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ABSTRACT

This instructor guide for a unit on selling in the PACE (Program for Acquiring Competence in Entrepreneurship) curriculum includes the full text of the student module and lesson plans, instructional suggestions, and other teacher resources. The competencies that are incorporated into this module are at Level 3 of learning--starting and managing one's own business. Included in the instructor's guide are the following: unit objectives, guidelines for using PACE, lists of teaching suggestions for each unit objective/subobjective, model assessment responses, and overview of the three levels of the PACE program. The following materials are contained in the student's guide: activities to be completed in preparation for the unit, unit objectives, student reading materials, individual and group learning activities, case study, discussion questions, assessment questions, and references. Among the topics discussed in the unit are the following: the role of selling, product/service analysis, potential customers, policies and procedures that emphasize quality of service, competitive advantage, steps of the selling process, training and motivating salespeople, and a sales plan. (KC)

INSTRUCTOR GUIDE

UNIT 16
LEVEL 3

Selling

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Unit 16 Selling Level 3

HOW TO USE PACE

- Use the objectives as a pretest. If a student is able to meet the objectives, ask him or her to read and respond to the assessment questions in the back of the module.
- Duplicate the glossary from the *Resource Guide* to use as a handout.
- Use the teaching outlines provided in the *Instructor Guide* for assistance in focusing your teaching delivery. The left side of each outline page lists objectives with the corresponding headings (margin questions) from the unit. Space is provided for you to add your own suggestions. Try to increase student involvement in as many ways as possible to foster an interactive learning process.
- When your students are ready to do the *Activities*, assist them in selecting those that you feel would be the most beneficial to their growth in entrepreneurship.
- Assess your students on the unit content when they indicate they are ready. You may choose written or verbal assessments according to the situation. Model responses are provided for each module of each unit. While these are suggested responses, others may be equally valid.

PACE
THIRD EDITION
Program for Acquiring
Competence in
Entrepreneurship



Research & Development Series No. 303-16

Objectives:

- Define the role of selling in your small business.
- Analyze your product/service to determine benefits.
- Analyze potential customers.
- Design policies and procedures that emphasize quality of service.
- Determine your competitive advantage.
- Demonstrate the steps of the selling process.
- Develop a plan for training and motivating salespeople.
- Develop a sales plan for your business.

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Objectives

Teaching Suggestions

1. DEFINE THE ROLE OF SELLING IN YOUR SMALL BUSINESS

What is the role of selling in a small business?

Use the profit equation ($\text{Profit} = \text{Sales Revenue} - \text{Expenses}$) to show the importance of selling in small business.

2. ANALYZE YOUR PRODUCT/SERVICE TO DETERMINE BENEFITS

How can you analyze your product/service to determine the benefit to the customer?

Emphasize the difference between selling benefits and selling features. Begin the discussion by explaining why satisfying the customer's needs is the main goal of a business. Use the example presented in the unit (the "Everbright" spotlight) to create other similar selling situations.

What is the importance of product knowledge?

Explain the importance of product knowledge to selling success. Focus on the high degree of sophistication exhibited by today's customer due to the increased amount of media advertising.

What product information do you need?

Create a chart containing the product information a salesperson should be familiar with. Choose a specific product to illustrate how this information relates to the selling process.

3. ANALYZE POTENTIAL CUSTOMERS

How can you identify your potential customers?

Invite a local entrepreneur to speak about how he/she identifies potential customers. Ask the speaker to use a step-by-step approach like the one shown in this unit.

How do you identify your current customers' service needs?

Refer to above suggestion.

4. DESIGN POLICIES AND PROCEDURES THAT EMPHASIZE QUALITY OF SERVICE

What is required for a business to provide quality of service?

Invite a salesperson to speak about what is required for a business to provide high-quality service. Ask the speaker to give examples of his/her own sales experience.

Objectives

Teaching Suggestions

5. DETERMINE YOUR COMPETITIVE ADVANTAGE

How can you determine your competitive advantage?

Use the Mrs. Field's Cookies example to show how a successful entrepreneur can determine his/her business' competitive advantage.

6. DEMONSTRATE THE STEPS OF THE SELLING PROCESS

How can the steps of the selling process be implemented?

Use the chalkboard or an overhead to show the steps of the selling process. Have students explain what actions the salesperson should take to successfully complete each step. It is important that students understand the logic of the steps in the selling process. Refer to the ideas presented in the text to guide an extensive discussion.

What are some methods for closing a sale?

Ask the guest salesperson to speak about various sales closing methods.

What are some other ways of selling?

Define telemarketing and mail order. Discuss the shifts in selling strategies over the last decade (i.e., telemarketing was a most successful strategy in the 1980s; however, in the 1990s, the diffusion of information, overuse of cold calling, and the increased speed of life shifted the focus from telemarketing to mail order and customer networking.)

7. DEVELOP A PLAN FOR TRAINING AND MOTIVATING SALESPEOPLE

How do you develop a plan for training salespeople?

Have the entrepreneur speaker speak about how he/she developed a plan for training salespeople.

How can a small business motivate the salesperson?

Use Maslow's hierarchy of needs to introduce the concept of human motivation.

8. DEVELOP A SALES PLAN FOR YOUR BUSINESS

Why is a sales plan important?

Create a list of reasons for developing a sales plan. Link these reasons with strategies for finding a competitive niche in the marketplace. Use examples of successful entrepreneurs to emphasize the importance of marketing competitive advantage (e.g., WalMart, Mrs. Field's Cookies, Apple Computers, The Limited, etc.).

Objectives

Teaching Suggestions

What about developing sales forecasts?

Use a simple example to show how entrepreneurs make sales forecasts (choose a dollar amount for 1994 sales revenue, say \$200,000). Next, choose a growth rate for 1995, 1996 . . . based on current, past, and long-term future sales trends, competitive conditions, economic conditions, customer base, etc. Suppose you choose a constant 6 percent growth for the next three years. Your sales forecasts will be as follows:

$$\begin{aligned}\text{Sales in 1995} &= \text{Sales in 1994} \times \text{growth rate} = \$200,000 \times 1.06 \\ &= \$320,000\end{aligned}$$

$$\begin{aligned}\text{Sales in 1996} &= \text{Sales in 1995} \times \text{growth rate} = \$320,000 \times 1.06 \\ &= \$512,000, \text{ etc.}\end{aligned}$$

MODEL ASSESSMENT RESPONSES

1. Salespeople are responsible for developing product knowledge in order to effectively communicate with both the informed and uninformed customers. To be able to give a complete and correct response to the customer's questions, the salesperson should keep up-to-date on new product developments and the changing business environment.

The proper handling of prospects' questions will help them make the right buying decisions and the salesperson to build a good reputation in the community. Generally, the more complex and expensive the product, the more knowledgeable the salesperson needs to be.

Besides knowing the product line and prices, the salesperson should have a thorough understanding of the product's features, benefits, and pricing. In addition, product knowledge includes: (1) the correct name of the product/service, (2) the name of the manufacturer, (3) the composition and description of the product, (4) the method of production, (5) the product's uses and purposes, (6) the way the product operates and performs, (7) the sizes, styles, colors, and models available, and (8) services provided, guarantees and warranties.

