



Selling

BY BOB REISS

Long-time friend of MANA Bob Reiss has graciously allowed *Agency Sales* magazine to serialize his book *Bootstrapping 101: Tips to Build Your Business with Limited Cash and Free Outside Help*, available now on Amazon.com. The book looks at surprisingly effective low-cost and no-cost ways to acquire the resources you need to run your company. Whether your company is an existing enterprise or a start up, a manufacturers' representative company or a manufacturer, this book will introduce you to innovative ways to cut your costs and drive more of your income into bottom line profits.

What is the one thing you absolutely need to have for a business to succeed?

Answer: **Customers**

What do customers give you that sustains your company?

Answer: **Orders**

Now we have



You might have thought the answer to the first question was orders, and it would be a good answer. However, *customers* is a better answer as only customers can give you reorders, the key to business sustainability. Orders don't create reorders.

Now what is the process of getting customers to give you orders?

Answer: **Selling**



To complete the anatomy of a business, add a fourth element. The orders eventually turn into money or cash — your company's blood plasma. So, now you have the big four.



Always remember the above. You will have many distractions, fires to put out, and competitive challenges. As you deal with all these important issues, never lose focus on the above big four. The customer is the key to your survival and growth. Only a *satisfied* customer will write a reorder. Every job function and employee in some way is involved in one or more of the above Big Four.

The reason the above is mentioned here is to put the sales function in perspective and show you how crucial it is to your company's success.

My definition of sales is: "Persuading someone to take an action favorable to **all** parties." I emphasize **all** because many people are satisfied to receive an order for a product or service that is not of value to the customer. That's not a good thing as you will not get a reorder.

I know that many of you shudder at the thought of selling. You think that you were not born to be a salesperson. You don't have the charisma you think is required, the gift of gab, wining and dining customers is not your thing, you won't act unethically to get a customer, you're an introvert not an extrovert, you don't want to spend your life on the road, etc. Clear your head from all these misconceptions. There are no salesperson genes. *Selling is an acquired skill.*

Hopefully you are now sold on selling's importance to your future.

Who Should Sell?

Everyone, from the receptionist, the bookkeeper, the shipping clerk, etc., should be selling the virtues of your company and product to all the people with whom they come in contact. The most important salesperson is you, the Entrepreneur/President, particularly in the early stages of the company. He/she sets the tone and priority of the sales function and of satisfying customers. The selling effort by the head of the company costs the company nothing. No cash is expended, which is the ultimate bootstrapping effort.

As the company grows, the CEO will have less and less time for selling as his efforts will be transferred to hiring, managing, and motivating new employees, raising expansion money, pushing innovation, and exhibiting leadership. That is why you want to encourage and train all your people to act as salespeople.

Let's start at the front desk. The receptionist who answers the phone and deals with customers and potential customers is a key sales agent. In my experience, many customers' overwhelming impression of a company is

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formed through their initial phone contact, which usually goes through the receptionists. We should give these people the title of "Director of First Impressions." So take care in their hiring, training, pay, and treatment.

Learning to Sell Effectively

Selling is not taught in most business schools. There are many, many books and videos on the subject. I just checked "sales" on Amazon.com, and it showed 671,125 results. Overwhelming! There are some excellent books, but I have found that a great many are primarily inspirational. Your passion for your company should provide you with ample inspiration.

I believe selling can best be learned by doing it. The more you do it, the better you get. This is very similar to public speaking. You need to understand that sales rejection is not personal and should be expected. Every rejection is an opportunity to learn. To use a baseball analogy, a hitter who averages only one hit in every three attempts can go to the Hall of Fame. We strove to obtain an order in at least half of all the sales calls we made.

However, that being said, I will provide some insights and tips to help the sales learning process. Keep in mind you should develop your own style and not use someone else's prepared sales pitch.

Ways to Sell

I see five general ways to sell:

- Company sales force
- Sales reps
- Direct response
- Trade shows
- Walk-ins

The company sales force in the early stages is primarily the Entrepreneur/CEO for a number of reasons. There is not enough money to hire experienced, quality salespeople. Potential customers are impressed that the boss is calling on them. The passion that the founder/president has for the company should come through, and it is a po-

tent sales asset. Buyers tend to want to give passionate people a chance.

