

7.4: The Power of Relationship Selling

Learning Objectives

- Understand why relationships are so important in selling.
- Explain how relationships bring value through consultative selling.
- Identify who wins in the win-win-win relationship model.
- Explain how networking builds relationships and businesses.

It was 4:00 p.m. on Christmas Eve and Ray Rizzo's father, in town for the annual family get-together, had forgotten to bring his suit. What made the situation even more challenging was that Ray's father is rather portly with a forty-eight-inch waist and even broader shoulders, a build that requires a fifty-three-short jacket. Ray and his father rushed to Mitchells, a local clothing store in Connecticut, and asked Jack Mitchell, the owner, for his help. It was hard to imagine that Ray's father would possibly be able to get a suit or even a sport jacket tailored to fit in time for the family gathering. After all, it was Christmas Eve, and the store would be closing in an hour. Jack didn't hesitate and immediately enlisted Domenic, the head tailor, and before 6 o'clock that evening, the largest pair of pants and jacket in the store were tailored to fit Ray's father perfectly. Needless to say, Ray is a customer for life. Jack Mitchell, *Hug Your Customers: The Proven Way to Personalize Sales and Achieve Astounding Results* (New York: Hyperion, 2003), 22.

This situation is what Jack Mitchell calls a hug. If you go shopping for clothes at Mitchells or Richards in Connecticut, you will get hugged. Maybe not literally, but you will most definitely get "hugged" figuratively. Jack Mitchell, the CEO of Mitchells/Richards and author of *Hug Your Customers: The Proven Way to Personalize Sales and Achieve Astounding Results*, says, "Hugging is a way of thinking about customers. To us, hugging is a softer word for passion and relationships. It's a way of getting close to your customers and truly understanding them." Jack Mitchell, *Hug Your Customers: The Proven Way to Personalize Sales and Achieve Astounding Results* (New York: Hyperion, 2003), 28.

From Personal to Problem Solving

Think about your best friend. You know her so well that you can just about finish each other's sentences. You know her favorite flavor and brand of ice cream, and you can sense when she is having a bad day. You text and talk to her all the time; you even go out of your way to surprise her sometimes with a gift that you know she will like. You have a great relationship with her.

Now think about the last time you went into your favorite restaurant. Was it the same kind of experience? Did the host greet you by name and seat you at your favorite table? Did the waitperson remember that you like to drink raspberry-flavored iced tea? Was your fish served with the sauce on the side, just the way you like it? Were you delighted with a new flavor of cappuccino after dinner? When these things happen, the people at the restaurant make you feel special; after all, you are the reason they are there. When you have a relationship like this with the people at the restaurant, you are more inclined to return to the restaurant again and again. If these things don't happen, it is easier for you to choose a different restaurant the next time you go out.

The bottom line is that to be successful in selling, any kind of selling, you have to make selling personal. People do business with people, not with companies. Even in the business-to-business (B2B) selling channel, it is people who are making decisions on behalf of the company for which they work. Every sale starts with a relationship. If your relationship is strong, there is a higher likelihood of a sale and a loyal repeat customer. That means you have to get to know your customer on a one-to-one basis to understand what he wants, what he needs, and what resources he has. This concept is called relationship selling (or consultative selling). Claire Sykes, "Relationship Selling," *Surface Fabrication* 12, no. 1 (January–February 2006): 58. It is defined by working personally with your customer to understand his needs, put his needs first, and provide consultation to help him make the best decision for himself or his business.

You might be thinking that selling is about the product or service, not about relationships. But that's not true. You may have heard someone say, "He's just a pushy salesman," or you may have experienced someone trying to give you the "hard sell." The fact is that selling has evolved dramatically over the past thirty years. Business is more competitive. The use of technology and the expanded number of product and service offerings have developed a need for consultative selling in more industries than ever before. It used to be that salespeople wanted to simply make a sale, which meant that the sale began and ended with the transaction. But now, it's not enough to just make the sale. In today's competitive world, it's how you think about the customer that matters. Jack Mitchell, *Hug Your Customers: The Proven Way to Personalize Sales and Achieve Astounding Results* (New York: Hyperion, 2003), 16. It's the difference between giving the customer what she needs rather than what you want to sell her. Jack

Mitchell, *Hug Your Customers: The Proven Way to Personalize Sales and Achieve Astounding Results* (New York: Hyperion, 2003), 20. The fact is that the sale is just one small part of the relationship. The real essence of selling is in the relationship. Jeffrey Gitomer, "The Difference between an Account and a Relationship," *Long Island Business News*, August 3, 2007, <http://libn.com/blog/2007/08/03/the-difference-between-an-account-and-a-relationship/> (accessed June 29, 2009).

The salesperson has a new role in most companies. The days of the salesperson as "product pusher" are just about gone. Customers in B2B and business-to-consumer (B2C) environments want and demand more. Consider the evolution of some major industries. Many of the leading hotel chains keep your preferences in a database so that their front desk sales team can recognize you personally at check-in and provide the queen-sized bed in a nonsmoking room on the quiet side of the property that you prefer. Restaurants work hard to learn, remember, and greet you by your name, maintain your favorite table, wine, and entrée, and prepare to anticipate your every need. Airlines have tools to recognize you and the fact that you like an aisle seat as far forward as possible in the plane. Jim Sullivan and Phil Roberts, *Service That Sells! The Art of Profitable Hospitality* (Denver: Pencom Press, 1991), 151. All these tactics are steeped in the theory that customers make choices on the relationship they have with brands. In each one of these situations, the salesperson is the difference that sets a brand apart at the **moment of truth**, the moment the customer comes in contact with the brand. Howard Lax, "Fun, Fun, Fun in a Customer Experience Way," *Banking Strategies* 84, no. 6 (November–December 2008): 64. Some brands understand how important each moment of truth is when creating relationships with customers. For example, Southwest Airlines makes their Web site easy to use, has humans answer the phone, and has flight and ground attendants that make it a pleasure to travel with them.

