

Selling the Wheel

CHOOSING THE BEST WAY TO SELL FOR YOU, YOUR COMPANY, AND YOUR CUSTOMERS



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The Big Idea

Based on decades of research and data collected from 250,000 salespeople, more than 8,500 corporate sales forces, and interviews with over 100,000 actual customers, here is the delightful parable of Max, the inventor of the wheel, and how he faces the challenge of selling his breakthrough invention- the wheel, the symbol for your product or service. The four essential selling styles of The Closer, The Wizard, The Builder, and the Captain and his Crew are demonstrated in the story; each one appropriate to the selling phase the Wheel goes through.

Part One

The Wheel Revolution

In the days of Pharaohs, construction of the Pyramid project relied heavily on the brute pulling strength of camels, horses, and big strong men. Max was an inventor who came up with the brilliant technology called the Wheel. His problem: how to sell it to the right people. For the answers, Max and his wife Minnie went to visit the Oracle. He asked them to think about these 6 bedrock questions:

- Who are our customers?
- Who are our competitors?
- Why do customers want what we are selling?
- What would make them prefer to buy from us?
- Why might they prefer to buy from our competitors?
- What added values does our salesperson have to offer to make a sale?

Here were their answers:

Who are our customers?

-Those who need to move big heavy stuff faster, easier, and cheaper.

Who are our competitors?

-Everyone who sells established methods of moving heavy loads (for example, elephants, camel dealers, sledge makers)

Why do want what we are selling?

-They're looking for the performance gain promised by new technology. The Wheel offers the opportunity to do things that could not be done before.

What would make them prefer to buy from us?

-We are the Wheel's only provider.

Why might they prefer to buy from our competitors?

-Competitors offer proven, affordable methods. Customers don't understand our technology.

What added values does our salesperson have to offer to make a sale?

-It was this question that got Max and Minnie stumped.

The couple would have to learn the answer as they went through the process of selling the wheel. With some money from Minnie's parents, they couple hired different salespeople. The problem was that these were sales people who were not appropriate to the initial launching phase of the wheel. They were more appropriate for the later stages of selling. Ben the Builder (long-term customer relationship builder) and Toby the Wizard (technology expert) failed to sell the wheel. After an unsuccessful attempt at launching a store, they finally found Cassius the Closer.

Characteristics of a Closer:

- Can complete a transaction with one or two contacts with the customer. Their transactions do not require an extended relationship with the customer.

- Often start their own companies.
- Have experience selling since their teen-age years
- Are highly motivated by a passion for what they are selling
- He doesn't bother selling to subordinates; the Closer seeks out the key decision-maker.
- Are ethical but also highly manipulative.
- A closer's sales presentations often have a dramatic flair.
- Has an eye for the "next wave"
- A strong track record of selling new concepts.
- Focuses on selling breakthrough products that do not require a lot of personal attention from the closer after the sale.
- Has an instinct for sales, knows how to qualify a prospect, make presentations, resolve objections, and closes the transaction.
- Looks successful and has a high-energy level.
- Uses personal assistants to manage the nitty-gritty.
- Develop salesmanship with the help of a mentor
- Liability: operates without feeling responsible for what happens to the customer after the sale.

The first buyers of a new technology or product are called Gate Swingers These are the prime market for closers. These customers:

:

- Are wealthy enough to buy the product
- Have the authority to make a risky decision
- Have the ego to want to be different from everyone else
- Are secure enough to think about the future
- Are sufficiently resourceful they do not require "handholding" from the closer before or after the sale.

The Closer follows a process for handling customer objections or doubts.

- First, he would listen.
- He repeats back to the customer what he had heard to make sure he understood.
- He would ask the customer to tell him more. This way, the customer reveals the true nature of his reservations about the product.
- This eventually guides the prospect into answering his own objections.
- Silence is another tool used by closers. After asking a closing question, say nothing. He who speaks first loses the game.

