2010 IMDA Annual Conference

Would *you* buy from you???

Pre-call planning is key to successful selling, and it's up to IMDA members to make sure their reps are doing just that.

KEYSTONE, COLO — There's a big difference between smart selling and stupid selling, said Gerry Layo of Sales Coach International, in his keynote remarks at the 2010 IMDA Annual Conference. The difference is "thought." Salespeople who strategize their calls – that is, research the prospect prior to the call, define the objective of the call, listen carefully to the prospect during the call, then follow up after the call – are selling smart, he said.

And it's up to the owners of specialty sales and marketing companies to ensure that their reps do all these things.

Layo was just one of many highlights of the conference in Keystone, elevation 9,100 feet. (See more on his presentation below.) In addition, the Manufacturers Forum brought together more than a dozen vendors of innovative technologies and a roomful of eager market-makers; and the annual golf outing and dinner brought together old and new friends in strong networking fashion.

The Conference featured a number of breakout sessions designed to inform members and challenge them to improve their businesses:

- Tony Marmo of IMDA member Martab Medical led a discussion on identifying key financial indicators, including profitability ratios, asset management ratios, liquidity ratios and debt management ratios.
- Rick Davies and Chris Davies, new-technology specialists with Vector Resources, challenged IMDA members to use their existing contacts to expand into new markets. The key, said Rick Davies, is to make sure that the new markets are contiguous, accessible and strategic.
- IMDA allied member Tim Beevers of Beevers Manufacturing led a discussion for manufacturers on how to build successful and mutually productive relationships with specialty sales and marketing organizations.

In addition, Phil Reilly of IMDA member KOL Bio-Medical Instruments Inc. showed IMDA members how the recently passed healthcare reform act might affect them and their customers; Shawn Walker of Bay State Anesthesia facilitated a discussion on vendor credentialing; and IMDA insurance administrator George Ayd of Medmarc talked about the issues facing IMDA members in terms of product and professional liability.

Strategic planning

Meeting prior to the opening of the Conference, the IMDA board continued a strategic planning session it commenced last year in Charleston, S.C. Initiatives were discussed, which the board will monitor and follow up on. The strategy session dovetailed with a member breakout session, called "Your IMDA," in which IMDA members shared their ideas about the association's future direction.

In other board developments, Kevin Trout of Grandview Medical Resources agreed to stay on for a second year as IMDA president. Tony Marmo of Martab Medical stays in place as president-elect, and Hal Freehling remains secretary/treasurer. Dave Campbell of Vital/Med Systems remains IMDA's chairman of the board, while Shawn Walker of Bay State Anesthesia is past president. Directors-at-large are Tom Birmingham, Bay State Anesthesia; Don Reiter, SRC Medical; George Howe, Mercury Medical; Bill Schultz, IPV Medical; and Phil Reilly, KOL Bio-Medical Instruments.

Begin with the end in mind

In many ways, selling hasn't changed much over the years, said Layo. The key word was – and still is – "relationships." But sales reps can forget the root of the word– "relate." Relating to another person -- in this case, a prospect or client -- implies some level of understanding of the other person. That implies some understanding of the outcomes they desire, of how they're being judged in their own institution, etc. It's all about establishing a connection with the other person, said Layo. And the only way to do that is to find out as much as you can about the other person and his/her organization <u>before</u> the call, then to ask questions and listen <u>during</u> it.

"It's my belief that what happens before a sales call is as important as the call itself," said Layo. "Sometimes it even trumps it."

There is "zero excuse" for a sales rep to call on a prospect without knowing a decent amount about him or her, he said. By doing her homework, that rep differentiates herself from the rest of the vendors calling on that account.

Think of pre-call preparation as practicing your golf game, said Layo. "The score at the end of the round is the combination of every swing you took, which itself comes out of years of practice and play." Similarly, sales is a combination of habits, practice and pre-call preparation.

The rep who is able to answer the question, "What is the purpose of this call?" prior to the call will be more confident and focused when he or she meets the customer, said Layo. "If you can't write down the purpose of your call, assume you don't have one," he said. "If you can't write it, then you're faking it." In fact, reps would be well advised to write the words "What is the purpose of this call?" on three sheets of paper, and keep one at their desk, one on the dashboard of their car, and one in the notebook they bring into calls.

The call

Today, as selling gets tougher, reps are the front line of their companies' efforts to build a "positive perception of difference" (PPOD) in the market, said Layo. By building a PPOD, "the customer looks at us with non-commoditized eyes and listens to us with non-commoditized ears."

At the beginning of each call, the rep should state the purpose of the call, then stay true to it throughout. "Yes, you have to address the customer's concerns and go where they want to go, but steer it back to the center of the road," he said. When the objective of the call is attained, the rep should recap or restate the main points of the meeting and clearly define the next step.

"I had a manager who said, 'If you can't close the sale, you have to close the next step.' Salespeople don't do it because they haven't practiced doing it," he said. Also, by asking the customer what the next step should be, the rep is programming that customer to believe there is indeed a "next step." And if the customer doesn't know what the next step should be, he or she will probably ask the rep.

Once the next step has been defined and mutually agreed on, the rep should thank the customer for his or her time, and then get out.

Leading questions

Sales reps need to understand that the first thing they sell is themselves, said Layo. "You have to be able to connect." And the best way to get someone to open up is to get them to talk about themselves." Reps need to discover the customer's most wanted outcome. They do so by asking questions. And the best questions are those that lead the customer to a spot where the rep wants him to go.

