

Sell from a solid base

In part two of his series, SIMON HAZELDINE explains the difference between selling and negotiating

IN ASSOCIATION WITH



Simon Hazeldine is a Fellow of the ISMM and an international speaker, consultant, corporate trainer and author. His bestselling books include *Bare Knuckle Selling*, *Bare Knuckle Negotiating*, *Bare Knuckle Customer Service* and *The Inner Winner*. His fifth book, *Neuro-Sell: How Neuroscience Can Power Your Sales Success*, will be published by Kogan Page in November 2013. You can contact him at simon@simonhazeldine.com

THERE ARE two essential skills you have to master if you want to prosper as a sales professional: selling and negotiating. They are inextricably linked together in the sales process and although the boundaries between them are blurred, they are two distinct stages and require subtly different skill sets.

Selling is all about convincing customers to purchase a product or service, or to enter into some form of arrangement or agreement with you. Selling can be defined as establishing a need or want to buy (and people tend to buy what they want rather than what they need), and then matching the benefits of your product or service to that need or want. These benefits, and how they help the customer to get what they want, are articulated in your sales proposal or value proposition.

Negotiation, on the other hand, is about agreeing the terms upon which the purchase, arrangement or agreement will take place. This may include many factors such as volume purchased, delivery schedule and method, purchase frequency, amount of payment, timing of payments, service levels and product or service configuration.

To maximise your profit margin, the golden rule is: sell first, negotiate second.

The reason for this sequence is that the more convinced the customer is of the benefits of your product and service the more they are likely to be prepared to pay for it. Selling is about communicating the value of what you have to offer. The more value a customer perceives a product or service to give them, the higher the price they will be prepared to pay for it.

On some occasions selling alone may be enough. You may be able to convince the customer to purchase your product or services without any

negotiation taking place. But in the majority of modern selling situations you will have to negotiate.

If you allow yourself to be drawn into negotiation too early – and experienced buyers will attempt to do exactly this – you are weakening your negotiating power and missing out on the opportunity to convince the customer of the benefits (and therefore the value) that your product or service will bring them. To prevent this happening it is important to focus on three distinct stages in the sales process – these are in sequence: planning and preparing, selling, and then negotiating.

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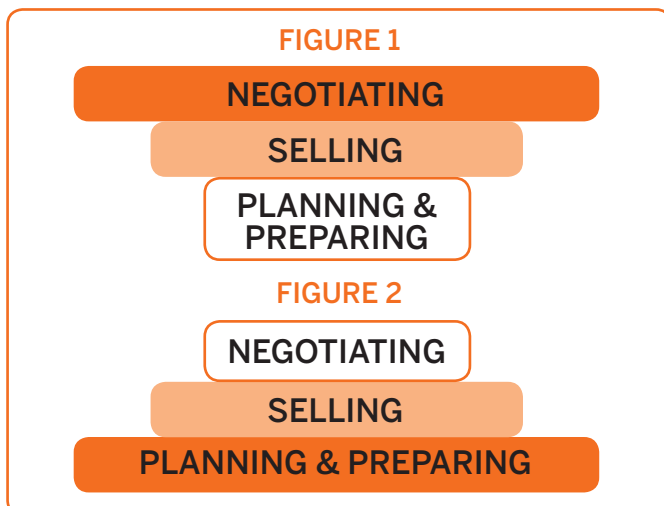
The situation with the majority of salespeople is as illustrated in Figure 1 below. A small amount of planning is conducted – far too few salespeople plan and prepare well enough for customer meetings – and, as a result, the depth and quality of their selling is limited. They will then frequently find themselves dragged far too quickly into the negotiation stage, which lessens their ability to communicate value. The customer is deliberately trying to tip the balance of power in the negotiation in their own favour.

The ideal scenario is as illustrated in Figure 2. The salesperson plans and prepares for both the selling and negotiating stages thoroughly. They then enter the selling stage, spending sufficient time to understand the customer’s needs and wants and then articulating a powerful value proposition. They finally make the transition into the negotiating stage, and are able to maximise profit margins by conducting an effective negotiation that is built on a firm foundation of planning, preparation and high quality selling.

If the foundation of planning and preparation is weak, the selling stage will usually be too shallow and short and will lead to the power balance in the negotiation being tipped in favour of the customer. The customer will then exploit their advantage and the salesperson’s profit margins will inevitably suffer as a consequence.

If you take the time to build a solid foundation of planning and preparation for your customer meetings, then your ability to sell will improve, which will in turn lead to you feeling stronger and more confident in the negotiation stage. The more confident you are feeling, the better your profit margin is likely to be.

The foundation of confidence in both selling and negotiating is planning and preparation. In the next edition of *Winning Edge* we will look in more detail at exactly what measures are required to plan and prepare thoroughly for your negotiations.



Making sense of email selling

CARL WHEATLEY considers the merits of email selling, as opposed to email marketing

A RECENT LINKEDIN discussion on the merits of email marketing showed a massive polarity of responses. On one side was heard:

- I hate spam. I never read any emails from anyone I don't know
- Email marketing doesn't work – I've tried it and failed
- Email is dead anyway, numbers using email are declining. Social media is the way forward
- No one read our marketing emails that we've spent a fortune having designed.

