



Getting organised

learning objectives

In the last chapter we developed some useful communication skills. Now, let's see what information will help you to put those skills into practice in a sales consultation. In this chapter you will learn how to plan and prepare for a particular sales role, the type of information you will need to take with you into the field, ideas for presenting that information, and how to most effectively allocate your time as you 'work' your sales territory. After reading this chapter you should be able to:

- 1.** describe your organisation, its structure and policies;
- 2.** contrast your organisation's offering with those of its competitors;
- 3.** demonstrate the benefits your products can offer to customers;
- 4.** develop a plan to manage your territory and time effectively.



PROFILE OF A PROFESSIONAL

HE WASN'T ALWAYS THE BOSS

After completing a Diploma in Business, David Mumford applied for several marketing positions. David decided, though, that the administrative nature of the jobs was not really what he was looking for, so he changed his focus to sales. His first position involved managing a few minor sales accounts, which he promptly built into large sales accounts, and he was on his way.

‘I’m pleased I chose the path I did’, David says, ‘because I instantly enjoyed the interaction with my clients. At the start, too, it was the freedom of being on the road and not tied to a desk. And, I discovered I was actually good at it. I really liked the opportunity to get an inside view of how other businesses are operated, what is important to them, and then to think through how I could help them, and my own company, at the same time. And when I started my own firm, I was able to use a lot of those insights in our operations.’

Best and worst aspects of selling? That’s easy, my clients! I get to meet terrific people who I would not otherwise run into but, on the other hand, difficult clients can drive you crazy. You have to take the good with the bad, and luckily I have had far more of the former.

ACTIONS SPEAK LOUDER THAN WORDS

Now he is managing his own firm selling natural health products to international consumers, how has David’s position changed?

‘As I have moved more into management, I spend less time “on the frontline” and more time managing my staff. But I still really enjoy getting out and meeting with customers. People think you need to be extroverted to be a good salesperson, but my experience has been totally different. I’m not particularly outgoing so I think I’ve done well more because people trust me. I take time to ask questions and then really listen to the answers clients give me. That way I avoid selling a customer something they don’t really need. Then I prove to my customers that I will go the extra mile for them. Eventually, it’s what you do, not what you say that counts.’

HERE’S A TIP

‘Technology is changing things too, of course. Especially for a firm like mine that sells internationally: e-mail, notebooks, digital imaging and so on have all changed the way we operate. Not that I ever rely on these as the primary way of doing business. Developing strong personal relationships is still the most effective way of achieving sales success. In fact, here’s my tip for anyone starting out in B2B selling: find ways to make your customer’s job easier. That’s what will really differentiate you from most other salespeople.’



You are on your own

Well, perhaps not completely. But unlike most other occupations, salespeople mainly operate independently and away from the office; that's where the term 'field representative' comes from. As a result, salespeople often need to be self-sufficient. Here are some examples:

- When your customer asks you a question during a sales call you *need* to have the answer. Your customer will expect it and so will your company.
- If you have a 7.30 am appointment on the other side of the city, you *have* to be there. No one is going to cover for you and your customer isn't going to wait around: 'You were held up in traffic? Well, sorry, but that's your problem. I've already found another supplier.'
- If a buyer shows an interest in one of your firm's products, you *need* to be able to explain or demonstrate it effectively. If not you, then who else?

This self-sufficiency doesn't just happen. Salespeople need to gather the right information, acquire the right knowledge and develop an effective plan to manage their sales 'business'. By the way, that's not a bad way to think about it: being a salesperson is like running your own business.

What do you need to know?

Buyers are often asked what they like and dislike about salespeople. Guess what is consistently up near the top of the 'dislikes' list. Here are some typical buyers' statements to give you a clue:

'I had a salesman in here the other day and he didn't even know if his company offered a discount for fast payment!'

'What really annoyed me was that I seemed to know more about Kakadu National Park than she did and she's supposed to be the travel agent!'

'They [sales reps] expect *me* to educate *them* about the market we're operating in. That's their job, not mine.'

Customers of all types dislike poorly prepared salespeople. So the first preparation step is to gather information and knowledge in several relevant fields:

1. your own organisation;
2. the products you will be selling;
3. the marketplace your firm operates in and the competitors you'll be up against;
4. the particular customers and customer groups you'll be selling to.

Information about your organisation

Customers want to buy from organisations they know, understand and trust. Many competing brands or makes of product are similar in today's crowded markets, so buyers will often first select an organisation to buy from and *then* look to that organisation to supply their needs. You must know your organisation because, in effect, it is often the *organisation* you're 'selling' before the products.

All right, so you've just joined a firm as a salesperson. How much do you need to know about your new firm? Here are some suggestions.

History

Salespeople don't have to know every twist and turn of the company's history but they should know important milestones such as the following:

- how long the organisation has been in business—'Yes, Mrs Green, at Myer we've been supplying customers with quality suits for almost a century. I hope that means we're doing something right.'
- financial and growth developments—'Yes, we acquired the Edgell food processing business a few years ago. It gave us access to a whole new range of products.'
- major products developed—'Wattyl Solargard was a genuine breakthrough for outdoor paint in its time. We've always been committed to product development.'
- important people—'Mr Samuels has retired now but, yes, he was a wonderful fellow. We're a people-oriented firm.'

Let's be realistic. Knowing company history is unlikely to change your sales success radically, but it can certainly help to develop relationships. And remember, a good rapport with your customer *is* a major factor in success. It can help you to feel 'part of' the firm too.

Organisational structure and staff

Salespeople don't operate in a vacuum in their organisations. Get hold of an organisational chart and learn how the departmental structure works, especially those departments that have a direct bearing on sales; for example:

- marketing—Who coordinates advertising campaigns with the sales team's activities? Who designs and distributes point-of-sale material and sales aids?
- production—How is production coordinated with future anticipated demand (that is, sales)?
- warehousing/distribution—Who looks after finished goods stock management? What priorities are given to particular deliveries? Who can help in a crisis?
- technical services—What product development priorities does the firm have? What quality control procedures are in place? How quickly and effectively does the firm respond to quality complaints?
- accounts—What are the invoicing and credit note procedures? Who deals with overdue payments? Who processes expense claims?

These departments tend to be similar in most firms although each might have its own style and approach; often this comes from the particular people managing and working in the department. It's interesting how often you hear some members of a sales team complain bitterly about a particular department, while other salespeople don't experience the same problems. The difference is often that the second group has taken the trouble to make personal contacts within the department, tried to understand their concerns and problems, and learned how to help the department help them.


Policies

Every organisation has sets of rules and guidelines. You need to know the relevant ones, such as the following:

- pricing—How much discretion (if any) do you have in price setting? If you are allowed to give discounts, what criteria must you follow? What rules apply to your issuing credit notes or accepting goods returns?
- credit—What process do you have to follow when you want to open a new account? What policies are in place to deal with overdue payments?
- expenses—What flexibility do you have in arranging local promotional activity and material? What policies govern entertainment and gifts, travelling, meals, telephone (including mobiles) and giving of samples?


