

SOAPBOX

When the going gets tough...



David Freedman, IT business director, Huthwaite International, offers his top tips for retaining business in difficult times

For IT vendors as elsewhere, times are tough as the recession bites and a sustainable upturn seems some way off. In a recent survey conducted on behalf of Huthwaite, for example, an overwhelming 92 per cent of IT companies confirmed that over the past two years selling had become tougher in their markets.

There are no guarantees that the following actions below will prevent the loss of business. However, they should help to ensure that, if something has to give, your competitors are likely to suffer before you do.

Avoid customer dissatisfaction

Customer dissatisfaction is the first step to losing business. When a customer decides to switch or rationalise suppliers, price may be a factor but it's likely there are other issues driving the decision. Spotting and removing potential sources of dissatisfaction early is crucial, so check out user satisfaction regularly and respond quickly to any problems. And don't shoot the messenger. The sales person must be seen as the eyes and ears of the business, feeding back crucial information to ensure high levels of customer satisfaction are maintained.

Develop perceptions of value

It's crucial that senior people in the buying organisation are made aware of the value your business brings, so document and circulate the good news. Maximum effort needs to be put into consultative selling, so that both the sales force themselves and the sales process are seen to bring value to the customer. The wise supplier looks to see where the solution can help his client, not in spite of the recession but because of it. He will examine how the product or service will help to eliminate waste, reduce costs and provide greater efficiencies.

Develop your network of contacts

In long-standing accounts there is a risk that customer contacts shrink, in the worst cases, down to just one person. Remember, in a recession companies shed people: your contacts are not immune and losing your key contact can leave you vulnerable to change. Having many contacts also means you may have a better chance to get to know about changes early so you have time to respond.

Develop accounts

Don't just maintain accounts - invest as much time in keeping an existing client happy as you would in winning a new one. Use account reviews to reinforce the decision criteria they used to select you the first time. And make sure all your teams

are clear about their role in developing the business. Sales support, consultants and service engineers can all play a part in spotting opportunities and in providing customer value.

Expect price pressure

It's natural for customers to seek price reductions in a recession, but it doesn't follow that we have to just give way on price. Check out if this is really the issue, as there could be other ways of helping rather than cutting the price. Make sure customers fully understand the value of what they are getting, then plan how you will negotiate if price becomes an issue. If you have to give some ground on price, try to trade it for other things of value, such as better payment terms, or more business.

Watch your cost of sale

Don't chase every scrap of business that comes along - qualify each prospect to assess your chances of winning, and don't chase business where your chances are very low. Sell to your strengths, by focusing on areas where you have a strong track record.

Offer low-risk solutions

In recessions customers are less likely to take big risks as survival is their first priority, so look for ways of reducing risk in the solutions you put forward. Plan with customers so they can be confident that your solution will implement successfully. Try to offer them small bites rather than facing them with a huge and costly decision.

Develop a "living sales" organisation

The businesses that thrive and grow, even in difficult times, are those that have a very strong customer focus, not just within the sales force but throughout the entire organisation. Every employee must know they play a crucial part in keeping the customer satisfied, whether their job is in production, office services or accounts. Everyone has an influence on how well an organisation performs, so it is crucial all perform to the highest level and are willing to go the extra mile to ensure the customer always gets the best.

Standing still is going backwards

There is no magic formula to selling more successfully in a difficult market, though staying close to customers should help you to retain and even expand your business when times are hard. What is certain, however, is that complacency and continuing with "business as usual" when the company needs to be proactive are the main contributors to failure.