

Survival of the fittest, not the thinnest!

Annalize Cuthill, sales director at Huthwaite International explains why cutting back on training during a recession is exactly the wrong thing to do

The recent spate of company closures and downsizing is clear evidence as to just how difficult current economic conditions are and most companies are casting around for ways to survive the hard times.

The cost base has traditionally been the obvious place to start. There is nothing wrong with the desire to be 'lean,' but what do you do when there is no fat left to trim? The answer is for the sales team to shore up the other side of the commercial cost/sales equation.

However, more than one half of those involved in sales have never experienced a recession. Indeed, most sales people have been operating through one of the longest economic booms for more than half-a-century. The risk is that they will do the wrong things in their efforts to bring in business.

In particular, there is a danger that cost-cutting diverts attention from other potentially more successful strategies. As the Sector Skills Council rightly observes, training is an area where increased spending can pay rich dividends in terms of increased sales. It is often one of the first budgets to be cut, yet many employees – and especially sales people – need higher levels of skill to succeed when times are hard.

Working smarter, not harder

Huthwaite's research over 30 years has constantly shown that asking the sales team to make more calls, chase up every scrap of business and pressure customers – may work in low value sales but is doomed to failure in higher value consultative selling. The reason is simple: in a recession, customers look harder at every purchasing decision, and prioritise and scrutinize more at every stage. The result is a longer process, over which the seller has little or no control.

Focus on the best opportunities

Chasing up lots of small leads takes up time and, even where successful, produces low revenues and

typically low margins. This neglects better prospects where investment in time might generate better results. Successful sales people focus on the best opportunities, spending more time planning how to win the business in terms of both sales strategies and call plans. This means exploring customer needs in depth, rather than simply pushing their products and services.

Higher skills levels

If sales people need training when times are good, why would they need less when times are bad? The reality is that the fittest survive, not the thinnest. A whole range of commercial skills hold the key to success in a difficult business climate.

Too many organisations, managers and sales people think that in a recession price is all that matters. If that were true, only the cheapest suppliers would survive. Yet those vendors charging a premium for their goods or services continue to win business, surviving through the most difficult times. Price cannot be ignored, but the premium supplier succeeds by convincing the customer they offer the best value, and by demonstrating that they are a safe pair of hands.

Inertia is not an option

To survive and even thrive in tough times, you should avoid narrowly focusing on cost and price cutting alone and chasing every potential sales opportunity. It is essential to focus your sales effort on the best prospects and develop your sales team's skills to deal with this new market situation.

Armed with these strategies and skills, you should be much better-equipped to compete for sales. What is more, you may even be able to grow the business at the expense of your less able competitors.

One thing is certain: doing nothing is a strategy destined to make you a victim of the recession, not a survivor. **T**