Most firms have sets of policies on various aspects of their business. Apart from the ones shown here, can you list five separate policies that salespeople should be aware of?

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Tip for success

One way of dealing with other departments in your firm is to consider them as *internal* customers: people who have their own situations and needs, and who can help you to achieve your needs. So, treat them like customers, ask them about their issues, listen to their problems and preferences and explore ways of helping them, so that they, in turn, will help you.

A salesman I worked with once told me that there were four particular people in other departments who could either make his working life a pleasure or 'hell on earth'. He made sure to take the time regularly to have a chat to these key people. (None of them was in management and one, in fact, was a forklift driver in the warehouse!) He was always prepared to listen to their problems and, from time to time, found ways of rewarding them with impromptu gifts, samples and the like. A simple tactic, but very effective.

Information about your products

In this book we use the marketing definition of a product as a 'good or a service that is capable of satisfying needs'. So, salespeople for insurance companies, travel agencies, professional firms, carpet cleaners and all other organisations that provide services need to consider their product information in just the same way as do physical goods salespeople. Information about your firm's products can be obtained from a wide range of sources: the product packaging, specification sheets, product brochures, sales training sessions, factory or office visits, sales support and technical staff, and so on.

It should go without saying that salespeople must know their products, which makes it all the more extraordinary that so many don't! We have all encountered salespeople who either admit they can't answer our questions or, worse still, give incorrect or incomplete answers. So, what product information should salespeople have?

Range

Many organisations today have hundreds of separate lines in their range, or even thousands, especially when size/style/flavour/colour variants (clothes, foods), optional extras (cars, medical insurance) and package variations (holidays, home loans) are taken into account.

If your company has a relatively small range, then learning the list is a straightforward matter. If the range is extensive it is best to begin with the 'bread and butter' lines—those products that account for the bulk of the sales and profits in your area. Even as you work your way through this list, however, it's not a bad idea to develop a chart outlining the full company product range; for example, by industry or market type, product group or brand. This will, at least, provide you with a feeling for the extent and diversity of the company's offerings.



Selling insight

A large manufacturing company whose sales team I was training claimed to have more than three thousand separate line items, although no one was really sure! One fellow, a technical services manager, was said to be the only person in the organisation who could even get close to the full list and was, therefore, a most valuable and sought-after employee. 'What happens when he finally retires?' I wondered!

Applications

Your initial product range familiarisation will focus on the simple aspects, such as:

- name;
- physical attributes;
- general use.

To be able to sell a product, of course, you need to know what the product is used for; that is, its application. In some situations, application is quite simple and needs no explanation. But in many others, customers will need assistance in deciding whether a particular product is suitable for their purpose.

‘Will this steak be okay to barbecue?’

‘Is this the right insurance policy for my overseas trip?’

‘Can I use this furniture stain on a table that will be left outside?’

Your firm’s product brochures or data sheets will provide much of this application detail but you can also collect a lot of anecdotal information from customers, other salespeople and technical staff if you are alert and, ideally, prepared to take the trouble to record and store it.

Features and benefits

This leads us on to discuss product *features* and *benefits*, an important aspect of selling techniques for several decades. It is also, perhaps, the least understood and most poorly used. Let’s firstly get the terms clear in our minds.

A *feature* is a quality or characteristic of a product such as the materials it is made from or the way it is constructed or designed. A product’s features can usually be explained in terms of what it is or does. Features are often quite easy to describe and measure (which may be why so many salespeople use them incorrectly).

‘This jacket has double stitching on the seams.’

‘This medical health scheme is designed to cover those major hospital costs.’

‘This model printer has a fax and scanner built in.’

A *benefit* is the way in which a particular feature might help a particular customer by satisfying a particular need or solving a particular problem. No, it isn’t by mistake that the word ‘particular’ is used four times in the last sentence! In fact, this is the most important point about features and benefits: features are attached to or go with products, whereas benefits apply to individual (or particular!) customers. You see, if a salesperson uses a standard set of product features to sell his or her products to customers, he or she is making two incorrect assumptions:

1. that customers are interested in what a product *is* or *does*—in fact, they’re only interested in what the particular feature does *for them*;
2. that all customers will ‘value’ the same benefits available from the same features.

These might seem like small or semantic points but consider this exchange between a printer salesperson and a customer:

SALESPERSON: ‘You’ll love this one. This model printer has a fax and scanner built in.’

CUSTOMER: 'Look, I already have a fax and a scanner, what I need is a printer that will give me very high quality colour pages. Nothing more, nothing less.'

The salesperson has not shown how this particular feature might benefit this particular customer (or established that *this* feature is of no benefit to *this* customer). How could the exchange have been better handled? Simply by the salesperson asking questions to clearly determine what the customer wanted from a printer (benefits), then by considering which printer best offered those benefits and, finally, by showing the customer how one or more particular features of that printer can deliver those benefits.

Because 'customers buy benefits' and every customer is different, we could say that salespeople need to adapt their sales approach in each individual consultation. This is true to the extent that each customer should be asked questions to establish clearly his or her needs. Realistically, though, many customers will be looking for the same benefits to solve the same problems. Therefore, it can be useful to develop a features and benefits chart for a range of products. This helps to link a feature to one or more benefits and also helps salespeople avoid selling features. Some examples are provided in Table 6.1.

Here's another tip to help move from features to benefits: try using the phrase 'which means that . . .' to explain the benefit of a particular feature.

CUSTOMER: 'I can only take one week off work.'

SALESPERSON: 'This holiday on Lord Howe Island is seven days, from Saturday to Saturday (feature), *which means that* you can enjoy a full week's holiday (benefit) and still be back home with a day to prepare for work the next week (benefit).'

It's worth noting here that one feature might offer more than one benefit and that several features might combine to offer a single benefit.

Try this technique yourself with the products in Table 6.1.



