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MYTH: "OUR PRODUCT WILL SELL ITSELF"

Another Reason Why Companies Fail

Sales Professionals: Are any of your customers or prospects telling you that they do not need your product/service because theirs will sell themselves? You might want to share some of these ideas with them.

OVERVIEW

The now-familiar call will come in several times a year. All of a sudden – or so it seems to the caller – sales have dropped off. The exponential growth the organization once experienced had created a sense that the good times would never end. Now the numbers are declining, and the leadership team is looking for help.

By this time, the organization is typically in a deeper hole than they realize. At first, all they want is the silver bullet, the one thing they can do to get their sales back on track. This is known in the CSO world as “fine-tuning the familiar”. In fact, they have probably already tried the most obvious approaches. In their efforts to restore the old way of doing things, they explored ways of doing the same things they have always done only do them better or faster.

When that does not work, they reach out for help, usually seeking a quick fix.

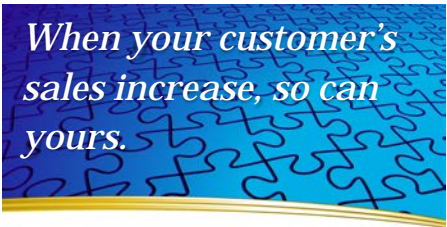
The foundation of their problem is often their opening statement: “Our product will sell itself; we just need more people to...” That is followed by actions they would like for qualified prospects to take like:

*When was the last time
you answered the
phone and heard a
product trying to sell
itself to you?*

- "...visit our website"
- "...call for a demo"
- "...try/compare what we offer"

The list goes on. Most of those types of actions are stirred up by marketing programs, not sales efforts. Advertising and trade shows can stimulate some of these actions. And, a solid marketing plan might drive more people to do what the company would like. But in my experience, if the marketing approach is not combined with a new sales process, the organization will find itself right back in this position sooner than they planned.

What about your customers?



When your customer's sales increase, so can yours.

Your customers may tell you that they do not want or need your help because their sales are just fine. Their products will sell themselves! Can you help them understand that you can help perpetuate or grow their current sales? After all, when your customers are selling more of their stuff, you can sell more to them.

THE MYTH

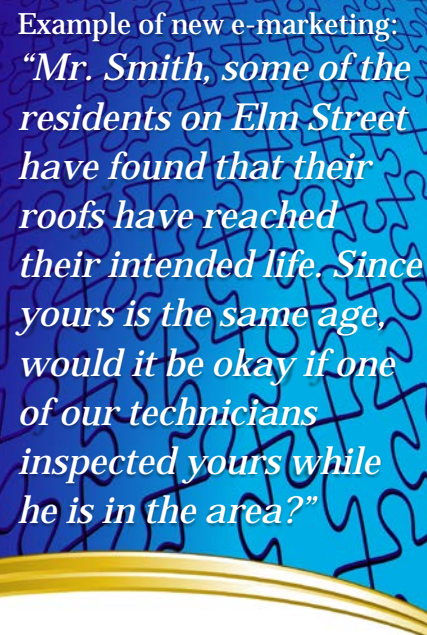
As irrational as it sounds on the surface, why would any intelligent person think a product would – or even could – sell itself?

The answer lies in our experiences with seemingly self-selling products. Here are a couple of some examples.

- POINT OF SALE (POS) – You are checking out at the store and as you wait for the person ahead of you to complete their transaction, you see it. Maybe it is a magazine cover with a headline that screams one of your favorite celebrities in really a Martian (yes, there are people who want to read about that). Maybe it is a breath mint and you are about to meet someone for coffee. There is a science behind what to place at the checkout stand, where to place it and how to package it. Stimulating impulse purchases through POS tactics is marketing, not sales. Capitalizing on predictive behaviors of buyers is more likely to be in the realm of marketing than in sales. These products "sell themselves" after they underwent intensive consumer testing and sophisticated marketing

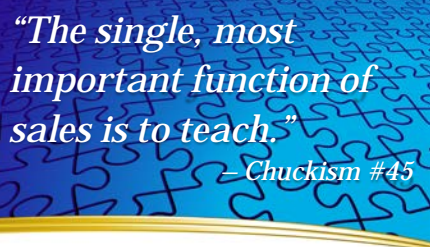
programs were developed and executed. "Executed" at retail usually involves slotting allowances – paying for the space.