2. The sales presentation should catch the prospect's attention, stimulate interest, and create desire for the product. To accomplish these objectives the prospect has to be directly involved in the sales presentation. The salesperson should let the prospect express his/her own opinions in order to learn his/her needs/desires, and should tailor the presentation accordingly. This can be achieved by listening to the prospect's objections, understanding them, and handling them properly.

A prospect's passive attitude will not lead to closing a sale. Objections handled carelessly can also lead to lost sales. The salesperson should not argue with the prospect, try to win an argument, or magnify objections. The use of "yes-but," "boomerang" and "direct question" can help to overcome objections. These methods give the prospect the opportunity to raise objections, but also gives the salesperson the opportunity to address them.

3. Prospecting is the process of adding new sales contacts to a salesperson's list of customers. Basically, prospecting includes locating and classifying potential buyers. Ultimately, prospecting means taking the initiative to reach a customer base with a product/service.

Prospecting sources include joining organizations, making contact with people who do business with your type of customers, securing additional prospects from current customers through referrals, surveying public references, door-to-door and phone solicitations, attending trade shows, reading directories, newspaper announcements, public records, the company's sales records, and trade registers.

4. Four methods to close a sale are: (1) ask for the order, (2) summarize the main points of the sales presentation, (3) close on a minor point, and (4) offer added incentives.

Asking for the order is an obvious closing method, yet it is often overlooked. Basically, after all questions have been answered, the salesperson asks the customer to buy the product in a direct, straightforward way.

Summarizing the main points of the sales presentation gives the salesperson the opportunity to briefly review the main points of the presentation, and focus on the points that appeal most to the customer.

Closing on a minor point involves shifting the buying decision to a minor detail, such as asking which color the customer prefers, or whether he/she will pay cash or charge.

Offering added incentives might help the customer finalize his/her buying decision. For example, delivery, alteration, cash discounts, or a free home trial can help the customer decide to buy the product.

PACE THIRD EDITION

Program for Acquiring Competence in Entrepreneurship

Incorporates the needed competencies for creating and operating a small business at three levels of learning, with experiences and outcomes becoming progressively more advanced.

Level 1 — Understanding the creation and operation of a business.

Level 2 — Planning for a business in your future.

Level 3 — Starting and managing your own business.

Self-contained **Student Modules** include: specific objectives, questions supporting the objectives, complete content in form of answers to the questions, case studies, individual activities, group activities, module assessment references. **Instructor Guides** include the full text of each student module and lesson plans, instructional suggestions, and other resources. **PACE, Third Edition, Resource Guide** includes teaching strategies, references, glossary of terms, and a directory of entrepreneurship assistance organizations.

For information on PACE or to order, contact the Publications Department at the
Center on Education and Training for Employment, 1900 Kenny Road, Columbus, Ohio 43210-1090
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Selling

Your Potential
as an
Entrepreneur

Nature of
Small Business

Business
Opportunities

Global Markets

The
Business Plan

Help for
the
Entrepreneur

Types of
Ownership

Marketing
Analysis

Location

Pricing
Strategy

Financing
the Business

Legal
Issues

Business
Management

Human
Resources

Promotion

Record
Keeping

Financial
Analysis

Customer
Credit

Risk
Management

Operations

PACE

THIRD EDITION

Program for Acquiring Competence in Entrepreneurship



CENTER ON EDUCATION
AND TRAINING FOR EMPLOYMENT
COLLEGE OF EDUCATION
THE OHIO STATE UNIVERSITY

SELLING

BEFORE YOU BEGIN . . .

1. Consult the *Resource Guide* for instructions if this is your first PACE unit.
2. Read What are the Objectives for this Unit on the following page. If you think you can meet these objectives now, consult your instructor.
3. These objectives were met in Level 1 and Level 2:

Level 1

- Discuss the concept of selling.
- Examine the role of selling in small business.
- Describe the selling process.
- Identify the characteristics of a successful salesperson.

Level 2

- Discuss the importance of selling.
 - Describe customer buying motives.
 - Analyze product features to determine benefits.
 - Explain the steps of the selling process.
 - Identify different types of customers.
4. Look for these business terms as you read this unit. If you need help with the meanings, ask your instructor for a copy of the PACE Glossary contained in the *Resource Guide*.

Competitive advantage
Competition
Mail order
Marketing plan
Prospecting
Qualifying buyers
Quality of service

Sales forecast
Sales quota
Sales strategy
Shotgun approach
Telemarketing
Trade area

SELLING

WHAT ARE THE OBJECTIVES FOR THIS UNIT?

Upon completion of this unit you will be able to—

- define the role of selling in your small business,
- analyze your product/service to determine benefits,
- analyze potential customers,
- design policies and procedures that emphasize quality of service,
- determine your competitive advantage,
- demonstrate the steps of the selling process,
- develop a plan for training and motivating salespeople, and
- develop a sales plan for your business.

WHAT IS THIS UNIT ABOUT?

This unit will help to implement selling strategies appropriate for your business. It will define the role of selling, analyze the product/service to determine benefits, and analyze potential customers. Also discussed in this unit is the need for understanding your competitive advantage, as well as demonstrating the seven steps of the selling process. A plan for training and motivating salespeople will be developed and a sales strategy will be generated.

WHAT IS THE ROLE OF SELLING IN A SMALL BUSINESS?

Selling is the life-blood of a business. Without it a business can't exist. The effectiveness of selling is an important determinant of a firm's success because selling increases revenue.

Selling is the process of informing customers and persuading them to purchase a product or service. The exact process of selling varies among individuals and among businesses. No two businesses will sell their products or service exactly the same way. However, there are usually three general steps to selling. These include finding

prospects, helping them make a buying decision, and offering quality service after the sale.

A small business must determine the needs and wants of customers, and convince customers that the product or service will fulfill their needs and wants. The sales goals should be stated in precise, measurable terms. It is important to specify the time period in which the goals are to be accomplished.

Many businesses have good products or good services yet are not successful because their salespeople lack the necessary skills. These sales skills include:

- developing a prospecting plan,
- precall preparation,
- preplanning sales presentation, and/or
- emphasizing benefits instead of features.

Many small business owners do not like to sell or do not know how to sell. Instead, they just like to produce. Selling is the least understood function within most companies. The role of the salesperson must be that of a positive, open communicator. Competition is greater than ever. For a business to exist, much thought and planning must take place in the selling process.

HOW CAN YOU ANALYZE YOUR PRODUCT/SERVICE TO DETERMINE THE BENEFIT TO THE CUSTOMER?

The effective salesperson knows that customers buy to satisfy their *needs* and *wants*. The customer is not buying a product; he or she is buying the *benefit* that they perceive they will get from the product. You must sell benefits! To sell benefits, you first must know what benefits your product or service offers the customer.

Unless your product or service is of a highly technical nature, the *features* can be easily determined. For example, if you are selling a special type of high-intensity spotlight, you tell your prospect that the bulb has a lifespan of 500 kilowatt hours. This is certainly a great *feature* considering that the average bulb on the market lasts only 100 kilowatt hours. The trick lies in converting this *feature* into a *benefit* to the customer. The steps involved in this conversion are very similar to the basic steps in successful selling.