Sales reps in the company's early stages are an ideal choice because, as stated earlier, they are completely a variable expense and cash is in short supply. Reps also provide value as they have established relationships with your prospective customers and have immediate access. I would suggest that early on, you make some sales calls with your reps. It gives you a reading on how effective they are; it gives you a chance to educate them on your product and company. You can hear a buyer's reactions to your offerings without the sales reps' filtering process. You get the chance to develop strategies to counter buyers' objections. Most importantly, you develop a relationship with the rep that you want to push your line. They are independent entrepreneurs who probably represent too many companies. Your job is to sell them on giving priority to selling your products.

How to Find Sales Reps

There are many ways to find the right sales rep for you. Here are some:

- Call buyers you are currently selling and prospective ones. They know all of the sales reps, including the new upcoming ones who will have more time for you.

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A good sale is one that leads to a reorder (a second sale).

- Ask other reps in the field. Reps usually network with each other to help find lines in each other's territories.
- Industry associations (e.g., MANA) will usually give you a list of appropriate reps.
- Industry magazines (e.g., *Agency Sales*) may run ads from reps looking for lines. Their key employees are good sources for leads.
- Other noncompeting suppliers in your industry can be an excellent source.
- The Internet will provide you with lists of appropriate reps to consider. Just Google for them.
- Advertise for the kind of rep you want. Industry websites and magazines should be the most productive places.
- Putting up signs at trade shows is often a way for suppliers and reps to get together. The downside is it usually attracts the newcomers with the least experience.

Direct response is a way to solicit your potential customer directly without a human calling on them. This is done via mailings, phone calls, or, increasingly, through the Internet. All take know-how and, except for the Internet, are expensive. The fastest growth medium is the Internet, but it also has the most competition.

Trade Shows in your industry (if they exist) can be a cost-efficient and effective way to reach many of your customers. They, in effect, come to you. However, as a newcomer, it can be difficult to secure a good location and in some cases can be costly. Sales reps in many instances can be your answer. The experienced ones in many industries have their own booth in prime locations. You can work the booth and save a lot of money by paying a pro rata portion of the booth's cost. The reps' booth should also draw a good traffic mix of your customers.

Walk-ins are mainly a sales avenue for retail stores or storefront professionals. Potential customers walk in from the street or mall.

Preparing for the Sales

Preparation and planning are paramount in successful selling. Here are some factors to consider:

Develop a sales strategy by first identifying and prioritizing the types of customers who would most benefit from your service or product. Then discover the characteristics of these customers. Are they primarily large or small? What level of competition do they have with each

other? Are they leaders who others will follow? What margins do they insist on? What servicing is required? What are their typical payment terms? Are they customers I can't afford to sell? The list goes on and on.

There is an old saying that is appropriate: "Those that fail to plan are planning to fail."

What is a Good Sale?

A good sale is one that leads to a reorder (a second sale). The reorder can be aborted due to any one of many dissatisfactions the customer has with their purchased product (i.e., poor quality, didn't live up to expectations, wasn't a fair value proposition, etc.).

Another scenario is where you sell your product to a retailer (Wal-Mart, Macy's, etc.) who then resells it to their customer. Many times these retailers enthusiastically purchase products, and their customers disagree with them by not buying it.

The message is don't build inventories or spend anticipated profits on initial sales. You need reorders to have a good sale.

Let me tell you a quick story where I failed in this area. I formed a joint venture with a picture frame company, based on my securing licenses for picture frames from a number of major magazines. These magazines included *Time*, *Sports Illustrated*, *Golf*, *Cosmopolitan*, *Modern Bride*, *Bon Appetit*, *Life*, and *Playboy*. The idea was that the consumer would put a picture of their own in the frame which had a clear acetate cover that replicated the magazine's cover. Your dotting mate could put you on the cover of *Time* as "Man of the Year" or nominate you as "Golfer of the Year," "Chef of the Year," "Playmate of the Year," and so on.

We were able to work out deals with most of the magazines to get free ads promoting their respective frames and directing the reader to a retailer who was carrying the product. (Good Bootstrapping) Buyers absolutely loved this product. The orders came pouring in. We and our manufacturing partner began to have visions of ourselves as a major, major frame company. Seduced by this dream and by the very positive reactions of the buyers, we cranked up production and waited for the anticipated avalanche of reorders.