- **E-MARKETING** – The most familiar version of e-marketing is telemarketing. As soon as you answered the phone somehow you knew it was a sales call. Out of perhaps morbid curiosity you delayed hanging up on the caller long enough to figure out what they were pitching. As the level of e-marketing sophistication increased, the callers became more proficient in piquing the interest of their intended ~~victims~~ prospects. Today a sophisticated telemarketing call will begin with some knowledge of who you are and what you might specifically want, and why you would want it. It may combine other technologies like web-based demonstrations, big data and even auto-cad. Still, this is more marketing than sales and typically has a low success rate.



Example of new e-marketing:
"Mr. Smith, some of the residents on Elm Street have found that their roofs have reached their intended life. Since yours is the same age, would it be okay if one of our technicians inspected yours while he is in the area?"

So the myth continues as the company's internal propaganda reiterates something like, "When they see our product, they love it and have to have it." That is rarely a true statement. What is usually true is that the prospects saw it and understood how it would help them and bought it.



"The single, most important function of sales is to teach."

– Chuckism #45

The single, most important function of sales is to teach. People who already understand the value of what you offer do not need to be taught. For everyone else, some education is needed.

LOW-HANGING FRUIT VS. CRITICAL MASS

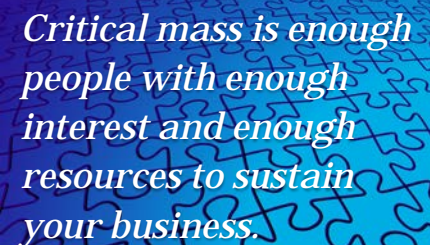
The early adapters (or adopters) are the people who, like you, see the value in what you offer. They already understand how you can help them solve their problem and what that solution would be worth to them. In the past they may have said something like, "If only there was a way to _____." So, when presented with your offering, the sale is virtually done.

More Marketing or More Sales?

This low-hanging fruit is not infinite and at some point you will realize the need to move from marketing to sales. Marketing is awareness: your customer or prospect knows you and what you offer. Sales is teaching the customer how and why your offering will benefit them right now. This is not telling them why others bought from you and not reminding them of why they bought from you in the past; it is teaching them how your offering will help them now.

Every organization needs a critical mass for long term success.

A critical mass is enough people with enough interest and enough resources to sustain your business.



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Quantifying your potential critical mass will be one of the most challenging efforts you will undertake. If any of these scenarios are being used in your thinking, you could be in real trouble:

- EVERYBODY WILL WANT THIS – There is nothing everybody wants. The excitement and passion inside your organization is not as contagious as you might imagine. In fact, even some of the folks outside your organization who were encouraging you as you developed your product will cool when finally asked to put their money where their enthusiasm is.
- THERE IS NOTHING LIKE THIS ON THE MARKET – There may not be anything exactly like yours on the market, but there is something that customers are using to achieve their goals or to solve their problems. You may hear responses like, "We've always done it this way before," when rejecting your offering. What they are saying is that unlike the early adapters, they do not see an immediate need to do business differently.
- FUTURE GENERATIONS WILL WANT THIS – The sky is not the limit; new offerings are. Just as you have introduced a new concept, there are others, your future competitors, who are developing theirs. This is especially true in technology.

GROWTH VS. GROWTH RATE

There is a difference in sales growth and the growth rate of sales. For most people in leadership, this is obvious; however, too many people struggle to understand this important concept. For salespeople, they need to be comfortably conversant in growth – vs. – growth rate as they communicate with their customers.

Here is a simple example. A start-up company with \$1 million in sales closes a \$1 million sale. Their growth is \$1 million; their growth rate is 100%. At the same time, a \$100 million company also closes a \$1 million sale. For them, their growth is \$1 million; their growth rate is 1%.

Growth rates will naturally taper from:

- MARKET SATURATION – As the critical mass has been tapped, there will be a declining number of new sales opportunities.
- PRODUCT MATURITY – As product categories mature, new entrants come into the market with their own attractive differentiations such as lower prices, unique features, etc. Some of those new entrants will expect *their* products to sell themselves!
- REUSING OLD SALES PROCESSES – What created the initial growth may not be sufficient for going forward. If the initial growth was from low-hanging fruit, the sales process may be engineered towards gathering. Is hunting the new process the organization needs?

FAD VS. TREND

Is your offering a fad or a trend? Either way, it has a shelf life; what are you doing to better your own offering? When competitors enter the market, what will they have that you do not have?

Try being your own competition. If you were going to compete with a company that does what you do, how would you approach it? Let's face it; it's hard to be objective when it's our baby. Few people like being told their baby is ugly. But only an honest appraisal of our approach will allow us to grow in the best direction and at the best speed. So, begin with this critical analysis:

- WHAT THREE THINGS DO WE DO VERY WELL?