- Ask open-ended, probing questions
- Listen carefully
- Identify *wants* and *needs* of customer
- Sell

Using the above example, let's assume we've determined that the main *need* the prospect has is to save money. This is not an unusual need. What if we presented it this way?

"Mr. or Ms. (prospect's name), our spotlight is priced at \$10, our competitor's light is priced at \$5. You told me earlier that you use approximately 20 of our competitor's bulbs in a given year for a total expenditure of \$100. If you were to purchase our "EVERBRIGHT" spotlights you would use only four lights over the same time period. So, as you can see, you will save \$60 each year. If I also told you our lights were guaranteed, would you be interested in that kind of savings Mr./Ms. (prospect's name)?"

The feature of spotlight's longevity converts to the benefit of cash savings to the customer. In this case, the salesperson can make the benefits actually visible by showing the figures on a calculator as they address the prospect.

WHAT IS THE IMPORTANCE OF PRODUCT KNOWLEDGE?

Promotions keep the general public and industrial customers abreast of new product developments. Radio, television, magazines, and newspapers provide the latest information about goods and services. Trade publications inform the industrial customer about products. Many books and magazines evaluate product quality for consumers. In addition, the salesperson is expected to give consumers up-to-date product information.

Before the salesperson contacts the customer, he or she should take time to analyze the product and its application for the customer. Product knowledge is more important than it

use to be because products and services are becoming more complex. Customers are also better informed and more concerned with quality and value. Successful salespeople know their merchandise thoroughly before they make a sales presentation. When selling expensive, complicated, and technical products, complete knowledge of the goods is invaluable. A retailer who sells farm tractors, for example, should be knowledgeable of the features, benefits, and operation of the tractor, because a customer in the market for a tractor usually wants to compare one model with the others. By knowing and understanding what it is the farmer values in a tractor, the salesperson will be able to provide the customer with information specific to his or her needs.

WHAT PRODUCT INFORMATION DO YOU NEED?

What information should the salesperson have in order to sell any product successfully? The salesperson should know what is available. He or she should also know the product's features, benefits, uses and pricing.

Other necessary information includes the following:

- The name of the product or service
- The name of the manufacturer or processor
- The composition of the product (i.e., plastic, steel, rayon), or description of a service

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- The method of production (i.e., how the product is made)
- The product's uses and purpose (i.e., what the product will do)
- How the product operates or performs
- The sizes, styles, colors, and models available
- Care instructions
- Services provided (i.e., alternations, installations, repairs)
- Guarantees, warranties, maintenance contracts
- Other information that might be useful in the sales presentation, such as method of payment, and delivery

As you can see, obtaining product/service information is important for a good salesperson. The following sources will help you get the information you need:

- Printed materials (tags, labels, manufacturer's booklets, etc.) that accompany the product
- Advertisements
- Instructions with product
- Salespeople and supplier's representatives

- Catalogs, trade magazines, and newspapers
- Coworkers
- Customers who have used the product
- Your experience with the product
- Training programs for salespeople

Using the above sources to identify the features and benefits of a particular product or service.

HOW CAN YOU IDENTIFY YOUR POTENTIAL CUSTOMERS?

Population shifts can create new customers. Trends for the 1990s include an aging of the labor pool as well as the customer population. Women and minorities will dominate the work force, and have a major impact on product and service selection. In addition, global markets will expand. The small business owner must constantly check to see if market shifts have changed their customer base.

Unfortunately, in many cases the approach to generating a list of new customers is disorganized. Customer names and addresses are gathered randomly. This is called the *shotgun approach*.

The preferred approach to generating a customer list involves some straight-forward initial analysis. This approach is often less

expensive and more productive than the *shotgun approach*. This approach involves five steps:

1. **Specify.** The first step is to decide what kind of customer is needed. This involves a brief customer "specification." Identify the type of customer that would buy the specific product being offered. What is the difference between customers who would buy a simple drill press, and those who would buy a numerically controlled multiple spindle processing unit? Good analysis of the strengths and weaknesses of present customer accounts can help in preparing your customer specification.
2. **Quantify.** How many new customers are needed this quarter or this year? A small business owner might quantify their needs with a statement like this: "To increase revenue by \$225,000 annually I need two new large accounts with volume potential of \$50,000, plus five new smaller accounts with a volume potential of \$25,000 each."

By proper attention to maintenance selling, business accounts can be upgraded and expanded to new applications. The maintenance aspect of selling is often minimized because the battle has been won—the customer is on the books. Neglect gives your competitors the opportunity to develop a new account by taking away one of your customers. In most cases, developing an existing account is much less costly than acquiring a new one.

3. **Identify.** Having specified and quantified the type and number of accounts wanted, the next step is to identify and roughly screen the most likely candi-

dates. A few days devoted to secondary research can prove rewarding. The precise research method depends on the scope of the project, the number of required new accounts, and the geographic area involved. For the smaller local business, the telephone directory is an obvious reference for new accounts. In fact, a study of the directories for several cities provides a fast, comprehensive, and specific source of information for the trading centers in a region. Telephone directories list products and services, the business location, the business phone number, and zip codes.

4. **Qualify.** One of the best sources of new accounts among existing users are your direct or indirect competitors. Examination of the sales literature, catalogs, and trade releases of a competitor often reveals distribution, customer accounts, and new product applications. Competitor advertising may also indicate areas of concentration, selling methods, and major markets.
5. **Convince.** Convincing a potential buyer to try, or continue to use, your product or service is the next step. This step is the pay off for all your efforts. Ideally, once sold on your product your new customers will purchase from you for many years in the future.

Keeping customers over time involves servicing, collecting, measuring account profitability, and expanding customer buying. If you remember to treat old customers the way you treat new ones, you may not need so many new ones.

There are many aids for helping small businesses identify potential customers. The U.S. Census Bureau offers information such

as population by age, household size, gender of head of household, and much more useful information. Lists can be purchased from Dun & Bradstreet, Dunhill, and Thomas Register to name a few. Other useful and readily available secondary sources of names are directories of associations, clubs, laboratories, manufacturers, chambers of commerce, mail order catalogs, libraries and licensing agencies. The source of lists is only limited the imagination of the researcher.

HOW DO YOU IDENTIFY YOUR CURRENT CUSTOMERS' SERVICE NEEDS?

Understanding one's customers is so important that large corporations spend hundreds of millions of dollars annually on market research. Although such formal research is important, a small firm can usually avoid this expense. Typically, the owner or manager of a small business knows the customers personally. From this foundation, an understanding of your customers' needs can be built by a systematic effort. It is important to answer six questions about the customer:

- **Who?** Identification of customers and prospects makes effective targeting possible. A small firm might prosper by concentrating its resources on one segment.
- **What?** It is important to find out what the customer wants or needs. Identifying what the customer wants will increase profits.

- **Why?** Successful business people understand the reason for their customers' buying decisions. To learn why customers buy can be quite difficult as well as time consuming, but shrewd business people will take the time to find out why customers make certain purchases.
- **When?** The seller must be ready to sell when the buyer wants to buy, or an opportunity is lost. Although a transaction may be concluded in a moment, many purchases actually entail a drawn-out process.
- **How?** Knowledge of how customers buy can pay off in several ways. The seller can design their offerings to meet the exact needs of their buyers. Sellers can influence decision-makers at crucial steps of the buying process, and sellers can lay the groundwork for repeat business.
- **Where?** From a multitude of studies emerge different criteria for deciding where to shop. Most research on this agrees that store location is a major consideration for the customer.