What happened next? In a word, nothing. Despite

our strong advertising, good retail displays, and retailers' enthusiasm, there was a deafening silence from the marketplace. Our customers — department stores, mass merchandisers, gift stores, catalogue houses, and home-shopping networks alike — all came back to us with exactly the same bad news: the consumer had *absolutely no interest* in buying this product. We wound up taking a bath on our heavy excess inventories, and giving away the profits we could have pocketed from our heavy initial orders. We had a bad sale.

Target Specific Accounts

After you have prioritized the types of customers you are after, start listing and prioritizing specific accounts. Don't make the list too long. It should be a realistic number that you can effectively call on. The leaders should be a priority. When we were in the game business, we identified the department stores as the priority class of customer. We quickly discovered that Bloomingdale's was a national leader and influencer of other department stores in our category. Buyers from around the country shopped Bloomingdale's when visiting New York. We, therefore, made a major effort to secure that account and service them to death. We built a nice business with them which enabled us to break into many other department stores in all locales.

Zero In on the Right People

Once you've got your key accounts targeted, then find out the name of the person you need to sell at that company. Sometimes this is as simple as calling the appropriate office and asking who the lamp buyer is (assuming you're selling lamps). Sometimes, it's harder to find out who's making the buying decisions for your service or product. In some cases, a committee makes these decisions. Assume it's going to take some time to get to the right person (or people) and also assume that it's worth it.

Remember that you're looking for a *decision maker*. A major challenge for sellers today is that, in many cases, they must make their first pitch to a designated buyer who is only authorized to say "No." The ability to say yes resides one level higher in the organization — and this is the person you're ultimately trying to reach. However, you have to accomplish this without aggravating the "nay

Why Buyers Buy

Here are a few random factors that I have seen affect a buyer's decision:

- They like you or your company, or they don't like either.
- Their boss told them to buy from you.
- Their customers want your product, or they believe their customers do.
- Your product has appeal because of its quality, price, brand name, warranty, or packaging.
- Your company's offerings are superior to competitors' offerings.
- They trust and have confidence in you.
- Your attention to the detail of the business is excellent. You give them no problems and make life easier for them.
- The previous buyer bought from you.
- They think you are well connected with the management in their company.
- You paid them to buy.
- You are good looking.
- You can help them obtain or maximize their bonus.

There are many more rational and emotional reasons.

Which of your customers' problems that you've identified can your products solve?

Selling Tips

- Be persistent. (Don't take rejection personally.)
- Be creative.
- Be patient.
- Be passionate.
- Be proud of selling — remember, buyers need your product.
- Listen, listen, listen. (Think of key questions to ask.)
- Share information.
- Be memorable.
- Be positive — Don't knock others.
- Be prepared to say, "I don't know."
- Make an attractive and comprehensive offer.
- Be prepared to say, "no."
- Ask for the order.
- Follow up with the customer and keep notes on your sales calls.
- Pay attention to detail.
- Build trust — from day one and forever. (See trust list page in Relationship chapter.)
- Never disclose confidential information.
- Budget your time carefully.
- Treat assistants, secretaries, and everyone with respect.
- Treat small customers well.
- Keep looking to solve problems.
- Get customers out of their office.
- Personalize your business relationship.
- Be a team player.
- Become an expert on something: your industry, product, your customer, etc.

saying," first-screen buyer. (You definitely don't want this person upset with you!) Think of legitimate reasons why you need to go to higher-ups in the organization — and why you'd really appreciate being introduced to those people by the gatekeeper.

If all else fails, run around the gatekeeper. Find a way to get a call in to the higher-up decision maker. When you succeed, you can either ask for an opportunity to make your pitch directly to him or her, or you can ask for something else. One thing that has often worked for me is to inquire, in a sort of peer-to-peer tone, which of their buyers is most appropriate to solicit? You need their advice, especially if your product may fit into several different categories. I've had instances in which the higher-up person directed me to a lower-volume department in the store because he or she felt that the buyer in that department was more open to new concepts than the buyer in the higher-volume areas.

If the companies purchase by committee, try to find out the committee members and presell the key ones before their meeting.

Understand Your Target

The next thing that's immensely valuable is to *know everything you possibly can about your prospective customer and buyer*. This is a vital part of preparing for the sale, and it should be ongoing while you're zeroing in on the right person to talk to.