TABLE 6.1 Features and benefits

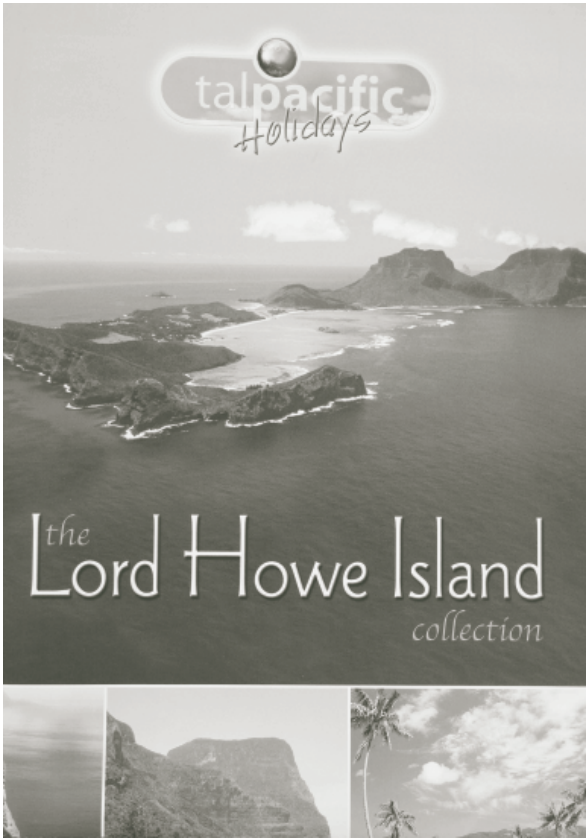
Product	Feature	Benefit
Holiday to Lord Howe Island	2.5 hour flight from east coast Australia	You can get right away from it all without wasting half your time in aeroplanes.
	Seven days (Sat. to Sat.)	There is enough time to relax and do/see everything but you only need to take one week off work.
	Price includes airfare, accommodation and meals	Because the big expenses are paid for in advance, you don't have to worry about how much it will cost once you get there.
	Available activities include walking, bicycling, swimming, surfing, scuba diving	You can do as much or as little as you like, you won't get bored by the same kind of activity every day, and there are opportunities to try new things.

(continues)

TABLE 6.1 Features and benefits (cont.)

Product	Feature	Benefit
Braun coffee grinder	Grinds beans to fresh coffee grounds in seconds	It can give you a great start to the day, with the aroma and taste of fresh coffee.
	Well-known brand name with a reputation for high quality	You can purchase with confidence knowing it will be a quality product.
	Twelve-month warranty	You can have peace of mind knowing Braun stands behind its products.
	Safety switch blade can only turn when lid is on	You don't have to worry about cut fingers.
	Modern design and elegant white colour	It will look stylish in your kitchen.
	Convenient cord storage	It will be neat and tidy on your kitchen bench.

Remember, feature and benefit charts like these can be useful sales tools, but they should be used only after each customer's situation and need are identified. We will return to this point later in the chapter.



What information might a consumer require about a holiday on Lord Howe Island?



Selling insight

Some salespeople like to expand the features and benefits model to features, advantages, benefits and evidence (or proof). *Advantage* is the characteristic of the product's feature that makes it different from competitors' products and gives it a unique selling point. Evidence involves the way in which the benefit can be clearly demonstrated to a prospective purchaser; for example, citing other buyers who have enjoyed the benefit.



Tip for success

It is true that buyers are more interested in what a product can do for them than what it is, but using the features and benefits selling approach does require considerable practice. New salespeople sometimes develop it into a sing-song mantra that can sound rather forced and contrived: 'This refrigerator is frost-free, which means you'll never have to go through the mess and inconvenience of defrosting again. And think of all that time you'll save!' It's a little obvious, isn't it? Also, customers don't always need to have the connection between a feature and its benefit spelled out for them and can feel that the salesperson who does so is being patronising.

Avoid the mantra, keep it natural and conversational and, where possible, let the buyer make feature-benefit connections before you rush in.

Product life cycle

Is your product new and exciting but unproven? Or is it well-established but a bit tired or 'old hat'?

Product life cycle (PLC) refers to the stage of market development a product is in. The PLC concept compares products with organic beings like humans: we are born, grow, mature, then decline. Many products are thought to go through these stages also.

What does a PLC stage mean for a salesperson? It's largely common sense, but you need to be aware of how buyers will 'see' products at the various stages.

Recently launched products can be presented as innovative and offering new solutions to problems. On the other hand, buyers will want reassurance.

'It looks great, but how do I know it will work?'

Salespeople focus on demonstrations, educational or awareness-creating advertising, and guarantees to sell brand new products.

Consumers and B2B (business-to-business) customers are often attracted to *fast-growing products*: everyone loves a winner. Often, though, a salesperson of such a product faces strong competition during this stage of the PLC.

'Your phone looks okay, but I've heard the new Nokia model has extra features.'

At this stage, salespeople need to be very familiar with the competitive advantages of their products. Also, sales at this stage are very important because they often determine customers' long-term brand loyalties.

Mature or declining products need excitement created around them because customers often need an extra reason to buy.

‘If I buy this colour TV what else can you offer me?’

Discounts, incentives or give-aways, customer competitions and the like, can all be used to augment a mature product.

Information on your marketplace and competitors

Salespeople should be knowledgeable about the market or industry in which they are operating. Here is some of the information you need to gather.

Market structure

Every market operates in its own particular way and salespeople need to understand how their market works, including the following aspects:

- How does the product move from producer to ultimate consumer or user? Is the distribution channel relatively direct or are there intermediaries of various kinds?
- Who performs the activities of storage and delivery, advertising and promotion, servicing and maintenance? Is there a second-hand market (sometimes known as an *after* market) and, if so, who operates it?
- Who has power and influence in the marketplace—producers, wholesalers, retailers or ultimate consumers? In business markets, what is the relative size and power of suppliers and their customers?

If you have a clear understanding of these factors it will help you to function effectively in the marketplace. In the Australian grocery, liquor, white goods, variety merchandise and hardware industries, for example, the major retailers such as Coles-Myer, Woolworths, Harvey Norman, Bunnings and David Jones have enormous power mainly because they each account for such a large part of the market. In other markets such as motor cars, soft drinks and telecommunications, the situation is reversed and the manufacturers or producers have the power. What are the power dynamics in your marketplace?

Market trends

Salespeople need to be alert to changes in their markets, both for their own effectiveness and so that they can provide useful feedback to their firms. Here are some examples of relevant information:

- *Market growth rate* is useful to know because manufacturers, resellers, consumers and business users all like to follow success. If salespeople can show a positive growth rate, this tends to attract buyers' interest.
- *Changing preferences* for particular product types, styles, sizes and colours are also useful to focus buyers' interest. Smart salespeople will focus on those products with the best sales opportunities.
- *Changes (or possible changes) from technology, government regulations, economic conditions and other external forces* should also be monitored. By alerting their customers to these changes, salespeople are also providing a valuable and relationship-enhancing service.

Competitors

Most customers have two or more competing suppliers to choose from in any product category. You need a sound knowledge of the other organisations in your marketplace.

Firstly, you need to know the products that compete directly with yours. A useful technique is to develop a features and benefits chart (see Table 6.1) for those competitive products. In particular, identify features that offer demonstrably superior or inferior benefit potential to your own.

In many product categories there is little to choose from between competing brands. In these cases it is often the differences between *organisations* that buyers use to make their choices. Get to know the firms you are competing with, their terms of trade, policies and practices, and their people. Sometimes you will be able to present a feature of your *firm* (rather than your product) and the benefit it can provide; for example, faster delivery, after-sales service, reputation for ethics, nice people to do business with and so on.

Information about your customers

Salespeople can really only respond to the individuality of each customer as they develop their sales relationship. But there may well be particular customers, or groups or types of customers, whose situation, buying methods and needs can be predicted and prepared for.

