they could handle only 10-17 accounts;
- As a system seller they must spend a 12/1 ratio of preparation to sales persuasion time;
- As a system seller they would "live" with an account at every customer position until they knew the overall organization better than any one individual in that target account; and
- They could, therefore, speak to all issues within that account from plant production, marketing, finance, inventory, to the customer's problems and issues with their own customers downstream.

Here's one example. Carl saw a South Carolina Japanese transplant company producing airbag housing, instrument panels, center consoles and arm rests among other components.

They were using more than \$2 million annually of a Japanese coating. Carl saw this as an enormous opportunity for his company. So where did Carl start the system selling process? One might think the purchasing department would make sense or the plant engineering manager, or the paint line supervisor. No, Carl started on the second shift when he drove around to the back of the plant about lunch break time to speak with the workers on the paint line. At first he simply stated and mused aloud about how difficult it's going to be to crack this account and he let the workers fill him in on the elements most critical to being successful from their vantage point.

During the first visit he gleaned critical intelligence not just in what they said but who had the best view of the political ins and outs and how others have failed.

The second visit Carl brought coffee and the local bakery's best pastries along with a few choice cigars. More information flowed and by the fourth visit, one of the key workers suggested that Carl should bring in a couple of five gallon pails and run against the incumbent just to "take a look." Carl's product outperformed the competitor in several aspects including the all-important piece-cost reduction.

The second shift foreman unofficially showed his results with to the first shift foreman who decided to run a similar bank of products to compare consistency. Results were very similar, so the two foremen took their collective results up the line and eventually told purchasing they were changing to Carl's product.

Yes, system selling takes a lot of time and it normally can't be done over night but it can be done on "the night shift" as Carl has demonstrated.

We look forward to bringing you the third and last of the series on system selling and its benefits. **CW**