So to answer the sixth bedrock question, what added values does our salesperson have to offer to make a sale?

- The closer has to demonstrate the power and practicality of the technology.
- Build the vision of the Wheel's potential for the customer.
- Provide the emotional energy to close the sale.

Part Two

The Wheel Advances

Since closers are often there to introduce a product to the market, they derive satisfaction from the newness of the technology they are selling. It wasn't long before Cassius the Closer felt the need to move on from selling wheels for Max and Minnie. Closers tend to change the products they sell from year to year, especially after they have by then hit all the new customers likely to buy from them. Cassius the Closer collected his commission on a million shekel deal, and left Max and Minnie to deal with the details of an agreement with the new client: The Great Pyramid project.

This called for a different type of salesperson: Toby the Wizard.

A wizard is a professional expert – engineer, accountant, doctor, architect, etc. – who use their sophisticated technical expertise and knowledge to help customers make the right decisions. Compensation is often a salary, as opposed to the Closer's commission-based income. Perks for advancement include stock options in the company.

Since the client needed expert engineering advice to handle how the wheel would be adapted to the needs of the Pyramid construction project, Toby was the perfect candidate. The Oracle told Minnie and Max about the nine steps of selling, the cycle from the first contact through the first sale, and through repeat sales. Now the approach to selling the wheel Max and Minnie had to use was to offer Total Solutions.

The Nine Steps of Selling

Marketing

1. Marketing Communications
Build an image that will induce the right kind of attention and make people interested in you.
2. Generating Leads
Encouraging contacts with specific people who might become customers.
3. Qualifying Prospects
Separating those who will be a waste of your time, from those who have the means to buy from you.

Sales

4. Presentation
The pitch. This is where the salesperson tailors the capabilities offered to the specific needs and desires of the customer.
5. Resolving Objections
The prospect hems and haws and tries to say "I'll think about it." The salesperson must remove these barriers to making the sale.
6. Closing the Sale
The act and art of persuading the customer to say "Yes".

Service

7. Execution and Service
Managing the fulfillment of the terms of the sale in such a way the customer is satisfied, both now and later.
8. Building Relationships
Personal contacts take place after the first sale between the customer and salesperson
9. Repeat Business
The reason for taking all the trouble to deliver great service and build relationships.

The answers to the six bedrock questions in a Wizard Seller Market

Who are our customers?

New users who need expert assistance from the seller –often both before and after the sale, on an extended basis to deal with the complexities of technology and the purchase transaction. Specific customers include not only the financial decision-maker but also the managers and users who have influence over the sale.

Who are our competitors?

Established technology but also competitors offering their own configurations of the wheel (wheelbarrow, etc)

Why do customers want what we are selling?

They want a performance gain, but they also want the technology to come from a seller who provides assurances of desired results and personal attention to solving any problems associated with the technology's performance.

What would make them prefer to buy from us?

We offer the best solution- and back it with the best support and service.

Why might they prefer to buy from our competitors?

Established competitors offer proven, low-tech solutions
New competitors claim to offer superior results.

What added values does our salesperson have to offer to make a sale?

A special blend of technical savvy so the wizard can provide an expert solution customized to the buyer's individual needs, and "people skills" to be a team player managing a number of different relationships.

The best way to generate leads in a wizard market is to offer free information – via publicity, brochures, speaking engagements, and other means. A big part of the wizard's job is to educate the customer.

Top characteristics of Sales Wizards:

- Are team players and often leaders of teams that will implement a complete solution
- Can work around the bureaucracy of the customer's organization so as to get things done.
- Have a strong sense of responsibility for the consequences of the sale.
- Possess an in-depth personal understanding of the technical issues involved in the sale.
- Have a professional demeanor. Affluent, but not flashy in appearance or lifestyle
- Are fast learners, able to assimilate the intricacies of what they are selling, and the complex requirements of each new customer

- Document performance so as to prove the benefit of the solution and perhaps to gain add-on sales.
- Focus on selling total systems –not pieces or parts.
- Liabilities: Arrogance, tendency to overpromise benefits and underestimate the resources required for the solution.