Each of the various customer groups—producers, resellers, governments and consumers—requires a different selling approach; that is, a different degree of formality, individual or group purchasing, priority given to particular benefits and so on. Producers tend to have different priorities to resellers, for example, and consumers are different again. Table 6.2 gives some examples of the benefits that the four main customer groups look for, and Table 6.3 uses our earlier example of the Braun coffee grinder to illustrate the point. Contrast the features and benefits a Braun salesperson might use with a chain-store buyer to those retail salespeople might use with *their* customers, the ultimate consumers.

When considering which benefit(s) to use with specific customers, it is important to focus on those that give your product a competitive advantage; that is, those benefits that will influence the customer to choose your offering in preference to others. Some benefits are important to the customer but will not cause them to select your product or brand because competitive products offer similar benefits. Note how competitive advantage is handled through the benefits in Table 6.3.

Where do you get information from?

There are many sources of information that salespeople can tap into. Written information sources include annual reports, policy manuals, product data sheets, price lists, promotional brochures, market research reports, sales records, customer databases and customer information sheets. Verbal information sources include company salespeople, sales supervisor(s), sales manager(s), other department staff, human resources staff and friends/contacts who know the industry.

Many organisations today have comprehensive induction programs for new staff members and much of the necessary information for salespeople will be provided. Becoming well informed, however, is still your responsibility. It is up to you to gain the knowledge that will help you to be an effective salesperson.

TABLE 6.2 Different customers want different benefits

Producer	Reseller	Government	Consumer
Lower costs of ingredients, parts or operation	Easy to resell	Reduced purchasing effort (e.g. through compliance with specifications)	Convenience of purchase or use
Improved quality of finished product	Improved profit margin on resale	Lowest price	Solves practical problem
Simpler, easier processing	Lower handling costs	Political benefit (e.g. local supplier versus import)	Saves money
Reduced risk of failure	Fast response to demand increases	Supplies in accordance with specifications	Security, peace of mind
Improved safety	Flexible returns policy		Status, peer approval
Consistent quality and reliable supply	Strong promotional support		
Professional and technically competent salesperson	Problem-solver salesperson who will follow through after each sale	Salesperson who understands government purchasing	Salesperson who can be trusted

TABLE 6.3 Braun coffee grinder: features and benefits for reseller

Features	Benefits (for reseller)
Well-known brand	It will be an easier sale for your stores because consumers buy brands they trust.
Extensive advertising campaign leading up to Christmas	The Braun campaign will improve your store traffic as consumers come into your stores looking for our coffee grinder for themselves or as a gift.
At a recommended retail price of \$60, your gross margin is 25 per cent or \$15	Your profit on each Braun coffee grinder sold will be several dollars higher than for other brands.
Plenty of stock on hand and 24-hour delivery	I know you were critical last Christmas of some suppliers who ran out of stock. We have planned for the Christmas rush and can guarantee you will have no disappointed customers.

Can you identify the different benefits that would be sought by a reseller and a purchaser of the coffee grinder?



Tip for success

In this information age, keep in mind that your customer also has access to a wealth of information, and not just from you. Many consumers and B2B customers do their product information searches and comparisons online. This places an even greater responsibility on you to keep up-to-date. It also means that your honesty is more easily tested.



Managing your time, your sales territory . . . and yourself

Above all else, this book is about managing relationships with customers. An issue every salesperson has to deal with is that doing this effectively is time consuming and can be stressful. In this section, we will look at how you might best manage your time, the sales territory in which your customers live or work and, importantly, your own health and wellbeing.

Managing time

Consider these statements:

- ‘Time is money!’
- ‘If only I had more time!’

These statements are probably truer for salespeople than almost any other occupation. Selling is a time-based function: spend more time with customers and it is likely you’ll make more sales and earn more money. But, of course, you can’t ‘have’ more time, just the same 8760 hours each year as everyone else!

What you can do is manage those hours more effectively. The path to better time management consists of four steps:

1. Review current time allocation.
2. Set goals.
3. Plan and implement your activities.
4. Review results and modify your plan.

Review

The first step is to establish how you are using time now. After we perform the day-to-day living tasks such as eating, sleeping, dressing and so on, most of us have about 80 to 90 hours per week available for work and leisure activities. It is often a surprise for people to calculate just how they are spending those hours. Not that there is any single notion of a ‘balanced’ lifestyle; this will depend on your age and stage of life, your personal drive and ambition, and your perception of how ‘life should be’.

You’ll never remember exactly how you spend your time, so the only accurate method is to keep a time log—a diary, if you like—such as the one shown in Figure 6.1. Every 15 minutes enter a brief note of what you have just done. You’ll need to keep the log for at least a week to take account of differences, particularly at weekends. In some jobs it may need to be kept for a month because there will be variations in tasks at different times, such as analysing the month’s sales. By the way, it’s no use keeping a log unless you’re totally honest with yourself. Nobody but you need see it so if the 5-minute cup of coffee took half an hour, put it down. If you spent an hour window-shopping on the way to call on a customer, say so. If you swung a golf club for half an hour before starting on the washing or the lawn, write it down.

To ‘add up’ the various activities it is best to record them under two subheadings or categories:

- *work-related*—sales interview, report writing, phone call, internal meeting, training session etc.;
- *leisure-related*—sport, hobby, watching TV, family activity etc.

A useful exercise is to estimate your weekly time spent on each activity, then compare the actuals with your estimates. You might get quite a surprise, especially about the time spent on activities that you don’t regard as particularly important in your life. Or, you might find that your balance between work and leisure is not as you had imagined it to be. Perhaps you feel you are working very hard, but your time log suggests otherwise. If you find this, congratulations, the time log has done its job!

Now, select the problem activities; that is, the ones that are taking much longer than they should or longer than you feel is reasonable. For example, are you spending too much time talking on the phone? Or watching television? Or eating? Assuming you are often struggling to ‘find time’, your first time-management task should be to reduce the excess time allocated to these activities.



FIGURE 6.1

A daily time log allows you to measure your day's activities

<i>Time log</i>		<i>Date</i>
am	6.30	2.00
	6.45	2.15
	7.00	2.30
	7.15	2.45
	7.30	3.00
	7.45	3.15
	8.00	3.30
	8.15	3.45
	8.30	4.00
	8.45	4.15
	9.00	4.30
	9.15	4.45
	9.30	5.00
	9.45	5.15
	10.00	5.30
	10.15	5.45
	10.30	6.00
	10.45	6.15
	11.00	6.30
	11.15	6.45
	11.30	7.00
	11.45	7.15
	12.00	7.30
pm	12.15	7.45
	12.30	8.00
	12.45	8.15
	1.00	8.30
	1.15	8.45
	1.30	9.00
	1.45	

Set goals

The next step is to establish some clear goals. It's amazing how often successful people nominate goal-setting as a major factor in their success (and not just those who are financially successful).

Goal-setting is important in all aspects of life, but here we will focus on your sales goals. You will probably want to involve your manager in clarifying these, especially to ensure that your goals are ‘in sync’ with those of your department or firm.

