

Collaborative Selling

By

Dr. Tony Alessandra

The world of business has changed and continues to change dramatically and rapidly. Markets have grown from local to national to global. Technology no longer offers a competitive advantage, and customers have become much more savvy. All of these changes and more have created an environment in which salespeople must adopt new attitudes, learn new skills, and gain a new understanding of how to approach their markets and work with customers.

No doubt, you have seen this quantum shift and its consequences in your industry: your competitors have increased in number and become more aggressive. Your products or services are more difficult to sell than in the past. It has become a challenge just to differentiate your company from your competitors, and price issues are a constant problem.

The upshot of these market influences is that the differentiated products of yesterday are the commodities of today. Instead of making differentiation easier, technology has made differentiation more difficult. Differentiation is, however, the *only* way to be successful in today's market. Differentiation must come from quality, price, or service; and few companies can survive competing on price. This is a monumental challenge that every company faces. It is a challenge met by collaborative selling, a system in which salespeople can create differentiation and its accompanying competitive advantage every time they go after business.

The Fallacy of Traditional Selling Techniques

The traditional approach to selling was largely developed after World War II. When the war ended, the demand for consumer goods shot up to an all-time high. Consumers were not very sophisticated, so selling techniques revolved around this typical scenario, which still exists today:

Traditional salespeople paid little attention to targeting their markets or planning their sales calls. They approached the market as a "numbers game," delivered a canned pitch to as many prospects as possible in the shortest amount of time. Good salespeople began by breaking the ice with a little small talk (and equated small talk with relationship-building). Then they delivered razzle-dazzle pitches to wide-eyed, hopefully receptive prospects. There was little if any information gathering. Instead, the sales process focused on a persuasive pitch, manipulative closing techniques, and the salesperson's skills in handling customer objections. Superstar salespeople were those who had mastered the art of arm-twisting.

The traditional sales pitch was, by necessity, generic. All of the product's features and benefits had to be covered because salespeople had no way of knowing which features and benefits were relevant. It was a true shotgun approach in which salespeople tried to sell their products to every prospect, regardless of need. There was no follow-up after the sale. Traditional salespeople moved from one transaction to the next without looking back. Sales were perceived as one-shot deals.

Traditional selling is not dead. It is still used in the automobile industry. Despite the changes in the marketplace and their desperate need for differentiation, car dealerships are still insulting their customers with high-pressured, traditional tactics. They are short-term thinkers who must assume there is an endless supply of new customers.

Is this the basis for long-term relationships? Is this the formula for success? Certainly not. General Motors had its worst year in its history in 1992. In November of 1993, an article in the Wall Street Journal reported that Chevrolet is just now waking up and making customer satisfaction the focus of a full-scale makeover effort. Why so late? Companies such as Nordstrom, L.L. Bean, Federal Express, and others discovered and implemented that years ago.

Traditional selling has another Achilles' heel. It creates tension and could be construed as adversarial. Traditional salespeople often perceive their prospects as people with whom they must go to battle to win business. This power-struggle mind set is supported by sales trainers who teach manipulative sales technique and by books with combative titles such as *Hard Ball Selling*, *Guerrilla Marketing*, and *The Sale Begins When The Customer Says No*.

It does not take a genius to realize that the focus in traditional selling is misplaced and myopic. The commando approach to selling is obsolete. It does not foster referrals, references, repeat business, word-of-mouth advertising, customer satisfaction, or good will.

Collaborative Selling

Collaborative selling begins with a different mindset: a commitment to the long-term. Today's customers buy differently, so today's salespeople must sell differently. Customers know there is no urgency to buy because good deals, good salespeople, and good companies come along every day. Price is less of an issue because buyers are not just interested in great deals; they want great relationships. Today's customers are looking for *measurable* quality in the products and services they buy.

The transition to collaborative selling and the emphasis on long-term relationships is evident in the words and phrases that are used to describe modern buyer-seller relationships: strategic alliances, sustaining resources, single sources, integrity, values, and ethics.