Part Three

Everybody wants wheels!

Minnie and Max's Wheel Company had the systems/solutions part of their company covered by the Wizard Toby, but they now required someone who could develop useful contacts long before they are needed. They needed someone who could develop a relationship with a client or already had an existing one from selling another product. Building a strong working relationship over an extended period of time was the job of Ben the Builder.

Ben began work by coming up with Wheel Safety Week: a free service to customers of wagon-fixing shops, where Max's Wheel Co. would provide promotional material, a trained technician, and special tools to test for wheel warp, axle wear, alignment, cracking, and squeaking. The promotion unburdened wagon-fixers of their worries, and was a true service.

Ben the Builder had the ability to step in and deliver when a client suddenly needed him. He was the supplier of camels to the Pyramid project, and with this established relationship, he was able to drop off a few brochures for Max's wheels at the purchasing office. When the regular supplier of the Pyramid project, their competitor, Imum's Wheels slipped up and said the delivery for the week would be delayed, the Pyramid purchasers immediately contacted Ben the Builder.

In a nutshell, the Pyramid purchasers fired Imum's Wheels and hired Max's wheel company to be its regular supplier of wheels. The contract was the prize Max and Minnie wanted, and the whole company had worked overtime to meet the schedule for delivery, even if the request came on such short notice.

Answers to the 6 bedrock questions for a Builder Sales Market:

Who are our customers?

- Experienced buyers (those who have bought wheels before and will buy order again and again)
- In business-to-business selling, there is an "inside expert", or someone on the customer's staff designated to handle this purchase because of prior experience with the product (e.g. purchasing agent, or a function manager)
- Secondary customers who have influence over the sale, from the company president to the actual users of whatever is being purchased. They can say No to the purchase, but can't authoritatively say yes.

Who are our competitors?

- Our primary competition is from other companies selling essentially the same product or service, perhaps in slightly different configurations and eventually, companies selling new technology or radical, nonstandard improvements to current technology.

Why do customers want what we are selling?

- We sell a standard product or solution to a customer's problem and by knowing the customer well; we can adapt features, options, delivery, and support, to each customer's individual needs.

What would make them prefer to buy from us?

-We have intimate knowledge of the customer's business and individual needs. We have developed a level of trust between ourselves and the customer which cannot be easily duplicated, or disrupted.

Why might they prefer to buy from our competitors?

-If we screw up, the bond of trust will be broken and they will consider alternatives. If they learn of a competitor offering dramatically lower prices for essentially the same goods and services, they might begin to question their loyalty.

What added values does our salesperson have to offer to make a sale?

-The salesperson must be able to build a trusting relationship with the key people on the customer's side. He or she must be able to manage complexity, keep close watch on the details; must be a customer advocate inside the seller's organization; and must have the clout to disrupt internal routines when necessary to keep the customer happy. Above all, the salesperson adds value to a conventional product through personal attentions lavished upon the customer.

The Characteristics of the Builder Sales Force:

- Builders are the backbone of most business-to-business selling.
- Builders seldom offer the customer rock-bottom prices. By looking out for the customer's best interests, builders can justify the slightly higher prices they quote.
- Builders face the biggest challenge of finding ways to add value to the sale, it is critical the seller document cost savings or revenue gains for the buyer. Often a seller that is performing well isn't noticed by the buyer's organization.
- Builders have a detailed personal knowledge of their customers and the complexities of their customer's businesses.
- Builders have a "do whatever it takes" attitude and provide a quick response to customer needs.
- Builders focus on the account, not the project.
- Builders rely on a management willing to invest time and resources in building relationships with customers. They invest in the customers who are most likely to spend the most.
- Builders identify with the customer; a sense of being the customer advocate inside the seller's organization
- Builders must possess the willingness to disrupt internal routines and policies for the benefit of the customer.
- Builders keep pace with technology, they know where and how to get technical expertise.
- Builders organize themselves to fit the customer they can best serve, often by the size of the customer's organization.
- Builders must have the ability to let go of customers and markets when it becomes impossible to service them profitably and competitively.
- Liabilities: Too much identification with the customer; advocacy of the customer at the expense of the seller's financial health; too conservative in the face of technological change.