There are two main types of sales goals—*performance* goals and *activity* goals:

1. Performance goals (sometimes known as *output* goals) are the results or outcomes you want to achieve, such as sales achievement to budget, new accounts opened, percentage of sales calls that result in a sale, number of promotions booked and so on. Less ‘concrete’ but still measurable performance goals might include achieving a higher skill level with your customer relationship management computer software, or improving the impact of your PowerPoint presentations.

2. Activity goals (sometimes known as *input* goals) relate to the actions you need to take to achieve performance goals, such as the number of sales calls per day, the number of new potential customers identified, or even attending an in-service training session on PowerPoint presentations.

When setting your sales goals, remember to make sure they are SAM: specific, achievable and measurable:

- *Specific*: ‘To be able to use all tabs and functions in the PowerPoint software’, rather than ‘To learn to use the PowerPoint software’. Specify *exactly* what it is you want to achieve. Vague or general goals are not really goals at all.
- *Achievable*: ‘To achieve sales of 20 per cent above budget this month as well as take two weeks’ holiday.’ Setting unrealistic goals only results in you abandoning them. On the other hand, goals should be challenging so that they encourage you to ‘push harder’. It’s not a bad idea either to allocate priorities, such as ‘A’ for absolutely essential, ‘B’ for very important and ‘C’ for those you’d like to achieve.
- *Measurable*: ‘To open 20 new accounts this financial year’, rather than ‘Find some more customers’. Goals should be quantifiable (how many, how much, at what price etc.) and time-based (by what date, over what period). Keep in mind, too, that some of your goals will be short term while some of the major goals may not be achieved for years. Put a time estimate on them regardless.

The great thing about goals is that they keep you focused, especially if you keep them ‘visible’ every day. One sales colleague kept a small card with the single word ‘Goals’ on top of the television. It was amazing, he said, how the hours spent glued to the ‘box’ declined.

Plan

You know what you want to achieve and you have an idea how you currently allocate your time, so now let’s develop a plan. Effective time management means spending as much time as possible on those activities that will help you achieve your goals.

Activity plans

Most effective salespeople use some form of activity plan, worksheet or diary to organise their activities. Many firms, in fact, supply their salespeople with these, either in paper form or as software. Most CRM systems incorporate a time-planning function. Figure 6.2 shows an example of an activity plan for one morning’s activities for a food manufacturer’s salesperson. Note that this one day’s activities will have been developed from a plan for that week, month or an even longer period.

Will the day always work out as you have planned? Ask any salesperson and they’ll tell you ‘rarely!’. Customers run late, appointments go over time, emergencies arise, your boss summons you to an urgent meeting; these and a dozen other unpredictable events will happen. But don’t use this unpredictability as a reason for not having a plan in the first place. Try to avoid having all priority ‘A’ commitments on the one day, leave some ‘gaps’ for the unexpected, and be prepared to make adjustments as you go. A detailed plan is still the best way to manage your time effectively.

FIGURE 6.2
Daily activity plan

Thursday, 29 July 2005

Appointments/events		Goal/requirement	Outcome/follow-up
8.00	Collect samples for Hilton and Woolworths	Check control sample	Samples excellent; memo to Production — this quality must be maintained
8.30	Hilton Hotel George Green	Introduce new line Obtain commitment to kitchen trial	GG pleased with quality, has agreed to trial (arrange for kitchen demonstration Wednesday 4/8) GG concerned with price (8% over current line). Recommend introductory offer to lessen the price difference
9.30	Meet David to review Woolworths presentation	Agree on who is to say what during presentation (This is my account, my call)	Agreed in full
10.00	Woolworths Suzanne Frobisher	New buyer: Confirm trading terms and promotional program Introduce new flavour variant — obtain listing Grade A stores	Trading terms confirmed SF wants to review promotions: requesting additional funds for Spring Festival — no commitment given, ring her by COB Friday SS will complete paperwork for new flavour
11.00	Coffee with David — prepare report on Woolworths call	Ensure all aspects communicated to Head Office	Report completed, countersigned by David
12.00	Metcash warehouse — damaged stock	Establish if stock damaged in transit or in warehouse. Agree on cases to be credited	Damage in transit, raised credit note for 36 cases Notify Factory Manager
1.00	Lunch	Prepare report for tomorrow's sales meeting	Phone call from GG at Hilton Write report tonight

'To-do' lists

Another helpful feature of a time-management system is the 'to-do' list: a list of tasks to be done, but not at any specific time.

Compile your list the evening before for the day you carry out the tasks. The list will include important and not so important activities, time-consuming commitments and others that will take only a few minutes, and urgent and not-so-urgent tasks.

List them all, then allocate priorities. This is important because you'll find that it's a rare day when you complete everything on the to-do list and you need to make sure that the first tasks completed are those with a high priority.

As soon as you have time that is not committed to previously made appointments, take out the to-do list and start on the tasks, crossing them off as you finish them. Those not completed by the end of the day should be the lower priority ones and these can be added to the list for the following day. The next morning, all tasks will be allocated a new priority because one with priority 'Z' on Monday may well have become priority 'A' by Friday.

Using a to-do list is an excellent time-management tool because you only complete the tasks that time allows, but those completed are high priority.

Review

The final step in your time-management process is the follow-up. Review your goals regularly. Are you achieving them on time? Are you making satisfactory progress towards the longer term ones? You will also need to check on yourself from time to time. Are you still entering all appointments in the diary immediately? Are you regularly keeping your to-do lists up-to-date and allocating priorities each morning?

Planning your sales territory

Most companies divide their market into areas known as *sales territories* and then allocate one or more reps to each territory.

Territories are usually established on the basis of a geographical area. How large a territory might you be managing as a sales rep? Again, we go back to managing customer relationships, the fundamental task of selling. The ideal-sized territory is one in which you have just enough time to effectively manage relationships with current and potential customers who live or work there. So territory size will depend on the number of customers in an area, their importance, the complexity of their relationships with your firm, and the logistics—travel time, frequency of visit and so on—involved in servicing their needs.

Although geographic area is the most common way of creating territories, it is not the only way. Some territories are also established on the following bases:

1. customer type—A paint supplier might allocate territories for motor body shops, house painters and retail paint stores, for example. Particular technical and sales knowledge might be required for each of these customer types and so specialist reps service their needs. Their territories will almost certainly overlap geographically.
2. customer importance—A wine supplier might allocate its most senior reps, for example, to its most important customers (say, the major hotels and liquor

chains) with less experienced salespeople looking after smaller or less important customers.

3. market potential—Some firms use one sales team to service the ongoing needs of current customers, while a different sales team operating in differently structured territories focuses on winning new business or opening new accounts.

In each of these instances, though, there is still some geographic component, simply because of time limitations.

Organising the territory

As I said earlier, operating a sales territory is very much like running a small business:

- Sales and profit goals are set and expense budgets established so that you and your firm can ‘keep score’.
- You have certain resources at your disposal; for example, time, money, a motor vehicle, samples and promotional material.
- You allocate these resources so as to provide the best chance of achieving the sales goals and keeping within the expense budgets.