On the other hand comments like these also appeared:

- Email is a great channel to find new customers
- We mainly use email to retain clients
- Our email strategy gives the highest return on investment (ROI) of any of our marketing.

So what's going on? How can there be such widely different views on the effectiveness of email as a promotions and sales channel? I believe the difference is between those who see email as a broadcast medium and those who seek to use it to engage contacts by sharing knowledge and advice. To differentiate the two, I use the phrase 'email selling' to describe this second activity.

The difference is stark. First, here are some typical characteristics of email marketing:

- Designed emails with lots of HTML and pictures
- Content talks about the sender: "We're great", "we've got lots of clients", "look at our services" etc.

- Everyone gets the same message
- Messages often originate from the marketing department
- Focus is on propagating brand and being 'on message'
- Email is sent on a 'fire and forget' basis
- Campaigns don't evolve based on user behaviour
- ROI is difficult to measure.

In contrast, here are some of the hallmarks of email selling:

- Plain emails, often short with limited or no design
- The content is focused on the recipient: useful knowledge, valuable advice and relevant stories
- Recipients are segmented and receive different messages and customised content intended to be directly relevant to them or their business
- Messages are usually created with the involvement of the sales department or other line of business users
- Focus is on giving great value to the recipients
- Regular engagement with further email or telephone follow-up around the topic the recipient engaged with
- New messages are created and targeted based on recipients' engagement with past content
- ROI can be measured, based on a regular stream of new leads and closed sales.

So next time you are thinking about your email strategy, think email selling over email marketing.

Carl Wheatley is partner of Nett Sales, an email sales process specialist. Visit www.nett-sales.com

Don't trash failed leads

JOHN PATERSON warns businesses not to lose sight of leads that appear to have fallen by the wayside

MOST SALES AND marketing processes work like this: the marketing department generates sales leads that are passed to a salesperson; the salesperson does an initial qualification, probably discarding half of them; during the sales process further qualification may happen, either by the prospect or the salesperson, and finally about one qualified lead in four gets converted into a sale. The numbers vary depending on the business but, on average, I reckon around ten leads from marketing are needed for one sale.

So what happens to the leads that have been discarded by the sales team? At worst, having been passed across by the marketing team they have been deleted off the marketing database and

now aren't on any system at all. At best, they will remain on the marketing database but are not flagged as being worthwhile.

And why should they be special? Surely they are worthless, having being qualified out or lost?

Not so. In our business, for example, we get a steady stream of leads of people looking at our offering. Some get qualified out early because they don't have the budget, or don't want our delivery model. Later on they might be lost because they have specialised requirements, or on price, or simply prefer another vendor and go with them. But six months later, some come back. They decide that they now have the budget, or maybe our delivery

model wasn't so bad, or they looked for a specialised system and gave up, or the competitor they initially chose disappointed them.

The point is that, even though our initial attempt at converting these leads failed, compared to the rest of the marketing database they proved statistically more likely to convert at some stage than other prospects that we knew nothing about. At least these 'failed' leads decided they wanted a system like ours and had some idea of what their requirements and budget were. They fell at various hurdles, but at least they started the race. And whatever tripped them up the first time, they might manage to get over it if they started the race again.

So don't throw away so-called 'failed' sales leads. Keep them on the marketing database and segment them into a special campaign.

John Paterson is CEO of CRM specialist, Really Simple Systems. Visit: www.reallysimplesystems.com

Confidence is key

JEREMY CASSELL explains why confidence is critical to successful selling

A QUESTION WE ask our coaching clients is: "If you knew you could not fail, what would you do with your life?"

It produces an interesting conversation, and sometimes a huge change. If you knew you could not fail, your confidence would soar. How important is confidence when you sell a product or service? We are all confident in some sales situations but what about if we have a big deal to deliver or a prospect with whom we find it difficult to communicate?

In 2009, we conducted a survey into how the best salespeople achieve consistent success and found that the most critical factor was attitude, specifically an internal confidence that drove positive behaviour and helped shape long-term success. (You can find out more about the research results at www.brilliant-selling.com).

Surface confidence can be created 'in the moment' by applying approaches such as diaphragmatic breathing, visualising success and remembering when you felt really confident.

Deep confidence, on the other hand, comes from self-sustaining positive beliefs and from your own competence. The more you practise something, the better you get. The more you let go of self-limiting beliefs, the more you can tap into your own self-worth. Recent research has confirmed that if you practise the right things regularly you will improve, sometimes dramatically. The more you practise skills the more you will create myelin – the insulation that wraps around neurons in the brain, which builds a stronger connection.

In selling, deep practice means seeing more customers and prospects and practising core skills such as

preparation, asking challenging questions, really listening, showing flexibility and adding value.

Confidence is just one of the elements needed to give you the power to influence and sell. You also need: **Credibility** – communicated by your knowledge, experience, position, reputation and credentials, as well as your body language and voice; and **Connection** – which is about creating common ground or rapport with the person you need to influence.

If all three elements are in place – what we have termed the C³ Model of Influencing – then you will be truly influential when you sell and negotiate.

In the next edition of *Winning Edge* we will focus on credibility.

Jeremy Cassell is a director of Brilliant-Selling and co-author, with Tom Bird, of *Brilliant Selling*. Visit www.brilliant-selling.com.