“Sixty percent of sellers come in and just puke on the customer,” said Layo. “They show up and throw up.” By doing so, they never give the account an opportunity to share his or her “most wanted outcome,” and the rep never has a chance to give it to them.
A much smaller percentage of sales reps talk about the benefits to the customer of the product or service they’re selling, as opposed to its features. This is a smarter approach.

But the smartest approach is to get the customer to admit what is most important to him or her. The sales rep can then proceed with the sale. “Most salespeople would rather just tell the customer what they need, rather than get the customer to admit what he or she needs,” Layo said. “We get Power-Pointed to death, but rarely do we get questioned to death. When you’re very clear on the benefits of your product or service, you get to guide the conversation to the places that are most fruitful for the sale.”

Too many sales reps are focused more on their need to sell rather than the customer’s need to buy, said Layo. By asking just two questions, though, selling becomes much easier. The questions are, “Help me understand what you’re trying to accomplish,” and “Help me understand why that is important to you.”

“Discovering what’s important to the buyer or influencer comes not only from asking the right questions, but from listening too,” he said. “Listening is the No. 1 skill in sales, and it’s something that can be learned and improved.

“Ask yourself, ‘Would you buy from you?’” Layo said. “Why? What’s your special sauce? If you can’t come up with three reasons you’re unique, three positive perceptions of difference, how can you expect the customer to come up with one?”

Managing change

Successful selling doesn’t happen by accident. Business owners need to be careful in their recruiting process, so they increase their odds of hiring sales winners, said Layo. But strong management – better yet, strong leadership – is just as important, if not more so.

The strong leader begins by looking inside his or her own four walls for answers about his company’s successes and failures, said Layo. Successful selling begins with the people in the office who touch the customer, including the person who answers the phone, whom Layo called “the director of first impressions.” “You want that phone answered the right way every time someone calls,” he said. “The receptionist needs to make callers feel important.”

But there are many others in the company who touch the customer and potential customer, including those in the warehouse, accounts receivable and the IT or help desk. What’s more, the technicians sent out to repair equipment can determine whether your company gets the customer’s next purchase or not.

Your company’s approach to customer service can give the customer moments of misery, mediocrity or magic, said Layo. “When you have a sales organization that is backed up by a customer service department who gives moments of magic, sales will be more profitable.”

Is the right team in place?

IMDA members play a big role in making sure their field reps accommodate themselves to customers’ changing needs, said Layo. “If customers are buying different but you’re still selling the same, I have a word for that,” he said, leaving that word to the attendees’ imaginations.

Business owners need to ask themselves, “Do we have the right product at the right price?” he said. They better, because without the right product and price, the rep won’t get far at all.

Looking beyond that, the business owner has to ask himself, “Do we have the right people and the right processes in place?” Specialty sales and marketing organizations must have the right reps in the field, or else they are simply managing around their ineffectiveness, he asked.

Do your sales reps have a sense of urgency about what they're doing? Layo asked the audience. Do they have what former Intel CEO Andy Grove called "a healthy sense of paranoia," that is, a sense that their competitor could overtake them if they lose their focus? It's up to the leader to know what the competition is up to, and then to help his or her reps differentiate themselves from that competition. "Teach your salespeople to look at your competitor's literature and to know how the competition delivers a proposal," he said. Then behave differently. "You're competing for your customers' time share, wallet share, shelf space," he said. Reps who sound and act like their competition will look like a commodity, and there's a good likelihood they'll get nailed on price.

Hearkening back to the need for pre-call preparation, Layo reminded the IMDA members that it is their responsibility as leaders to make sure their reps are well-prepared for customer calls before they get in their cars. A football team "works" just three hours a week, he said. The rest of the time they are preparing to work, through practice. "How many of you schedule time to practice with your salespeople what they're going to execute in the marketplace?" he asked.

"Preparation equals profit," he said. "The degree of preparation you give your sales force directly relates to your closing percentage, which probably has a direct relation to your profitability. The more prepared I am, the more doors I get in, and the more people I get engaged in my product."

Sales reps who are well-prepared differentiate themselves from others, and that's important today, when many technologies are rapidly becoming commoditized. "Our products can be a commodity, but our relationships can't," said Layo. "If the salesperson isn't talking about the things that are important to the customer, then [he or she] can be replaced by anyone." As leaders, IMDA members need to teach their reps what to look for, not just what to say.

Company-facing or customer-facing?

Leaders also need to evaluate their company's policies and philosophy. Policies, said Layo, are the rules your customers have to play by in order to buy from you. Too often, policies are barriers to customer satisfaction. "Two words usually preface the words 'That's our policy,'" said Layo. "They are, 'I'm sorry.'" Business owners need to ask themselves, "Are our policies company-facing or customer-facing," he said.

Philosophy, on the other hand, are the rules the business owner has to play by in order to keep earning his or her customers' business.

Effective leaders leave their reps well-armed to go into the field, said Layo. They help their reps come up with effective questions, because "questions drive everything," he said. Just as important, they prepare their reps for unexpected challenges, by drilling them on "what if" scenarios. "What if your competitor is sitting in the waiting room when you come in? What if the customer tells you your price is 20 percent too high? Are your reps prepared for the guy who won't give them the time he said he would? Are they prepared for the guy who wants to proceed with the sale right now, when the rep thought the sales cycle would be six months?

"I want the confident salesperson, who has thought through all of this," he said. "He knows how to handle this, and how to handle that. They know the best defense when the best offense is thrown at them. Make a list of the things your salespeople can run into. Then arm them."