When you are given a territory, you need to know several things before you can effectively manage it:

1. How many *existing* customers are there and what were their previous *purchases* from your firm? Internal sales and customer records should provide this basic information.
2. What is the future sales *potential* for each customer? Is there potential to increase sales, and by how much? Building sales with current customers is very much a goal of customer relationship management.
3. How many *prospective new customers* are there in the territory? As well as managing relationships with current customers you will almost certainly want to find new ones.
4. What are your firm’s sales growth expectations for your territory? This will affect how you allocate time between customer maintenance and sales growth through current or new customers. By the way, in selling we call new customers *prospects*. (More about them in the next chapter.)

Classifying customers

Most territory salespeople classify their customers according to their current importance or future potential. Why? Simply, to ensure they use their time and other resources most effectively. In most markets, large variations exist between the profit potential of the customers in a territory. A commonly used rule of thumb is known as the 80–20 principle (derived from a concept called Pareto’s Rule). The principle suggests that a relatively small number of customers (say, 20 per cent) are likely to generate the majority of your sales and profits (say, 80 per cent) and vice versa. It’s therefore critical that you allocate time and resources to those customers who will best help you to achieve your territory goals.

One method of classifying customers is simply to rank them according to current sales and/or sales potential. This is often known as the *ABC classification*.

Let's say you classify customers and/or prospects into four groups; for example:

- Group A consists of larger buyers with a sales/sales potential of more than \$100 000 a year.
- Group B consists of firms with sales/sales potential of between \$50 000 and \$100 000.
- Group C consists of firms with sales/sales potential of between \$20 000 and \$50 000.
- Group D consists of small firms with sales/sales potential of under \$20 000.

This classification will provide a simple, easy-to-manage guide for your selling time and effort. In particular, it will help you avoid a common mistake—spending too much time with low-sales customers. Why does this happen? A variety of reasons: the customers are 'on the way home', they are always easy to get on with, they always have an order (albeit a very small one) and so on.

The group A customers will usually return a better sales result for each 'unit' of time spent on them, so you would cover your territory in a way that allows you to call more often on the larger customers while still maintaining a regular schedule for the smaller ones. You might decide, for example, to call on group A customers every week, group B customers once a fortnight, group C customers once a month and group D customers only once every two months. An example of ABC classification is shown in the left-hand column of Table 6.4.

The call schedule

Once you've established how often each customer should receive a sales call, the next task is to determine exactly when each call should be made. This is known as the *call schedule*.

One of the most time-consuming tasks for external salespeople is travelling *between* customers, especially in Australia with its widespread cities and large rural and regional districts. Travel time can never be eliminated but a well-thought-out calling schedule can cut it down considerably.

The idea of a call schedule is to arrange to call on customers in the way that best meets their needs and allows you to manage your territory most effectively. (Will these two goals sometimes conflict? You bet! Ask any territory salesperson.) Your call schedule should be made to cover a period equivalent to, at least, the longest call-frequency period. In the example set out in Table 6.4 this would be eight weeks.

To set up your call schedule you will need to know four things:

1. call frequencies for each customer—These are established when you classify your customers.
2. each customer's location—A map of your territory is useful here. Mark the position of all customers on it and colour-code the positions for classification (e.g. group A marked in red, group B in blue and so on).
3. the approximate time needed for each call—This will vary according to the type of product you sell and the type of customer you sell to. It is best to allow a little more time than you expect will be needed. If a call runs too far over time the schedule for the rest of the day can be destroyed and appointments will need to be rescheduled or cancelled. If, on the other hand, you finish a call early, then that is the time to work on the day's to-do list.
4. travel time between calls—Experience will increase your accuracy in assessing the time required.

How many calls you can expect to make in a day will obviously depend on these four variables. It can range anywhere from three to four calls up to thirty or more.

An example of a call schedule based on an ABC account classification is also illustrated in Table 6.4. The actual weeks chosen to call on particular B, C and D accounts will depend on factors such as their geographic location and the customers' purchasing requirements and patterns. The ABC classification is particularly useful in markets in which the same customers require *regular* calls; for example, grocery, pharmacy, retail and travel. This is known as *routine* call scheduling.

In markets for specialised products or capital goods, such as heavy plant machinery and computer systems, regular calling may not be appropriate, and the ABC classification of little use. In these markets, a *variable* call schedule will be required.

It is worth noting that some ABC classifications often separate prospects from current customers because different call frequencies and other sales activities will be required.



TABLE 6.4 Call planning using ABC account classification

Classification	CALL SCHEDULE (routine eight-week cycle)							
	1	2	3	4	5	6	7	8
Group A customers (> \$100K)								
1.	x	x	x	x	x	x	x	x
2.	x	x	x	x	x	x	x	x
3.	x	x	x	x	x	x	x	x
Group B customers (\$50K < \$100K)								
4.	x		x		x		x	
5.		x		x		x		x
Group C customers (>\$20K < \$50K)								
6.		x				x		
7.	x				x			
8.	x				x			
9.		x				x		
Group D customers (< \$20K)								
10.	x							
11.		x						
12.				x				
13.				x				
14.					x			
15.							x	

Some salespeople find that ranking customers according to sales or sales potential is too inaccurate a classification method. For example, two accounts may have equal sales potential but very different levels of loyalty and commitment to your firm. Or, a customer might 'demand' more attention simply because that is the way that customer does business. An alternative account classification technique that incorporates other such factors is known as grid analysis. We will examine this method in Chapter 12, 'Managing relationships with key customers'.

Effectiveness versus efficiency

Your success as a salesperson, and to some extent your income and career path, will depend upon both your *effectiveness* (your average success at each call) and your *efficiency* (how many calls you make in a given time). It is important to achieve a balance between effectiveness and efficiency. The objective should be to increase both, but neither at the expense of the other.

You can check your effectiveness by calculating your *yield per call*, which is the average value in dollars of orders received over a period divided by the total number of calls during that period. It's a good idea to check your effectiveness daily, weekly or monthly, as is appropriate to your type of selling. (You can be sure that your supervisor will be checking too!)

You can check your sales efficiency by your sales increasing with the number of calls you make on qualified prospects and customers. Obviously, to make calls on unqualified prospects will increase the rate but the yield per call will go down. On the other hand, by concentrating on high-yield customers you may be able to increase the yield per call but the rate will suffer.