Part Four

Billions and billions of wheels!

When Max and Minnie found they were facing new competition, a supplier of cheaper wheels from China, they visited the Oracle again. He gave them two choices:

- Seek a market niche in special types of wheels or
- Seek to dominate the wheel mass market

The strategic decision was to keep Ben and other builders aside, cutting down on their sales force and retaining only the very best performers. They would be in charge of specialty wheels. An entire new organization of sales crew or teams would have to be recruited and trained to deal with the new mass market for wheels.

When markets mature, product improvements are incremental rather than revolutionary. Once a technology matures and products based on it achieve parity with one another, it becomes difficult to make radical advances, because customers expect standards to be observed, and because commodity prices do not allow margins to justify big development expenses.

Brand building was the new name of the game for Max's Wheel Co. They were busy getting the company named as official supplier of wheels to the championship chariot races.

They hired an ad agency to formulate an ad campaign with billboards and posters plastered all over the city.

The company hired a Captain for the new sales crew. Closing skills and people skills training were part of the curriculum at MaxWheels Megamart.

Customer Service was what drove the Captain and his crew for this new phase of selling the wheel.

To resolve barriers to sales here are a few of Minnie's notes:

High Price

- Resolve with easy credit, installment payments, and discounts

Distance

- Offer convenient locations, free delivery, and catalogue ordering

Lack of Time

- Offer faster service, efficient store layout, streamlined checkout, broad inventory, one-stop shopping

Bad Experience

- Give customer interaction with sympathetic employees, no-hassle exchanges

Answers to the 6 bedrock questions for a Captain-and-Sales Crew market

Who are our customers?

- Experienced buyers with no requirements for major customization
- In business-to-business selling, they are typically an administrator or purchasing agent
- In a retail market, the customers are called "consumers"

Who are our competitors?

- Others selling the exact same thing

Why do customers want what we are selling?

- It's the standard, established solution

What would make them prefer to buy from us?

- Low price
- We're convenient
- Habit

Why might they prefer to buy from our competitors?

-A bad experience with us or even a minor one, or a lower price, better service, and greater convenience.

What added values do our salespeople have to offer to make a sale?

-Our salespeople have to differentiate us from the competition and add value to the commodity being sold, by offering superior service, and efficiency. They need to create a positive experience for the customer on a consistent basis.

The Captain and the Crew

A strong empowering leader is important to every crew because crew salespeople are not self-starters. They just want a good-paying job in a company where it's nice to work.

Top characteristics of a world-class sales crew:

- A leader who repeatedly drives home the need to make the customer happy.
- Highly efficient systems for servicing customers –yet also an avoidance of stiff formality in policy, an organization willing to bend the rules when warranted to keep individual customers happy.
- Compensation based in part on some measure of customer satisfaction.
- Ongoing training programs to develop skills and keep the crew up-to-date on systems and products
- A management effort to make the company a great place to work. Lots of cheerleading and recognition that crew salespeople are not self-starters and require strong leadership.
- Liabilities: Shallow technical understanding--an inability to deal with anything for which a corporate system is not devised.

Max's Maxim

No company can be all things to all customers. Therefore, choose the customers for whom you can deliver the most value.

The Wheel Turns

And so it was complete, the whole cycle of selling the wheel brought Max and Minnie, from break through invention, to the different types of salespeople: Cassius the Closer, Toby the Wizard (who later took over the company as CEO when Max and Minnie retired) Ben the Builder, and the Captain and the Crew – the MaxWheels company grew and prospered, making Max and Minnie far richer than the Oracle could have ever predicted.