

Knowledge based article

# Selling in Tough Economic Times



There aren't many guarantees in life however it is reasonable to say that if you are in business for long enough you will see the full range of economic conditions in the markets you serve from 'boom' to 'bust' and back again and it is so often the case that the bigger the 'boom' the bigger the 'bust'!

Let's consider where we are today. With a 'bad news' obsessed media fuelling what are clearly more challenging and uncertain economic times it is critical to adopt a sense of reality as we go about our sales roles on a day to day basis.

Irrespective of the prevailing economic conditions some organisations and businesses will perform better than others. When times are good there are still business failures, companies who fail to raise finance, companies laying people off and stronger businesses acquiring weaker ones. During the good times the weaknesses of a business are not as exposed hence marginal performers are still able to survive. Of course when more challenging times come along one or more of those weaknesses can become fatal with the obvious consequences.

**So how do we survive and even prosper through uncertain economic times in our sales roles?**

## 1. Adopt an even more positive attitude

If you think you are going to fail you probably will...customers smell fear, nervousness, uncertainty especially the more experienced purchasers which may mean losing deals or securing worse deals - anyone buying anything at the moment expects to get a great deal!

Look on the uncertain economic times as a test of your true ability as a Sales Person and an audit of your true effectiveness - a recession / tough economic times will test every aspect of the way you work - your selling skills, attitudes, knowledge, systems and processes and sales plans. However it is your response and desire to learn and change quickly that will underpin your success.

For instance, can you...

- Manage the price conversation through the sales process?
- Handle the price objection and requests for discounts?
- Negotiate effectively...trading items of low cost to you and high value to the customer?
- Understand the detail of the customers buying process and understand the power of the purchaser and the other key players in the sale?

- Generate leads effectively?

It is so important you think 'how can I' and 'how can we' in every aspect of your role.

## 2. Sell products / services that increase efficiency

Be proactive and take your products and services that bring clear ROI benefits to the customers - don't wait for them to make a business case and find yourself selling against others. Make the running and understand the customers required ROI in order to potentially secure internal / external funds for a purchase. Help the customer make their case - what steps do they have to go through, who is involved, how long does it take, what changes have been made to the process in recent times? You may still have competition but you now have a relationship and does the customer have the time (especially if they have been impacted by layoffs) to evaluate the whole market if they already have a solution in front of them?

## 3. Plan your business

Proactively FOCUS on the best opportunities whether they be driven by legislation, efficiency savings, critical research - understand those markets that still have a strong or growing requirement for your products and services. If you are selling into publicly funded organisations then more funding might be made available in these areas as governments look to boost the economy through increased public spending.

Attack your competitors accounts where they have made mistakes, provided poor service - it is all too easy to neglect your user base in tough times as you search out new customers. Know your revenue and margin winners and losers and as they say 'revenues are for vanity, profit is for sanity'.

Check out the customers you are selling to...how strong are the balance sheets of the companies you are selling to (are they still able to invest?), how likely are they to pay you, how well funded are the public sector / academic organisations you sell to? What areas of research are attracting the most funding, which are the most active funding bodies, what long term funding programmes are in place that won't be impacted by tougher economic conditions? Search out the areas you can sell to that will give you a return.

In tough times it is also worth gaining agreement across the business on what you will not do so that your focus is not diluted.

## 4. Sell the extras

Sell the upgrades, accessories, training courses, service plans that extend shelf life and help the customer to continue to get the very best from the products they own...any products or services that you sell that

allow the organisation to increase product life times or improve the results and or productivity may well be funded.

## 5. Build your reagent and consumable revenue stream

Are you maximising your reagent and consumables reagent stream not just on your own instruments (if you sell any of course) but also on your competitors instruments and platforms? Organisations will continue to conduct their research, undertake QA / QC checks etc. Such work is essential to the organisations survival and future competitiveness and purchases will be made from operational expenditure budgets as opposed to capital budgets.

## 6. Defend your customer base from your competition!

There may be fewer buying customers relative to the number of suppliers or you may be in a buoyant market sector that will attract new or existing competitors who have enjoyed previous success in markets that are now struggling. Check for satisfaction and address and resolve complaints in a timely manner. Make sure that the customers you want to keep have no reason to go elsewhere.

## 7. Manage your Sales Process and Sales Opportunities proactively

Don't get drawn into 'no hope' deals due to a shortage of sales leads just to look busy - remember you choose who goes into **YOUR** sales funnel NOT your customers - invest the time at all stages of the sales process including lead generation on a continuous basis. The management of the Sales Process is not a batch process. Ensure you have a clear view of the status of each sales opportunity you are working on. Stay close to the customer and make sure you have agreed with the customer the next step in the process and even the one after that.

## 8. Understand your customers buying processes

The levels of authority may change (rise), more signatures may be required when times are tough and know the steps of the process and associated timelines and locations of the signatories. Accurate forecasting is important, today it becomes even more critical to report accurate information. Without the knowledge and understanding of the customers buying process you have no chance of accurately determining the timing as regards order placement. The purchaser understands the buying process; the scientist or engineer the science or engineering. They can be the same person of course but be clear who

has the information you need. Even if you are familiar with the buying process things may well have changed or be about to change as the organisation tightens up their process so make no assumptions.

## 9. Prepare for your qualification sales visits, presentations & negotiations

We can never over prepare and we have to ensure we make the very best use of the customers time and our own time. Weaknesses you may have been able to get away with in the good times will be exposed in the tough times. Set time aside to prepare – the time spent ‘clearing up’ the resulting mess of insufficient preparation and damage to your personal credibility is always greater!

## 10. Know your strengths, and play to them

If you are part of a team target the strengths of the individuals across the team at specific situations particularly for the marginal deals that can make all the difference – pull together and help each other succeed. Recognise and ask for help when appropriate – it is not a sign of weakness. Share your successes (product sales / applications / markets / competitor defeats) and share the tactics of the competitors selling against you. Your goal should be to never lose a deal for the same reason twice!

## 11. Seek out alternative financing methods

Despite what we hear, the banks are still lending (although they are less likely to be lending to high risk ventures or failing companies), wealthy individuals are still backing business's, the investment companies are still investing and public sector grants are available across the EU in many market areas if you know where to look. What can you do to help your customers find the financing they require?

**This is by no means an exhaustive list however we hope it gives you a starting point from which to work and perhaps can act as a checklist for you to assess yourself against!**

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