



Strictly for Sales

The Power of Value-Added Selling

By Tom Reilly

The top-line pressure that salespeople face today is both a strategic and a tactical challenge for their companies' bottom lines. Global economic concerns, high unemployment, and a lethargic recovery from the Great Recession have most people feeling anxious. Consumers and corporations remain cautiously tightfisted with their spending. The Internet has opened a Pandora's Box of supply alternatives, offering buyers a multitude of choices in all colors. Big box superstores, desperate competitors, and their willing accomplices — price shopping customers — are attempting to re-define the word "value" to mean cheap. Customers want greater value; they just do not necessarily want to pay for it. Companies are engaged in a global price war, but it is not a battle to defend their prices — it is a battle to defend their right to operate as for-profit enterprises.

On the front line of this battle are salespeople. They are scrambling to sell their value and make their prices stick. Twenty seven years ago, price resistance prompted me to write the first edition of *Value-Added Selling*, and remains today the number-one objection that salespeople bring to our seminars.

The concept of value-added selling is a content-rich message of hope. It offers salespeople the help they need to compete in today's wobbly and aggressive markets. Value-added selling is a business philosophy: It is a process of proactively seeking ways to enhance one's bundled-package solution for the customer; it is promising a lot and delivering more. It is selling to the customer's needs, not necessarily against the competition's package. Let's drill down on this definition's key terms:

Value-added selling is, first and foremost, a philosophy. As a philosophy, it guides the strategies and tactics of salespeople. Because it is a way of thinking and acting, it differs from other tactical approaches to sales that rely solely on technique. Value-added salespeople guide their actions with this true-north question: "What am I doing to create value for this customer?" Value is a relative term and always defined in customer terms: It is not value until the customer says it is value.

Value-added selling is a process. It is more than a sales call; it is a course of action. As a process, it is a blend of offensive and defensive selling strategies. Offensive selling is pursuing new business, which makes it an aggressive go-to-market strategy. Defensive selling is retaining and growing existing business. Value-added salespeople assure customer satisfaction with follow-up and value reinforcement. They live by the attitude:

"Promise a lot and deliver more."

Value-added selling is proactive. This means building enough value on the front end so that price becomes less of an issue on the back end. Value-added salespeople do not wait for price to become an issue. They take the initiative and own the conversation of value with the customer. This is achieving a pre-emptive selling advantage — guiding the conversation down a path of value, not price.

Value-added selling concentrates on delivering value in three ways: the product, company, and salesperson. This bundled-package approach to selling means that the same product, from the same company, from two different salespeople, are two different solutions. Our research found that 25 percent of the customer's decision to buy is because of the salesperson. One of the great challenges of distributor salespeople is to stand out from the competition. By using the bundled-package approach to selling, value-added salespeople are able to differentiate their solutions with their personal commitments to the buyer. These are the three questions that direct the value-added sales presentation:

- Why this product? (regardless of the source)
- Why my company? (regardless of what we sell)
- Why me? (regardless of what I sell or for whom I work)

The answers to these three questions demonstrate how the seller delivers value in three ways. It reinforces the proposition that each solution is different. This is a must for distributors that sell similar products. They can still differentiate along the company and salesperson dimensions of value.

Salespeople that embrace value-added selling discover the power of paradox. Because value-added salespeople focus on making a difference versus making a deal, they have all the deals that they can handle. Because they define success as helping others succeed, value-added salespeople are wildly successful. Because their mission is to create value for others, they participate in that value by extracting what they need from the sale to make it equitable for both parties.

Value-added selling is exactly the help and hope that salespeople need to meet the challenges of today's marketplace.

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