A small firm that understands its customers sells exactly what the customers want. The firm's sales effort is efficient because it is built on what its customers need.

WHAT IS REQUIRED FOR A BUSINESS TO PROVIDE QUALITY OF SERVICE?

Companies that emphasize quality of service should foster a positive employee

attitude. Those who genuinely enjoy working with people are more likely to have profitable businesses. Serving the customer with enthusiasm is vital in a sales situation. A successful business will allow the customer to be right (even on those occasions when they are not). The difference between effective and ineffective service is a matter of sensitivity, sincerity, attitude, and human relations skills—all of which can be learned!

Two primary dimensions make up quality customer service: the procedural dimension and personal dimension. Each is critical to the delivery of quality service. The procedural side of service consists of the established systems and procedures to deliver products and/or service. The personal side is determined by employee attitudes, behaviors, and verbal skills. Included in quality of service are the following approaches:

- A positive attitude is presented by appearance, body language, and the sound of a person's voice. It is important to remember that people decide in the first 30 seconds to four minutes whether they like a person. So it is vital to a sales presentation that you display a positive attitude.
- Identifying customer needs requires a sensitivity to customer's wants and needs. This means that a business owner must be tuned-in to the human needs of the customer. The customer's four basic needs include the need to be understood, the need to feel welcome, the need to feel important, and the need for comfort. The customer also wants help, respect, comfort, empathy, satisfaction, support, and a friendly face. Skillful listening as well as obtaining feedback are included in this step.

- Demonstrating to the customer how your product or service meets their needs. This means you must describe the *features and benefits* in terms of the customer's wants and needs.
- Ensuring continued customer loyalty is critically important. Businesses must respond to customer complaints, and learn to deal with difficult customers. Businesses that go beyond what is required or expected will strengthen customer loyalty. Remember, the customer service policies will help keep your customer base strong, loyal, and growing.

HOW CAN YOU DETERMINE YOUR COMPETITIVE ADVANTAGE?

Competitive advantage is being one step in front of businesses who sell the same type of product and service you sell. Competitive advantage can be established if you know how to do the following:

- Identify a certain target population where your product will fit.
- Know the products and services of your competition and know the advantages and disadvantages of the competition's products or service.
- Be familiar with the pricing structure of the competition.

- Do something extra for the customer that will create loyalty.
- Be able to objectively look at your own advantages and disadvantages.

Small businesses should monitor and assess any competitive changes. Knowledge of their competitors' marketing strategy, and its impact on their own marketing strategy, will help the small business owner define their competitive advantage. Such market information might include data about market shares, product movement, sales volume, and expenditure levels.

Don't let your business fall in the trap of "keeping up with the competition." This puts you in a reactive position, when you should be in a proactive position. A good business manager needs to be assertive. Take the lead in advertising. It will tell the public and your competitors that you trust your own judgement. You can learn from your competitors, but don't let them lead. You want your competitors to react to you, not vice-versa. Also, remember your competitors will also be watching you, so don't get into a rut. If you follow a pattern, they will soon pick up on it. Toss in a few surprises to keep your advertising fresh.

HOW CAN THE STEPS OF THE SELLING PROCESS BE IMPLEMENTED?

The exact activities involved in the selling process vary among businesses and differ for particular selling situations. The general process however might include: *prospecting and evaluating, preparing, approaching the*

customers, making the presentation, overcoming objections, closing, and following up. The following section will describe the selling steps while offering suggestions on implementation.

Prospecting. Developing a list of potential customers is called prospecting. This list can be obtained from company's sales records, referrals, trade shows, newspaper announcements, public records, telephone directories, and many other sources. Next, the list needs to be screened to determine whether the customer is willing, able, and authorized to buy the product. During this evaluation, some prospects will be deleted and others will be added.

Prospecting involves aggressively seeking new customers. You must take the initiative by going to the customer with a product or service idea. Prospecting can be categorized in two ways: new or regular customer prospecting. Both approaches are viable ways to generate more sales. Prospecting is most appropriate in industrial selling and certain high-end consumer products such as automobile sales, high fashion clothing, and computers.

Preparation. Before contacting acceptable prospects, much preparation is required. It is important to determine the prospect's specific product needs, and current usage. Personal characteristics of the prospect may also be pertinent. If it is possible to identify the customer buying characteristics, the chances of a sale will be greater.

Sales training will prepare the staff to anticipate the target markets particular needs and be prepared to meet them. This will best be accomplished by linking the benefits of your product with customer needs. This preparation is possible only if you have a thorough

knowledge of your product, the needs of your customer, and the business environment.

Approaching the customer is a critical step in the selling process. The customer's first impression of the business or salesperson can make or break the sale. If the contact has been made through a referral, a smooth introduction might be made by the person giving the referral. In a retail setting it is especially important to show a willingness to be of service without being perceived as *pushy*.

Neatness in appearance and a sincere pride in your company and the products it represents will go a long way toward making a positive first impression. This first impression will set the tone for all future business. Whether the sales call is a "cold call" in industrial selling or greeting a prospective customer in a retail store, the old adage "You never get a second chance to make a good first impression" is always true.

Determining a customer's needs. In all types of selling, the object is to meet the needs of the buyer. In some selling situations you may have prior knowledge of what it is the customer wants or at least have a general idea. Rarely, customers state exactly what they want. Most often it requires careful questioning, and more importantly careful listening.

Beware of *close-ended* questions that require "yes" or "no" answers. These questions provide little information. Try to ask questions that are *open-ended* such as, "What kind of fence did you have in mind Mr. Brown?" *Open-ended* questions start conversations that will help you better define the wants and needs of your customer.

Sales presentation. When making the *sales presentation* the salesperson must initially attract, then hold the prospect's attention. A quality presentation is designed to stimulate interest and create a desire for the product. It is important to include the prospect in the sales presentation. Allow the customer to hold, examine, and try the product. *Involvement* is the key word in a successful sales presentation. If you can involve the customer by having them express to you their personal *needs* and *wants*, then the sales presentation can be tailored accordingly. For example, if while asking questions about the prospect's business you find that durability is *really* what they are looking for in this product, you would focus the presentation on the incredible durability of your product.

It is also important to limit the choices given to a prospect during the presentation. It is best to focus on finding the *right* product or service for that particular customer. If more than three items are in front of the customer, the chances of a sale are reduced. The customer will likely not to buy *anything* because of their inability to choose.

In presenting merchandise (or a service) to the customer, the salesperson should point out buyer benefits. Although it is good to talk about the product features, customers will probably be more interested in the benefits.

The salesperson must remember to listen as well as talk. Often sales are lost because the salesperson does too much talking and not enough listening.

Objections. When attempting to *overcome objections*, a smart salesperson will be prepared and will know in advance how to handle them. An effective salesperson will seek out a prospect's objections to create the

opportunity to be *proactive* in overcoming them. Remember, if objections are present, progress is probably being made on the sale. Many salespeople are afraid of objections. However, objections are a natural part of the selling process. The fact that a prospect voices objections certainly does not mean that the sale is lost. In most cases, all that is required to overcome an objection is more selling on the part of the salesperson.