Today's customers are looking for long-term relationships with suppliers who will be reliable resources over the long haul. In fact, many companies are awarding lifetime contracts to their supplier-partners. Collaborating companies are networking their computer systems to expedite order-entry, just-

in-time inventory control, and electronic payment. Strategic alliance, partnering, collaboration call it what you want is taking place throughout the world on a macro level (industry to industry) and on a micro (salesperson to customer) level.

Collaborative selling means handling every aspect of the sales process with a high degree of professionalism. There are six basic steps that describe how the collaborative sales process unfolds:

Target The first step is a marketing necessity: understand exactly what the product/service is and identify the specific markets that can best use it. This is done on a company level in their marketing plan and should be done by individual salespeople as well. It takes some time, but careful planning focuses effort and provides a greater return on time and money invested. Collaborative salespeople know they must concentrate on prospects who have a high probability of buying.

Contact The first step after targeting a market is to contact them in a cost-effective and professional way. Naturally, this would be some combination of letter, phone, and personal contact. The right combination of contacting strategies ensures that collaborative salespeople create high-perceived value before they call on their prospects.

When contact is made, collaborative salespeople set the stage for a cooperative, working relationship. They convey their desire to explore needs and opportunities. They build credibility and trust. They express their sincere desire to be of service, and they make their competitive advantages known without jumping into a presentation.

Explore In this stage of the collaborative sales process, salespeople convey the message: "Let's explore your business situation to see if there are need to fulfill or opportunities on which to capitalize."

During the explore stage, collaborative salespeople conduct research, meet with their prospects frequently, and do whatever it takes to become an expert on their prospect's business. The give-and-take relationship that develops sets the stage for in-depth exploration of options that may culminate in a sale. Collaborative salespeople make it clear that they want to help, not just make a sale. If, after information-gathering, collaborative salespeople find that their products are not appropriate for their prospects, which is unlikely due to their careful target marketing, they will forego the sale, but have made a friend and business contact. The Explore stage of selling, and in fact the entire Collaborative Selling philosophy, is built around the following phrase--"*Prescription Before Diagnosis is Malpractice*"

Collaborate It is at this point after an in-depth exploration of a prospect's situation that collaborative salespeople talk about their products or services. Naturally, they are discussed in the context of prospects' needs or opportunities.

Collaborative salespeople never dictate solutions to their prospects. Instead, they form "partnerships" in which prospects play an active role in the search for the best solution. The collaborate phase of the sale is conducted in the spirit of "let's work together on the solution and together build a commitment to its successful implementation." This team-approach to problem solving ensures that prospects will be committed to solutions. By making customers equal partners in problem solving,

collaborative selling reduces or eliminates the risk that is inherent in the customer's decision-making process.

Confirm Keep in mind that, in every phase of the collaborative selling process, the salesperson and prospect have communicated well. Collaborative salespeople move on to the next phase of the sales process only after they have received assurances that their customers are in agreement with them on everything that has been discussed.

This agree-as-you-go process eliminates the need to "close" the sale or handle objections. Most objections have surfaced long before this point. If resistance does occur, the salesperson simply gathers more information or clarifies a detail.

With collaborative selling, the sale is a matter of *when* and not *if*. Confirming the sale is the logical conclusion to an on-going communication and problem-solving process. There is no need to "close" them. People commit when all their buying criteria are met!

Assure This phase of the collaborative sales process begins immediately after the sale has been confirmed. Collaborative salespeople keep in touch after the sale. They communicate regularly about delivery dates, installation, training, and other relevant matters. They make sure their customers are satisfied with their purchases. They help customers track their results and analyze the effectiveness of the solution.

Collaborative selling is the key to differentiation on the micro level. It represents an obsession with quality and customer satisfaction. It reflects a high degree of professionalism and a primary focus on relationships rather than transactions. It is clear that collaborative selling is a mutual-win situation; one that provides increased security to both parties. This increased security is exactly what customers want and need, given the market changes that are occurring so rapidly.

Collaborative selling is a philosophy and practice that is being used today by enlightened salespeople; and it is clearly the sales process of the future. Collaborative selling helps professional salespeople build large, loyal customer bases that generate future sales, provide referrals, and act as lifetime annuities.