

selling

Outside Insight

Perfect pairings

Don't let an out-of-stock item stymie a sale—turn it into a buying opportunity. by **Chris Miller**

The ability to build long-standing relationships; the desire to deliver high-quality, innovative solutions; and a commitment to exceeding expectations are all attributes of an outstanding outside sales rep. And while responsibilities for this position differ from one company to the next, one common denominator is that those who can create buying opportunities for their customers win more orders and achieve higher profit margins and more repeat business. To this end, the ability to offer suggestions for product substitutions is key.

One pitfall encountered by many new outside sales professionals relates to a lack of product knowledge and an inability to offer suggestions for product substitutions.

A sale is more than just an exchange of goods or services for money—it's a learning opportunity. Salespeople gain insight from every order won or lost and learn how to prepare better for similar situations in the future. Having confidence in substitute product offerings gives a salesperson another tool to capture business and increase share with the customer. But equally important is the psychological aspect. It's not just gaining new business. Customers will come to count on the salesperson as a business ally.

Consider a customer who asks for 500 pieces of each of the following, delivered to a jobsite by 8 a.m. the next day: Madison Strap, 11B Box, Window Clamp, and Go To Couplings.

Current stock levels show that the order can be filled with the exception of the Go To Couplings.

Salesperson No. 1 chooses the wrong path and focuses on the lack of company stock for the one item and because of that, loses the entire sale.

Salesperson No. 2 does better. He gets the sale on the straps, boxes, and clamps and misses out only on the out-of-stock couplings.

Salesperson No. 3, however, excels in one trait the others do not possess: the ability to offer a substitute product to

get the entire order. He is able to do this because he:

- ✓ recognizes the customer need for next-day delivery
- ✓ has the desire to create a buying opportunity for the customer
- ✓ shows innovation in solving the problem, and
- ✓ can prove that the transaction brings value.

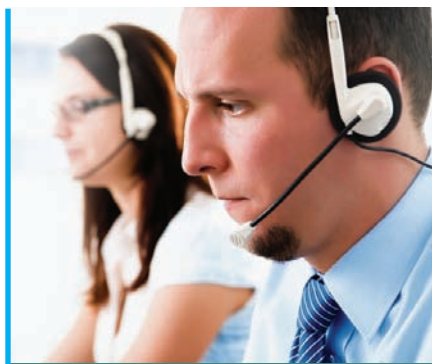
With a few simple questions, the salesperson determines that the customer needs to couple EMT with Greenfield, and with 30 electricians on-site the following day, time is money.

A phone call into the shop reveals the necessary stock in EMT connectors, Greenfield connectors, and ½" threaded couplings. Salesperson No. 3. takes the entire order, delivers it in full the following morning, and gains the trust of a customer. ■

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FACT **70**
THE PERCENTAGE OF ELECTRICAL DISTRIBUTORS WHO HAVE SUCCESSFULLY SUBSTITUTED BRAND REQUESTS FROM CUSTOMERS.

SOURCE: 2007 TED magazine subscriber profile



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Inside track

Some inside salespeople quote and take orders from people in the field, purchasing agents, project managers, and even the owners of the company. Most inside salespeople work in some capacity on many accounts with all of the above. However, it should always be remembered that selling to such a diverse group of people is inherently complex and requires a comprehensive understanding of customer needs.

Without a doubt, the first few sales interactions with a customer are the hardest—but they are also the most critical time to gather information about wants and needs, likes and dislikes. Still, it's probably not a surprise to hear that customers are happiest when the truck shows up on time, the material is pulled correctly, and the purchase order is complete.

A salesperson who can guarantee these three cornerstones of delivery will be less likely to have to haggle over price to win an order.

By focusing on the strengths and services of the company (e.g., next-day delivery, stock availability, and personal product knowledge), inside salespeople can fulfill their customers' needs and pack on profits while not underselling the true value of the services provided.

How can a distributor verify that a service provides value to the customer? One clear indicator always stands out above the others: Return business. Staying focused on aspects of the sale that can be controlled, such as offering product substitutes or calling the vendor who is shipping out material via an overnight carrier before the end of the day to ensure it shipped, allows a salesperson to concentrate on more important product concerns than price. —C.M.