Before objections can be overcome, they must first be understood. During the course of the sales presentation, a customer may raise objections for any number of reasons, real or fabricated. Some common objections are as follows:

- **The customer is not convinced of a need for the item.** In this case, you must provide additional information about the product, or point out the additional worth of your product.
- **The customer has insufficient information** on which to make a buying decision. He or she may not know about certain features of your product. If the customer is not aware of an important feature, he or she will almost certainly not be aware of the ultimate benefit.
- **The customer thinks the price is too high.** If you can give the customer more information about the quality of your product that will justify the price, the objection may be diffused. If the price objection cannot be solved by justifying the price, then less expensive, alternative items can be shown. If price is still an issue, you might try offering a credit or *lay-away* plan.
- **The customer is misinformed about the product.** It would be best if you had sufficient product knowledge to be able to answer any conceivable question about your product. Since this is often not realistic, it is better to say "I don't know about that, but I'll find out and get right back to you."
- **The customer wants to "think it over" before buying.** The customer may want to "shop" a little more first, or ask the opinion of a friend before he or she buys. You should not be "pushy" in trying to convince customers to buy immediately. Encourage them to take their time. Let them know they are welcome to come back anytime. If it is not awkward, try to remind them of the benefits of your product before or as they (or you) leave the premises.

Too many inexperienced salespeople fear objections because they are not prepared to address them. To a professional salesperson, an objection is often a signal that the prospect wants to know more about the product or service. Correctly handled objections can be turned into real selling opportunities.

How can salespeople prepare themselves to answer objections? First, listen carefully to the customer. This may be the most critical stage of the sales process. It is very important to determine what the prospect is thinking. Then, when responding to the objection, don't hurry. Pausing not only allows you time to carefully frame your answer but also shows respect for your prospect and his or her concerns.

Two additional rules to follow when answering objections are:

- **Never argue when overcoming objections.** The best way to lose a sale is to win an argument.
- **Never magnify an objection.** Generally, the longer an objection is discussed, the larger it becomes.

There are a number of methods used in answering objections. One method is called the *yes-but* method. In this method, the salesperson agrees with the customer but points out an advantage that is equal to or, preferably, greater than the objection. When a customer raises an objection you would first agree with their comment, then respond accordingly. For example, "Yes, I understand how you feel about the difficulty in ironing 100% cotton. But, did you know that cotton is the coolest fabric? For your trip to Acapulco in August, cotton would be ideal."

Another approach to handling objections is known as the *boomerang* method. In this method the salesperson attempts to turn the prospect's objection around and direct it back at the prospect in the form of a reason to buy the product or service. Here is an example.

Customer: "You mean you aren't going to use soap to clean my carpet. I can't believe that it'll come out clean."

Salesperson: "We have found that soap residue resulting from carpet cleaning is the main cause of new soiling. With steam cleaning, we can clean your carpet without leaving soap residue. Your carpets will stay clean much longer."

Sometimes you will discover hidden or unexpressed objections. The *direct question* method is used when customers are not yet ready to buy and have not raised any objections as to why they will not buy the items. Direct questions should ask who, why, what, and when. For example—

"What color did you buy last time?
And were you happy with it?"

"When did you start to feel you
needed new office furniture?"

"Why did you buy a convertible the
last time you bought a car?"

"Who will be using the car the
most?"

These techniques for handling objections can be used alone or in combination with each other. You will probably find that in certain situations a specific method may be most comfortable and effective for you. However, don't attempt to rigidly classify methods of dealing with objectives. You must be comfortable with a variety of methods and use them flexibly during the presentation.

Closing is the step in the selling process when the salesperson asks the prospect to buy the product or service. The salesperson should try to close at several points during the presentation because the prospect may be ready to buy. Often an attempt to close the sale will result in objectives. Thus closing can be an important stimulus that uncovers hidden objections. If objections are presented at this phase of the process, they must be answered. Then follow with another attempt to *close*.

In today's competitive markets, a good salesperson must know when to close. More sales are lost because the salesperson did not try to close at the right time; he or she either waited too long or tried to close before the buyer was ready.

The salesperson should be prepared to close at any time during the selling process. The three steps of the selling process—the presentation, overcoming objections, and closing—are all closely connected. It is impossible to tell exactly where one step ends and the next begins. A customer may be ready to buy before you get through your presentation. The customer may have no objections about buying the product. If there are objections, closing should be attempted when the salesperson feels that he or she has met the customer's objections. In general, if you have created favorable conditions throughout the selling process the closing of the sale will come naturally.

It should be noted that your first try at closing often does not succeed. Do not become discouraged. The closing may have failed because the customer desired more information. You may need to reemphasize product/service benefits or answer additional objections. You should attempt to close again and again. Do this, of course, in a manner that does not offend your customer.

Do not be afraid to close. You are a salesperson and the customer expects you to sell merchandise. Don't be bashful. Be bold and assertive in closing, but avoid being too pushy and possibly irritating your customer. Closing should be natural and logical—not a battle of nerves or wits.

There are two ways to determine whether the customer is transmitting a buying signal: one is to *watch the customer* and the other is to *listen to the customer*.

Watch the customer. You should be aware of physical actions and facial expressions. The customer may be smiling, have a peaceful look, and have on an overall agreeable expression. The customer may reach for a purse or billfold. The customer may pick up a certain item several times to examine specific features. The customer may step back for a better look, or may lift an item or give some other sign, such as rereading part of the literature or examining the label. Usually, these actions indicate that the buyer would like some help in making a decision. These are times when you should try to close the sale.

Listen to the customer. Customers may ask certain questions that tell you they are thinking about buying the product. Listen for questions, such as "Do you deliver?" "May I put this in lay-away?" "May I exchange this or get my money back if I change my mind later?" Such questions indicate that they are interested in making a purchase. Customers may make statements that show they want to buy but need further encouragement to do so. For example, "I hadn't planned on buying this today," or "I don't really need this jacket, but I like it." They may also simply state that they wish to buy. These are all good items to close the sale.

WHAT ARE SOME METHODS FOR CLOSING A SALE?

There are a number of methods to use in closing a sale. Experimentation with these and other closing methods is advisable. By experimenting you will learn the "best" ways to close in specific situations. Four of these methods include the following:

1. **Ask for the order.** This is the most overlooked method for closing a sale. Some customers like this frank, straightforward approach.
2. **Summarize the main points of the sales presentation.** You should emphasize the selling points that appeal most to your customer.
3. **Close on a minor point.** It is easier for a customer to make a minor decision than a major one. Asking which color the customer prefers, or if he or she will pay cash or charge, can close the sale.
4. **Offer added incentives.** Offering free delivery, alterations, or a cash discount when the customer hesitates are examples of incentives.

Following-up. Although not apparent to many salespersons, and not an actual step in the sales process, follow-up is a part of every sale. The closing statement, "Thank you for your purchase," is a form of sales follow-up if done with enthusiasm. After a successful closing, the salesperson must follow-up the details of the sale. In the follow-up stage, the salesperson should

determine whether the order was handled properly. The follow-up stage also can be used to determine customers' future product needs. A sharp salesperson will consider the follow-up as the beginning of a new sale. A salesman who stays in touch with the customer is more likely to get the next sale. In addition, they may generate new leads.