If it's a store, how do they display? Are there clerks who actually sell at the retail counter? How many competing items do they carry? What price points do they carry? What are their profit requirements, and how are they measured? What's their current financial condition? Are they having a good year? What's the long-term trajectory of the company? What kinds of customers do they cater to? Are they leaders or followers? Are they best known for value, price, fashion, or some combination? What special requirements do they have in terms of things like labeling, shipping, packaging, display, advertising markdowns, quality guarantees, credit terms to their customers, payment terms to you, billing requirements, late-shipment policies, and so on? What's this buyer's personality? What's he or she known for in the trade?

How do you gather all this intelligence? Do your homework, of course! If it's a store, shop the store thoroughly. Talk to the sales clerks.

Take notes. Write down everything that's already in their department that you'd like to sell, and write down what's *not* there that you could provide. If it's a public company, get their most recent annual report (from your broker, from their website, or from their investor-rela-

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tions person). Search them on the Internet. Google the company and the individuals. Talk to other people who sell them. Talk to the receptionists in the company. (In my experience, a bright and under-challenged receptionist is almost always a gold mine of information.) Study their ads. Get their catalogs (if they publish them). Read about them and their fiercest competitors in trade publications. Scour their website. Visit trade shows and use these occasions to meet people and ask a lot of questions.

One goal of all this work is to enable you to individualize your call and to be able to speak to your prospective customers' specific needs. Nobody likes to feel that they're getting a "canned" presentation. Conversely, everybody likes to think that they're special enough to deserve special attention from you. They do deserve that special attention! Your preparation telegraphs your competency.

John Korff, the events entrepreneur, says that it's crucial to learn about the people you are going to address: "You have to understand intuitively why someone else should want to do what you want them to do. If there's no logical reason why, it isn't gonna work. That's like firing a shotgun out a window and hoping a duck flies by."

Understand Your Own and Your Competitors' Positions

By this I mean, use what you've learned about the prospect to think again about your own products and services. Which of your customers' problems that you've identified can your products solve? How do the sales histories of your products track with what this buyer needs?

Study all your competitors big and small, and put together a list of the pros and cons of each and how they stack up against your company's offerings. This will sharpen your presentation and prepare you for buyers' questions.

Be sure to do an honest appraisal of your company's products' strengths and weaknesses (which is a very difficult thing to do). This will help you in strategizing your presentation against your competition and focus on improving your pertinent weaknesses.

Selling Approach

Everyone sells differently. There are no right or wrong

ways. Practice in most endeavors is a prelude to success. The more sales calls you make, the better you'll be at it. If you're a real beginner, make calls with an experienced salesperson. See their approach, but don't necessarily ape them. Develop your own comfortable style. Talk to successful salespeople. Listen to their approaches and sift out the points you feel are important. I can't underestimate how important good listening is to successful selling, and I don't mean hearing. Good listening is a skill that most people do not employ. Listening takes focus. Silence can be your friend. Don't think of what you're going to say next while your prospective customer is speaking. It's okay to have a plan of what topics you are going to talk about, but be prepared to change your order or approach based on what your customer says. Ask good questions and listen, listen, listen.

It has been my experience that most buyers eventually will tell you how to sell them if you listen carefully.

Also keep in mind that most buying decisions are not always made on a rational basis. There are many emotional factors that can do battle with the rational during the purchasing decision, and some of them are unconscious.

Good selling can offset many other problems the company encounters: unexpected expenses, bad debts, legal fees, increased taxes, higher insurance premiums, etc. These can easily be resolved with more sales.

Selling also can be fun. There is nothing like the rush you get when you secure a big or hard-to-get order.

Happy Selling! 

Bob Reiss was a national manufacturers' representative for 14 years before changing his business model and becoming a manufacturer who sold through manufacturers' reps. He has been involved in 16 start-ups and one of his companies was named to the *Inc.* 500 list of America's fastest-growing companies for three years in a row. A native of Brooklyn, New York, he is a graduate of Columbia University and Harvard Business School. An army veteran, he is the author of *Bootstrapping 101 — Tips to Build Your Business With Limited Cash and Free Outside Help* and *Sales Reps*, both available now on Amazon.com.