- WHAT ARE OUR WEAKNESSES? – What have we identified internally as potential vulnerabilities – after all, our competitors will find them. What are our customers telling us?
- WHAT ELSE WOULD OUR CRITICAL MASS LIKE TO HAVE?

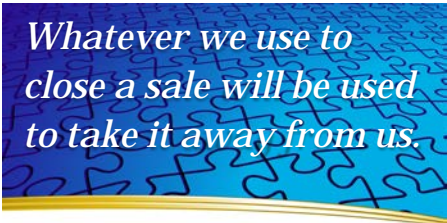
Customer satisfaction surveys can help here and professionally-developed and managed surveys are the most valuable and useful.

CONSIDERATIONS

If yours is an organization that has depended on your offerings selling themselves, and you are seeing a decline in your growth, here are some ideas that can help.

First of all, understand what has probably happened. The low-hanging fruit has been harvested. The same salespeople who were "gatherers" may or may not be able to change into "hunters". Without training, coaching and incentives, they are likely to remain gathers, waiting on more fruit to present itself.

Many start-ups go through this season of decline sooner than they anticipated. The creator of the new offering hears how wonderful, game-changing and disruptive their idea is. It is too easy to begin believing our own press. People have been waiting for something like this! It is new, exciting and the early-adapters can hardly wait to have access to it. All that is needed is, maybe, an online demo, a little positive press and an incoming call center. This is the honeymoon stage with the market.



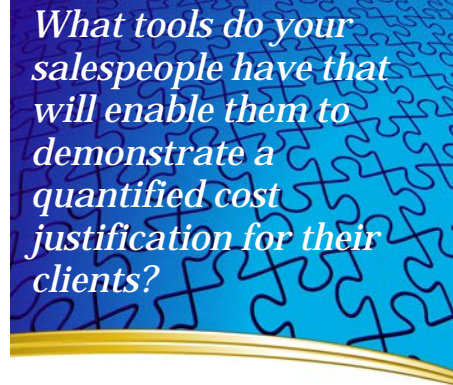
Whatever we use to close a sale will be used to take it away from us.

How do you know you have a good idea? Someone will try to copy it. Good opportunities are just that: opportunities. Every healthy organization is on the lookout for the next new thing. They are constantly asking, "Who else can we sell to," and "What else can we sell?" Just as you seek competitive wins so do your competitors. Give your customers reasons to stay with you. If you closed the sale because you had a lower price; your customer may jump ship when they find a lower one. Whatever we use to close a sale will be used to take it away from us. The next "pretty face" or "killer app" will at least turn the customer's head; make sure they have reasons for not moving in that direction.

Another red flag us consultants listen for is the dreaded, "We don't have any competition!" When that is true – which is rarely – one of two reasons is in play:

1. The idea is so bad it is not worth imitating
2. The leadership is unaware of their customers' alternatives

The latter is the case more frequently. First of all, their customers are currently using *something*. It may be an old process or technology, but at least it works and it is familiar to them. And while the new offering may be a significant improvement, is there an ROI for their customers to make a change? After all, there will be some money changing hands. There will be a learning curve. Training may be more difficult than the vendor first imagined. Integrating the new offering may take time and, meanwhile, other issues may come up that take the customer's attention in another direction.

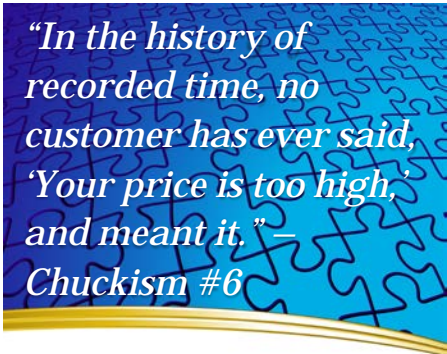


What tools do your salespeople have that will enable them to demonstrate a quantified cost justification for their clients?

As a result, once the early adapters have made their move to the new idea, the remainder of the market will need to be sold. Bells and whistles alone will not work. The gee-whiz factor may not be enough to overcome the reluctance to change.

SUMMARY

Try to predict when your product or your customer's product will no longer sell itself. Then, give your product some "sales assistants" by getting some humans involved. Move from reactive to proactive selling. Let your gatherers nurture and grow existing accounts, if possible, and then add hunters to your sales team.



"In the history of recorded time, no customer has ever said, 'Your price is too high,' and meant it." – Chuckism #6

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