WHAT ARE SOME OTHER WAYS OF SELLING?

Telemarketing is a cost-effective, flexible sales tool that can both help expand business-to-business and consumer sales effort. The capabilities of modern telecommunication equipment combined with knowledgeable sales personnel and a well-designed campaign can enable any company to reach new customers and markets. Telemarketers must be able to capture the prospective customer's attention quickly. Many companies can use telemarketing to increase sales. Telephone sales provide an inexpensive means of generating leads, selling, filing repeat orders, or upgrading sales. Telemarketing can also be the most cost-effective method of improving service and support to existing clients. Developing a successful telemarketing campaign requires careful planning. Equipment and telecommunication services must be carefully selected to maximize the efficiency of the telemarketing effort. Similarly, support efforts such as training the staff, drafting the sales script, and designing a telemarketing facility must be carefully planned.

Mail order both inspires and excites the mind of the business entrepreneur. Mail order conjures up visions of enormous

wealth, easy living and the proverbial "pot of gold". There is a magic—a mystic—a magnetic attraction that draws people to mail order. Mail order has its advantages and disadvantages.

To succeed in mail order pay close attention to details! Keeping accurate records of the results of advertisements, advertising costs, printing, postage, cost-per-order, and other figures are important to the success of the business. However, do it in the simplest, easiest, least time-consuming way possible.

Repeat business is the key to maximum profits. To stimulate repeat orders at minimal cost consider using package stuffers, offering quantity discounts, and advertising on the envelopes. Mail order can be profitable or unprofitable, depending upon personal skills, ability, business judgement, capital resources, imagination, and aggressiveness.

HOW DO YOU DEVELOP A PLAN FOR TRAINING SALESPEOPLE?

To many customers, the salesperson *is* the business. Therefore, if the sales people are good, the business is good. This is the reason for the need for effective sales training.

Small business owners typically associate training with the formalized programs conducted by some large organization. However, sales training by the small business does not have to be a formal and structured program. Actually, any conscious effort the small business owner makes aimed at improving the basic skills needed for effective selling is a form of sales training. All employees in a small business may be called

on to be sales representatives at any given time. Everyone involved in the business should be trained to know the product and the business at least well enough to answer basic questions if asked.

An excellent method for developing a salesperson's skills in identifying a customer's needs is role playing. Role playing consists of acting out the customer salesperson relationship. Role playing enables salespeople to see various sales situations from the customer's point of view. The skill necessary to quickly "size up" customers (learn about their needs) is rapidly sharpened through role playing. A good time to try out this method is during slow periods when salespeople are just "standing around."

Salespeople can always use more training in product knowledge. A good way to improve product knowledge is to make use of regularly scheduled sales meetings. Such meetings offer an excellent opportunity to discuss the features of new products, changes in store policies, new merchandising strategies, or other matters relating to the products or services. These sales meetings do not have to be formal and precisely scheduled events. Instead, you can conduct them right on the sales floor during slack periods or shortly before the store opens for business. It is important is that you hold these sales meetings regularly and frequently (once per week at a minimum) and that each meeting should have a specific theme or focus. These meetings will lead to a much better informed sales staff.

Developing a program for improving basic selling skills is the essence of building a better personal selling effort for your business. The framework for the program consists of three basic elements:

1. Selecting people who are suitable for particular sales positions
2. Providing the actual training
3. Matching an appropriate compensation plan with the company's goals

Training in the ability to actually *sell* is perhaps the most difficult. Some people believe that salespeople are "born not made" and therefore training makes little difference. There may be some degree of truth to this belief. But, to the extent that people do differ in their natural communication abilities, training can still make a difference. Such training can range from encouraging your salespeople to take a formal course in salesmanship to informal sales meetings in your business. These sales meetings may be very relaxed. The manager may just discuss customer communications with the sales staff during a coffee break. These sessions will foster a constructive interchange of ideas about selling.

The importance of *recruiting and retraining* an effective and motivated sales force cannot be overstated. Some of the largest and most successful companies in the world today have attained their prominence with the help of this carefully hired, well-trained employee component. After all, IBM didn't start out a corporate giant. Nor did WalMart. Who can forget the humble beginnings of Apple computer in the garage of its founder? So, remember that the key element standing between you and your competition just may be your sales force. Showing that your firm values their talents through techniques that promote loyalty and continuity will go a long way in developing a team marked by high performance, good morale, and a strong sense of self-motivation.

HOW CAN A SMALL BUSINESS MOTIVATE THE SALESPERSON?

An important ingredient in the sales process is *motivation*. Without it, many sales will not even get to the point that they can be lost. What causes some employees to exert more effort than others? Since motivation is an internal force, can a business owner hope to actually motivate his or her sales force? The answer to these questions are rooted in the very complicated area of human psychology.

The two most important aspects of motivation as it relates to selling are *leadership* and the *rewards system*. Both effective managerial leadership, and the salesperson's knowledge that exceptional performance will be rewarded affect motivation. The most important thing to determine is *what* will motivate your particular sales force. Salespeople, just like their customers, have *needs and wants* that must be met. It is the job of the business owner to determine the salesperson's specific needs, and adapt the reward system and the work environment accordingly. The foremost contributor to this theory of motivation was Abraham Maslow. Maslow's theory suggests that although individuals will respond differently to the same stimuli under identical conditions, certain *needs and wants* are shared by everyone. Maslow ranked these needs in the following *hierarchical order* shown in Figure 1.

1. **Physiological needs** include the need for food, water, shelter, rest, and exercise. All these needs are essential to sustain life, and therefore, are the most basic.

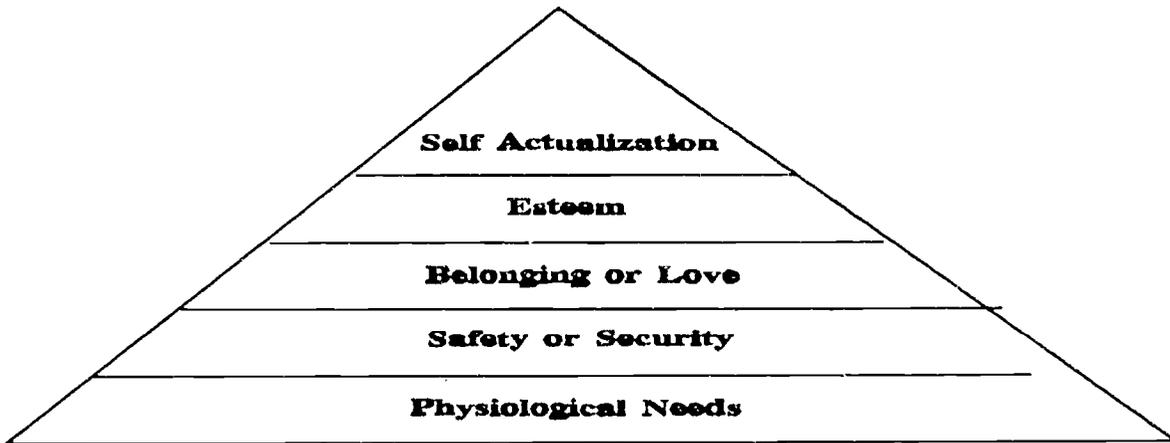


Figure 1. Maslow's Hierarchy of Needs

2. **Safety and security needs** include protection against the forces of nature and other means of physical and psychological danger. One of the safety and security needs is the need for job security.
3. **Love or belonging** refers to the need for affection, and acceptance.
4. **Self-esteem** relates to the need for self-respect, achievement, and recognition.
5. **Self-actualization** is the ultimate level of the *Hierarchy of Needs*. This refers to self-fulfillment through the realization of one's full potential.

