

by Michael Wolf and Mickey Farrance

IS YOUR recession survival strategy GOING TO hurt your company?

NOW IS THE TIME TO INVEST IN SALES TRAINING

The current economic crisis provides the perfect opportunity for forward-thinking executives whose companies will not only survive the downturn, but emerge positioned to take full advantage of the recovery.

Last October I spoke to the CEO of a large European equipment supplier who told me he was going to keep his company focused on two objectives during this downturn because they are critical for the company's long-term success. The first is to continue to invest in research and development so the right products will be available downstream. The second is to transform his sales group from tactical to strategic, since tactical selling is now an ineffective means to sustain growth and capture market share.

This CEO is a visionary, remarkable among peers who are cutting costs across the board. Cutting back on expenses appears to make sense, but it may extract a severe price later. When the economy does begin to recover, companies whose sales groups are no longer effective will find they are behind the recovery curve.

The sales paradigm has changed over the last five years, and continues to change in these difficult times. Customers will no longer buy a product or service based on its features and benefits, or its cost relative to the competition, or even because they have a trusting relationship with the company. What they buy is the value they perceive they will get from a product or service as it relates to improving their business. Presenting this value proposition properly to the right people is the key to strategic sales.

Of course, training costs money, and an investment in training is unlikely to lead to short term incremental sales. It takes time to adapt new techniques and become effective using them. Add this to the typical

sales cycle, which can be many months to even years for capital equipment, and the ROI (Return on Investment) appears even less attractive. As a result, companies often defer training expenses until their businesses recover—a potentially fatal mistake.

Now is the time to make the transition from tactical to strategic sales. Whenever a person has both tactical and strategic responsibilities, the tactical ones naturally have priority and the strategic ones can't get full attention—and consequently never happen. When a sales VP is told to make this transition happen without impacting revenue growth during a busy time, it just can't be done. The tactical issues soon overwhelm even the most visionary and strategic among us.

The CEO I mentioned before wanted to transform his sales organization from tactical to strategic during the downturn, because he saw it as an opportunity. He told me that he needed to reduce the size of the sales force, making it even more important for the people he kept to approach customers strategically. He believed this would make them more efficient and able to manage with fewer sales people—a permanent cost reduction with no negative impact on revenues. However, as business continued to drop, he was forced to cut costs across the company and his sales people had "no time to even discuss training". I believe that when business does recover for them, they will realize that they missed an opportunity and will have to decide if they can do it during an upturn. We're staying in touch.

It takes vision, commitment and determination at the highest levels of a company to prepare for a strategic advantage "now" as economic recovery takes hold. Some market segments are already showing signs of improvement. Which companies will emerge with their sales groups ready to "go strategic"? We'll soon find out.



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TACTICAL SELLING:

Tactical selling is selling the features and benefits of a product/service to an order-placer, including the price and delivery info.

STRATEGIC SELLING:

Strategic selling is selling the value the product will deliver, measured in euros, to the decision-maker.

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Michael Wolf founded Strategic Sales Skills in January 2009 following a 35 year career in sales and marketing of high technology products, mainly in the semiconductor industry. Mickey Farrance is a former NASA engineer and communications specialist with extensive experience in the biotechnology, telecommunications and aerospace sectors.