Many new salespeople initially focus on effectiveness because they feel that they cannot afford to miss potentially high-yield customers, and this is certainly so. But the *number of calls* is probably even more important. So, how can you improve your sales efficiency? Here are some methods:

- Use other forms of sales contact besides face-to-face calls. Phone, fax, mail and e-mail can replace or supplement face-to-face calls and you'll find some of that extra time every salesperson searches for. Fax and e-mail are useful because they leave the customer with a hard copy or permanent record, which is ideal for confirming agreements on prices or promotions. Sales bulletins, newsletters and updates can all be sent by mail to maintain customer contact, especially if they are personalised in some way; for example, by a handwritten greeting or note.
- Let your customers know that you plan to service their needs using these other forms of contact. In fact, you can often 'sell' them on the basis of actually increasing your contacts, say from one personal call every fortnight to a monthly call supplemented by phone contact each non-call week.
- Have the firm's telemarketing or customer service department take over the phone calling and keep you up-to-date with progress or problems that require your personal attention.

Call patterns

Your aim will be to plan sales calls so as to minimise travel time. The call *pattern* refers to the route you take on a particular day or week to service particular customers.

There are many approaches to designing call patterns but most of these were developed in the USA, which has very different population and city distributions to ours. Another problem with standardised call patterns is that they can result in sales calls being based more on adhering to a 'map' than to customer needs; in other words, they can increase efficiency at the expense of consultative customer relationship management. Call patterns should reflect the following:

1. the type of product, customer and industry—A grocery sales rep, for example, might have to call one week on all the Coles supermarkets in the territory (say, to support a head office-arranged promotion) and then call the following week on all the Woolworths stores (perhaps to merchandise a new line).
2. the frequency and nature of the customer contact required to maintain and build relationships (within the classification priorities decided on)—A pharmaceutical sales rep calling on doctors will need to 'fit in' with the customers' availability regardless of how well this matches a set call pattern.

So, should you ignore the idea of trying to 'pattern' your sales calls? No, because this will sacrifice too much call efficiency: you'll simply spend too much time travelling. It is worthwhile starting with the standard patterns as displayed in Figure 6.3, and then being prepared to combine, modify and use these approaches flexibly.

Managing other duties

As a salesperson you will also be expected to attend sales meetings and exhibition stands, participate in training courses, fill in call reports, keep documentation up-to-date and perform other duties to help the firm's sales effort. You'll need to 'build in' time to accommodate these extra duties. They do take time but they can also improve both your effectiveness and efficiency, as well as widen your experience.

Keeping records

Salespeople keep records of their customers and their dealings with them. Increasingly, these are recorded and submitted electronically. Most firms have three main records:

1. customer record;
2. sales call reports or activity reports;
3. expense record.

Customer record

This will contain all or most of the following information:

- company name;
- address;
- phone, fax and e-mail numbers;
- category;
- buyer's name and any known personal details;
- names of other key people;



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FIGURE 6.3 Types of call patterns

- times available to see reps;
- type of goods carried;
- trading terms agreed or any other useful information;
- purchase history and/or other contacts.

Figure 6.4 gives an example of a customer contact record. This information may be kept on a physical card or on a customer contact database such as ACT! 6.



FIGURE 6.4
A typical customer
contact record

Call reports/activity reports

Most firms have a standard report that salespeople complete to record the day's or week's sales activities. These reports detail information such as the following:

- who was called on;
- date/time;
- call outcomes—type and value of orders aimed for and achieved, new lines introduced, promotions booked etc.;
- qualitative information such as positive or negative comments made by the customer, market intelligence gathered, promises made etc.;
- follow-up action required.

Again, some firms still use card systems to record this information but most have converted to electronic forms such as that shown in Figure 6.4.

Expense record

Most reps incur expenses of various types on behalf of their companies; for example, entertaining customers, car expenses, mobile phone, postage, stationery and a host of other business-related items.

Companies have various systems for accounting for and refunding expenses but almost all require some evidence of the type and amount of each expense (and so does the Australian Taxation Office). It is in your own interest to make sure all expenses are carefully recorded at the time they are incurred. It's very easy to miss one if you don't write it down at the time.

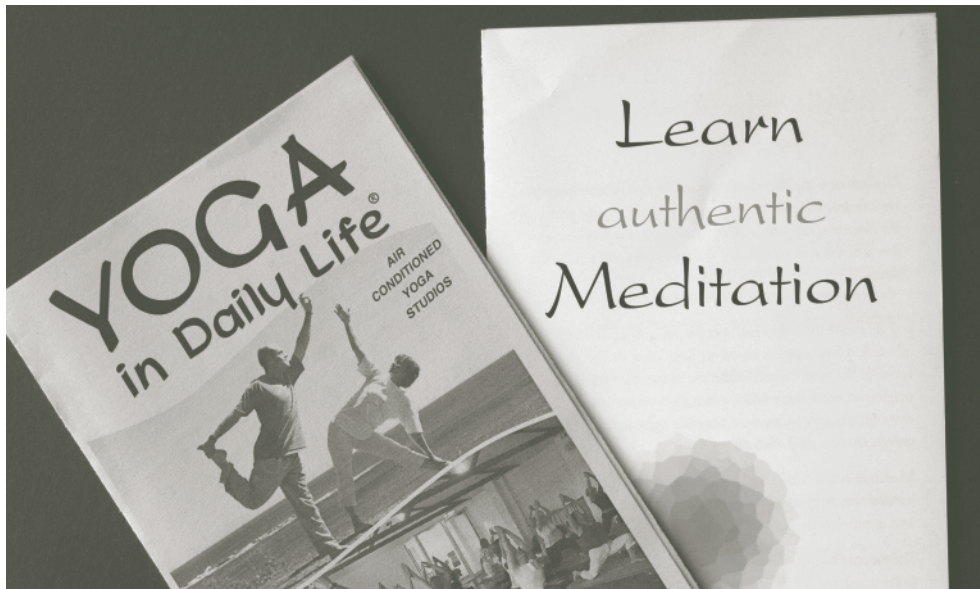
Some firms require expense claim forms to be filled in periodically, usually either weekly or monthly, and then the firms reimburse the reps. Other firms provide an expense allowance; that is, the companies pay the reps a set sum to cover all expenses for a set period, commonly a month. The rep does not usually have to account to the company for the way in which the allowance is spent but does need to keep careful records and receipts (for amounts over \$50) to prove it was spent on tax-deductible items. Any of the allowance that cannot be accounted for in this way is taxable as income.

Managing stress

Is selling a stressful job? Consider the following:

1. You often work on your own without the minute-by-minute contact and support that other occupations receive from colleagues.
2. You often work without the resources of the office; that is, systems support, stationery, advice and so on.
3. No matter how well you get on with your customers, there will still be conflicts between you.
4. Your income depends on your week-to-week or month-to-month sales performance.
5. Your sales success depends partly on other people or departments you can't control.
6. Every day, someone else tries to take your next sale away from you.

Yes, selling can be stressful. More importantly, is stress bad for you? That depends largely on how you manage it. Here are some straightforward suggestions for managing stress.



Apart from yoga or meditation, what activities might a salesperson use to relieve stress?

Develop an autonomy focus

Many people are stressed by feelings that they cannot control what happens to them; that is, a lack of autonomy. There is an adage that says, 'Have the strength to change what you can, the patience to endure what you can't, and the wisdom to know the difference.' It could have been written for salespeople. A lot of the stress I see in salespeople comes from their frustration about the things they can't control: production delays, wrong deliveries, dishonest competitors. You really need to develop a mind-set of doing the very best with the things you can control and simply accepting those you can't. It isn't easy but it can be done.