Maslow believed that as each level of need is satisfied people will strive to satisfy the next level of need. The lower level needs are more definable and, therefore, more easily satisfied. As we move up the ladder, the needs are more ambiguous. For example, for some people owning a Cadillac would satisfy their need for self-esteem for others acquiring a Ph.D. may serve the same purpose. For the most part Maslow's theory has stood the test of time. However, today

most managers see the hierarchy as a basic guideline rather than a "by-the-numbers" approach. An individual's emotional and psychological needs are far too complicated to attempt to tightly categorize them. Once a want or need has been satisfied it will no longer act as a motivator. Therefore, a manager or business owner must be constantly aware of the movement of his or her employees up and down this continuum.

It is not sufficient for salespeople to be trained in the techniques of selling, they must also be motivated to sell. There are several ways the owner of a small business can motivate salespeople to want to sell. This may be accomplished either through financial incentives, or nonfinancial incentives. Salespeople are usually motivated by a combination of these incentives. It is the responsibility of the employer to discover what each individual salesperson needs or wants.

The most basic nonfinancial incentive involves close personal supervision of employees. The fear of being caught doing something wrong motivates the employee to stay

on task. There are two basic disadvantages to close personal supervision. First, it requires too much of the supervisor's time. Secondly, it is a negative, push approach to motivation. The employee is forced to do their work rather than inspired to do their work.

There are a number of other, more positive, nonfinancial motivation methods. The most commonly used and often the most effective is personal recognition. Simply telling the employee, "You did a great job," may have tremendous impact. Other nonfinancial incentives include such things as sales conventions and meetings, sales contests, and honors and recognition.

Two types of financial incentives are usually provided to salespeople. These may be *direct monetary payments*, such as salaries and commissions, or they may be *indirect monetary rewards*. Many times *indirect monetary rewards* are referred to as *fringe benefits*. With *indirect monetary rewards* you may want to include such items as paid vacations, insurance plans, or pension plans.

To keep in touch with the needs of employees requires commitment and concern on the part of the sales manager. The manager must constantly monitor the rewards system for appropriateness.

WHY IS A SALES PLAN IMPORTANT?

From the moment your business is conceived, you should begin developing a detailed, long-range *marketing plan* that will help you through every phase of your business. It should include everything from customer research to a regular schedule for

advertising and public relations activities. Your marketing plan will help answer important questions:

- What business am I in?
- Who are my customers?
- How big is my market?
- What's unique about my product/service or business?
- How should I price the product/service?
- How should I promote the product/service?
- How should I distribute the product/service?

Remember, the marketing plan drives and directs the sales plan. In other words, the size and makeup of the market will dictate issues such as sales territories and quotas.

Think of a marketing plan as a map. It guides you toward sound business decisions and keeps you aware of your *competitive niche* in the marketplace. The *sales plan* (or strategy) is built on the information compiled in the marketing plan. Basic sales strategy components consist of—

- establishing the revenue goals of the company,
- determining competitive advantage, and
- developing program of action.

A *sales strategic plan* is a step by step action plan for the sales section of the marketing plan. A strategic plan might include the following:

- Identifying various target markets.
- Defining sales territories.
- Setting sales quotas.
- Developing a training program for the sales staff.
- Cultivating new sales by effective follow-up techniques, such as calling customers to inquire about additional orders, or sending greeting cards.

Once these tasks are completed, a *sales forecast* must be established.

WHAT ABOUT DEVELOPING SALES FORECASTS?

A *sales forecast* predicts the volume of product or service a business actually expects to sell in a given time. For instance, the furniture division of an office supply company is slated for a solid month of newspaper advertising. It is anticipated that this activity will generate more sales. Past performance and level of marketing activity will drive the forecasts. To develop a useful sales forecast certain relevant information must be available. To estimate sales dollars, you need the following data:

- A long-term sales trend report that is reflective of a normal growth rate,

- Conditions outside the business that may affect sales,
- Conditions within a business that may affect sales,

There are two different graphs which may be used to motivate the sales force. First, a graph of actual corporate sales versus forecast corporate sales will help the sales force visualize the financial status of the company. Secondly, a chart comparing the actual sales of a given salesperson versus the expected sales (quotas) may prove to be a useful planning tool. Developing these documents may also be helpful in creating a solid personnel structure for your business. For example, if you are the owner of a small appliance store, these documents might look like Figure 2.

Note in the graph of total sales, January sales were slightly above the sales forecast. Now look at the chart for the individual salespersons. Mary S. sold eight more units than expected, and Bill T. sold four more units than expected. But, Jan M. sold four less units than expected. As the owner of the appliance store, you might verbally praise or give bonuses to Mary and Bill for selling more than expected.

When examining long-term sales trends, be sure to review past sales experience. Such past sales information should give you a good indication of future sale activity. Sales forecasts are based on projections established by using existing or current data. As these conditions change, they may have some affect on the projected sales.

Several conditions outside the business can affect the sales forecast. Entrepreneurs should note the current economic conditions in the country and the local community.

