Are You Fighting the Right Battle?

Have you ever done a really good job of selling and the buyer did a lousy job of buying? My guess is that you made the right presentation to the wrong person.

Salespeople exist for one reason—to execute tactically what marketing (management) designs strategically. Marketing decides what products to sell, to which prospects, and at what price. When the company enters the promotion phase, it engages the sales force to carry this message to the market. When the market pushes back on the price, is it really the sales force's fault? Sometimes, yes. Sometimes, no. It depends whether the price resistance is strategic or tactical.

Strategic price resistance is the outcome of chasing the wrong business, with the wrong product, and at the wrong price. Tactical price resistance is more transactional. The salesperson is in the right place, with the right person, offering the right product, and the discussion shifts to price equity. Is the buyer getting as good as he is giving?

More often than not, salespeople bring strategic price resistance to our seminars wanting to know how to deal with it tactically. For example, the online reverse auction is a strategic challenge, not a tactical failure. When marketing (management) decides that it wants to pursue that type of business or the size account that purchases this way, it is a strategic decision. That is the segment the company wishes to pursue, generally because of the volume it represents. Expecting salespeople to ride in at the eleventh hour to salvage this business is unrealistic.

The essence of strategy is choosing what not to do. Michael E. Porter

It reminds me of a paper I recently reviewed from the U.S. Naval War College on tactical victories and strategic blunders. Somehow, military units prevailed tactically in a strategically unsound environment. They won the fight, but in many cases it was the wrong fight to begin with. Marketers and managers cannot reasonably expect salespeople to wrest tactical victories from the jaws of strategic defeat, though it has been done.

For salespeople to do their jobs, marketing (management) must do its job. This means marketing (management) must clarify the type of business that it wants to capture. Study the needs of this market segment. Create a value proposition that resonates with this segment—a product and price point that is equitable. Then, train the sales force on the product, its value to the market, and ways to communicate this value to customers. Anything short of this is like going to battle without a clear sense of the enemy, the terrain, the supplies, and qualified troops.

Some price resistance is more transactional—tactical in this case. It is the right product, for the right prospect, and at the right price. In these cases, the sales force must prevail in the discussion of price and value. In this case, marketing (management) did its job. Now, it is time for the sales force to do its job.

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