Developing an autonomy focus can also include developing the skills, knowledge and qualifications to be able to move jobs or even careers if you want to. Having options reduces stress.

Related to this is optimism. Salespeople get plenty of 'no' answers in their day. Being optimistic means spending time each day thinking about the good things that have happened to you. Then, when you *need* to think about the bad things, concentrate on what you can *do* about them, rather than on the bad things themselves.

Work on health

You know this, it's just a matter of doing it: exercise, eat a balanced diet, get to bed at a reasonable hour, avoid cigarettes and other drugs, keep alcohol in moderation. And, possibly most important of all, work on relationships: family and friends keep you healthy just by being around. Talking to someone who cares can be a great stress reliever.

Get organised

Salespeople rely on organisation more than most occupations. We've looked at organisation of time, but now we'll include your desk or office at work, your study or home office, your car, your files and your sales aids. Not everyone likes to be completely neat and tidy but a salesperson who has all of these accessible and in good shape will reduce stress levels significantly. Allow a little time each day to create order from the chaos.

Speak up

Assertive people are less stressed. If you are being unfairly treated or have a conflict with someone, be prepared to 'put it on the table'. This doesn't mean you should be aggressive but, rather, insist the issue is dealt with, calmly and rationally. Think through the symptoms and causes of the issue, examine it from other perspectives, find the right time and place, then insist. Many salespeople allow grievances to drift on or be buried. All that does is build stress, especially during those times when you are 'away', on your own, facing the world (as it seems) alone.

Key terms and concepts

Activity list (p. xx)	Expense report (p. xx)
Autonomy focus (p. xx)	Information sources (p. xx)
Call pattern (p. xx)	Market knowledge (p. xx)
Call report (p. xx)	competitors (p. xx)
Call schedule (p. xx)	market structure (p. xx)
Company knowledge (p. xx)	market trends (p. xx)
history (p. xx)	Pareto's Rule (80–20 principle) (p. xx)
organisational structure and staff (p. xx)	Product knowledge (p. xx)
policies (p. xx)	applications (p. xx)
Customer classification (p. xx)	features and benefits (p. xx)
ABC analysis (p. xx)	range (p. xx)
grid analysis (p. xx)	Sales effectiveness (p. xx)
Customer contact methods (p. xx)	Sales efficiency (p. xx)
Customer knowledge (p. xx)	Stress (p. xx)
benefits sought (p. xx)	Time planning (p. xx)
Customer record (p. xx)	



Review questions

1. In what ways is the job of a territory salesperson similar to a person owning and managing his or her own business?
2. Explain how salespeople convert product features into specific customer benefits. Take a simple household product you are familiar with and complete a product feature–customer benefit analysis for both the reseller and consumer, explaining the differences between the two sets of benefits.
3. Distinguish between ABC classification analysis and grid analysis as means of classifying customers. In what situations is each of the two methods the most appropriate?
4. Outline a process that salespeople can use to better manage their time.
5. Describe the main reports and records prepared and kept by salespeople.
6. What steps can a salesperson take to manage the stress that inevitably goes with a sales job?



Selling application exercise

Prepare an activity plan for one week, along the lines of the plan shown in Figure 6.2. Prepare the plan on the weekend to operate from Monday to Friday. Schedule each pre-set activity (time, place, etc.) first and then schedule all other activities that do not have pre-set times. Set specific goals for each activity. During the week, record on the plan the outcome of each activity. At the end of the week prepare a brief report: did the plan improve your time management, your overall performance and your stress levels?

Group activity

Your task here is to develop a call pattern for week 1 of a four-week call cycle. The grid below represents your sales territory and shows the location and sales potential of each customer. Your sales manager has given you the following guidelines for classifying your accounts and their call frequency:

A class customers	\$2400 per week and over	weekly call
B class customers	\$800–\$2400 per week	fortnightly call
C class customers	less than \$800 per week	four weekly call

A \$3000		G \$1500		O \$600
			J \$3000	
B \$500	F \$2500		K \$200	P \$2200
		H \$800		
C \$1000		I \$1200	L \$1800	R \$1400
	E \$3500	HOME		
	D \$350		M \$2000	
			N \$4000	S \$400

Each square on the grid represents 15 minutes' travel time; for example, to drive from customer A to customer G takes 45 minutes, from customer J to customer K takes 15 minutes.

Your average call time is 60 minutes; for example, to drive from your home to make a call on customer A will take 2 hours 15 minutes (1 hour 15 minutes travelling, plus 1 hour for the call).

Hint: Here are the steps to take:

1. Count how many A, B and C customers there are.
2. Calculate the number of customers you will need to call on each week of the cycle (100% of the As, 50% of the Bs and 25% of the Cs).
3. Prepare a table showing week 1 of the four-week cycle.



Browse the Web

Would you like to improve your time management, be better organised and reduce your stress levels? Check out a range of strategies and techniques at www.mindtools.com. While you are on the Internet conduct searches under 'stress management', 'time management' and 'sales territory management'. You will find a great deal of useful material is available on these aspects of selling.

SELLING SCENARIO 6

Eric Connor studied computer programming and after graduating was employed for several years by one of Victoria's largest home builders. During this period Eric developed, in his own time, a software system for the project-home building industry. The system enabled builders to plan and cost their projects, schedule the work, and measure and control the actual costs of building each home. Eric knew that the margins on project homes were very tight and that site variations, breaks in the building schedule and cost overruns could easily wipe out the profit on a job. Unable to interest his employer in the idea, Eric set up his own business to sell the new software and the suitable hardware to run the system.

After several months, however, he had made little progress and called in a sales consultant, Jerry Riordan, to help work out why.

'The main problem, Jerry, seems to be that the hardware needed to run my program is more expensive than other PC systems. Each supervisor needs a laptop computer and they're all networked to the main office. When they hear the up-front costs, the builders usually switch off before I even get to go through all the aspects of the software.'

'How do you normally make your sales presentation?' asked Jerry.

'Well, first I show them the laptops and explain how each supervisor enters the relevant information from their jobs, how the laptops are the latest technology, can be run off battery or the car cigarette lighter and connected to the supervisors' mobile phones to transmit the data. There are a few tricks to entering the data and getting the reports off, so it's important I go through those with them. Then I explain all about the software—how it allows all the data to be cross-referenced, how the system is networked, and how fast it is. I make sure I mention my five years' experience in the industry. I know how builders' offices work and, of course, I know my system backwards, so I'm pretty sure I cover everything.'

'I'm sure you do, Eric', said Jerry, with a smile. 'But I think I can see your problem.'

QUESTIONS

1. How would you evaluate Eric's knowledge of his product and his customers?
2. What problem do you think Jerry might be referring to?
3. What changes should Eric make to his approach to selling his program?