Actual Sales vs. Forecast Sales

ABC Appliance Store

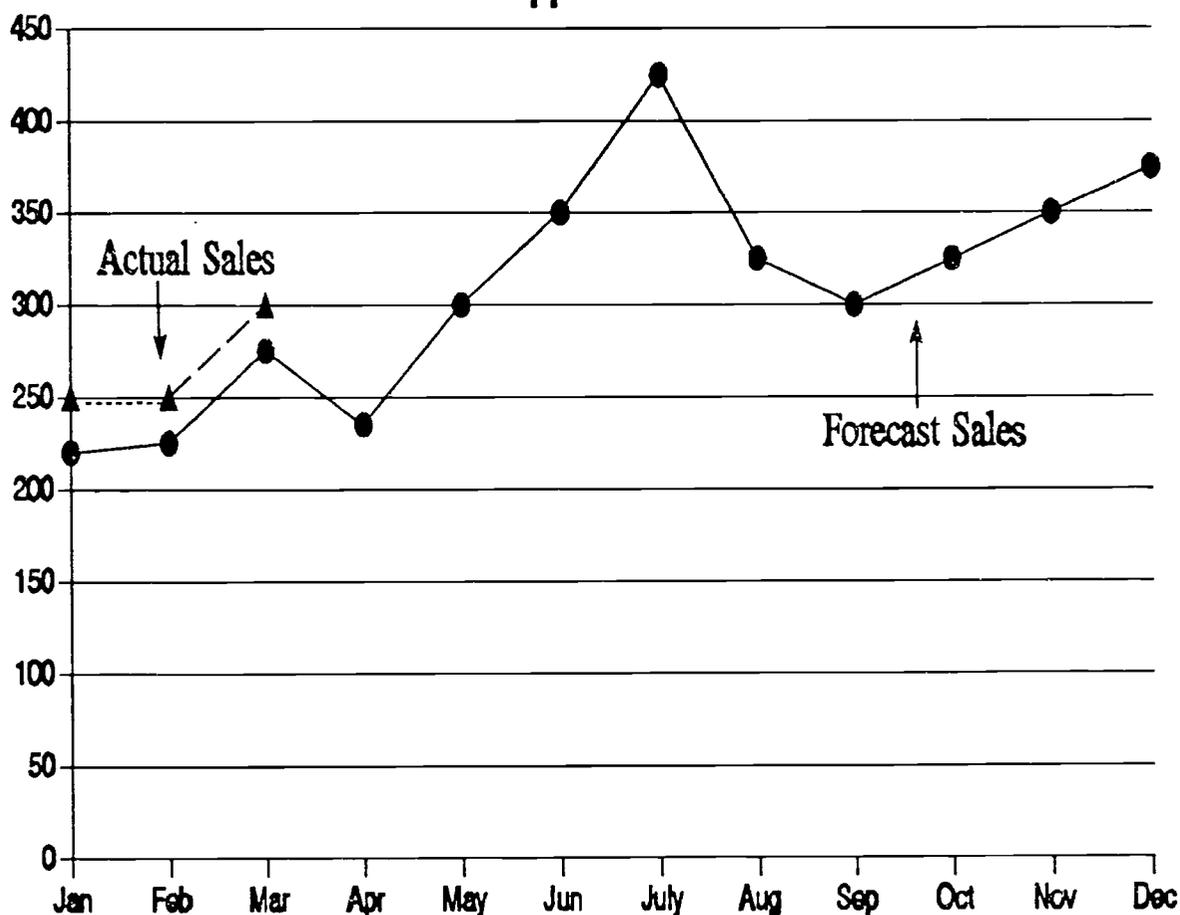


Figure 2

Changes in the population and/or any changes in the characteristics of the customer base should be noted. Changes in a competitor's promotional strategy should also be examined.

There are also conditions within the business that will affect the sales forecast. Changes in personnel or staff, in credit policies, or company policies may affect sales forecasts.

Businesses that lack an effective sales strategy program become crisis-driven. Without a strategy, they react impulsively when they lose a key customer, or when there's a change in the marketplace. Another possibility is that without a sales strategy a company may become competitor-driven. They may react impulsively to every change in their competitors' product, price or sales strategy.

ACTIVITIES

The following activities are designed to help you apply what you have learned in this unit.

INDIVIDUAL ACTIVITIES

A.

Interview the owners or managers of two local businesses that employ salespeople. Use the following questions to guide you. Approach your contact as you would a sales call. Script the "sales presentation" that you will use when trying to secure the interview. Practice in front of a mirror and make sure your purpose in speaking to them is clear. Try to add some of your own questions and practice until you are comfortable with what you are going to say.

1. How many sales people do you have?
2. What type of selling does your company do?
3. What skills are required for your sales personnel?
4. What personal characteristics do you look for in a sales person?
5. Do you offer sales training programs? If so, what type of training, formal? informal?
6. What suggestions would you offer to someone interested in a sales career?

Analyze what you have learned about selling in a report to your instructor or to the class.

B.

Make a list of the general steps in a sales presentation. For each step, consider what is *really* involved. You'll probably find that it is not as easy as it sounds. From the perspective of the salesperson, describe how you would personally approach each step. What do you think is required to sell effectively and creatively? Draw on past experience in situations that involved you as a seller or consumer.

GROUP ACTIVITIES

A.

Work in teams of four to six. Compile a list of suggestions that would help a business owner to create a plan to motivate the sales force. Try to identify where any benefits you might offer would fall on Maslow's hierarchy of needs. Explain how each of the proposed actions will satisfy need(s) and how this may improve job satisfaction and increase performance.

B.

Work in teams of four to six. Develop a set of reasonable objections and effective responses for them. Try to incorporate a closing statement when possible.

Example: "I like your product, but it's too expensive. I think I could get nearly the same quality for less money."

Response: "You may be able to get a similar product for less money, but the added quality of our product translates into many more years of service. So, in the long run, you will save money by purchasing our product."

Example: "Well, Ms. Jones, I really like your product but was really hoping it came in red" (your sample was blue).

Response: "Mr. Buyer, I'm glad you brought that to my attention. If we could deliver our "X" product to you in red by tomorrow could we sign a deal today?"

C.

Divide the class into teams of four to six learners. Karen Woods recently acquired a sales position at a department store. Her immediate supervisor has stressed the importance of suggestive selling. Here is a list of the types of products that are in Karen's department. Please help her with ideas for other products that can be sold along with these listed.

PRODUCT	SUGGESTION
Hair blow dryer	
Women's dress suit	
Shower curtains	
Televisions	
Ladies bathrobe	
Belts	
Eye makeup	
Winter coats	

CASE STUDY

Tom has just accepted a part-time position soliciting funds for Capital University. Capital University is a small, private college in Farming, Michigan. His job responsibilities will entail personally contacting local businesses to ask for a donation to the college.

The University tries to recognize all sizable contributions. All businesses which donate

\$1,000 or more are listed in the University's monthly newsletter. All contributions of \$5,000 or more are noted in the yearbook. The names of all contributors of \$10,000 or more are engraved on a permanent plaque which hangs in Community Hall. In addition, the University holds an annual dinner for all contributors of \$1,000 or more. Donors of \$5,000 and \$10,000 sit at special tables.

DISCUSSION QUESTIONS

1. What is Tom selling?
2. What benefits and features should Tom emphasize?
3. Do some prospecting for Tom. What are the characteristics of the businesses which are most likely to donate to Capital University?
4. Make a list of open-ended questions Tom could ask to determine his customers' needs.
5. What should Tom know about Capital University and his business contacts before his sales calls?

ASSESSMENT

Read the following questions to check your knowledge of the topics presented in this unit. When you feel prepared, ask your instructor to assess your competency on them.

1. Discuss why it is important for a salesperson to possess complete knowledge about the products or services he/she sells.
2. Presentation is a very important part of the sales process. Discuss some of the positive and negative characteristics of an effective sales presentation.
3. Define prospecting. What are some of the sources available for finding new prospects?
4. Name and discuss four methods to close a sale.

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PACE

Unit 1.	Your Potential as An Entrepreneur
Unit 2.	The Nature of the Small Business
Unit 3.	Business Opportunities
Unit 4.	Global Markets
Unit 5.	The Business Plan
Unit 6.	Help for the Entrepreneur
Unit 7.	Types of Ownership
Unit 8.	Marketing Analysis
Unit 9.	Location
Unit 10.	Pricing Strategy
Unit 11.	Financing the Business
Unit 12.	Legal Issues
Unit 13.	Business Management
Unit 14.	Human Resources
Unit 15.	Promotion
⇒ Unit 16.	Selling
Unit 17.	Record Keeping
Unit 18.	Financial Analysis
Unit 19.	Customer Credit
Unit 20.	Risk Management
Unit 21.	Operations
	Resource Guide
	Instructor's Guide

Units on the above entrepreneurship topics are available at the following levels:

- * Level 1 helps you understand the creation and operation of a business
- * Level 2 prepares you to plan for a business in your future
- * Level 3 guides you in starting and managing your own business