✓ Power Selling: Lessons in Selling from Successful Brands

Boot Camp

Johnson Controls, manufacturer of heating and air conditioning systems, thinks that consultative selling is so important that it holds a Basic Boot Camp for the company's territory managers at its headquarters in Norman, Oklahoma, that focuses on leveraging relationships in selling. The classroom-style "boot camp" includes interactive exercises, product training, and business support training. The company's commitment to consultative selling doesn't end there. Participants who score at least an 85 percent on their final grade for the Basic Boot Camp and spend six months out in the field can qualify to attend the elite Special Operations Training, which is by invitation only. "Johnson Controls Runs Boot Camp," *Heating & Refrigeration News* 233, no. 6 (April 14, 2008).

Relationships are so important in selling that one study surveyed one hundred top B2B salespeople and found that they attribute 79 percent of their success to their relationships with customers. Tom Reilly, "Relationship Selling at Its Best," *Industrial Distribution* 25, no. 9 (September 2006): 29. It is the relationship with a customer that allows you to bridge the gap between a customer's problem and the solution. The relationship is the framework for consultative selling; it's what allows you to have an open, honest dialogue, ask the right questions, understand your customer's needs, and go beyond advising to helping your customer make the decision that's right for her. Demmie Hicks, "The Power of Consultative Selling," *Rough Notes* 151, no. 7 (July 2008): 701.

Common Ground

Selling relationships start as personal relationships. Making a personal connection is vital in the two to ten minutes of a customer encounter or meeting. Cathy Berch, "Consultative Selling: Ask, Don't Tell," *Community Banker* 18, no. 4 (April 2009): 261. Think about the last time you bought a new cell phone. Chances are, if the person didn't establish rapport with you from the start, you probably walked away and bought the phone from a different salesperson, maybe even at a different store. The relationship includes a sincere bond that goes beyond business and includes common interests and goals. Tom Reilly, "Relationship Selling at Its Best," *Industrial Distribution* 25, no. 9 (September 2006): 29. If you are selling medical imaging equipment to hospitals, you want to build relationships with the administrators, doctors, and nurses who will be using your equipment in each hospital. When you build a relationship starting with what's important to each person individually, it's easier to expand that relationship to sharing information and problem solving from a business perspective. As Bob Fitta, a manufacturer's rep for several tool companies said about Paul Robichaud, owner of Robi Tools, "I got to know him as a business person and a real person, and that relationship has endured." Brad Perriello, "Relationship—Selling at its Best," *Industrial Distribution* 97, no. 9 (September 2008): 34.

But consultative selling is more than simply building rapport. In fact, consultative selling goes beyond the product or service you are selling; it even goes beyond the selling process. It is the "X factor," the intangible element that makes a customer choose your product or service even when the competition is priced lower. Consultative selling is about *your* personal involvement and sincere focus on problem solving that goes beyond selling to true partnership with the customer.

Consultative selling doesn't start and stop at specific times during the relationship. In fact, it defines the relationship before the sale, during the sale, and after the sale. Cathy Berch, "Don't Wing It," *Community Banker* 18, no. 2 (February 2009): 18. You will learn about the seven steps of the selling process in Chapter 7 through Chapter 13 and how building long-term relationships and consultative selling are the basis of each step. The concept of building professional relationships is apparent in this example: If you are selling insurance, consider the fact that your customer may eventually buy a home, have a family, or purchase a second property. So the relationship you develop when you sell him car insurance as a young single man could and should be nurtured and developed over time to provide solutions that answer his needs as his lifestyle changes. Having this long-term view of customer relationships is called focusing on **lifetime value**. It means that you consider not just one transaction with a customer, but also the help and insight you can provide throughout the entire time frame during which you do business with him. So, although you may only provide him with basic car insurance now, over the course of more than twenty-five years that you do business with him, you may ultimately sell him thousands of dollars of insurance and investment products that meet his changing needs. But that won't happen if you don't continue your relationship and keep in touch, focusing on topics and events that are important to him. If you focus only on the immediate sale, you will miss a lot of business, not to mention future referrals.

There are several elements that can be included in the calculation of the lifetime value of a customer. However, a simple formula is

$$\text{dollar value of purchase} \times \text{gross profit percent} \times \text{number of purchases.}$$

For example, if a customer shopped at a retailer and spent \$75 on one purchase that had a gross profit of 30 percent, the lifetime value of that customer would be \$22.50, calculated as

$$\$75 \times 30\% \times 1 = \$22.50.$$

If the customer made five purchases for \$75 each over the course of the time she shopped with the retailer (let's say five years), at a gross profit of 30 percent, the lifetime value of the customer would be \$112.50, calculated as

$$\$75 \times 30\% \times 5 = \$112.50.$$

Michael Gray, "How Do You Determine Customer Lifetime Value?" *Profit Advisors*, May 20, 1999, <http://www.profitadvisors.com/busfaq/lifetime.shtml> (accessed November 30, 2009).

So you can see that the concept of retaining a customer for more than one purchase can provide financial benefits. In addition, working with the same customer over the course of time provides an opportunity to learn more about the customer's needs and provide solutions that better meet those needs.

CRM Tools Help You Manage Relationships

With so many demands on your time as a salesperson, sometimes it's easy to lose track of some customers and not follow up, which means that you may only be developing short-term relationships. Or you might unintentionally let your relationship with a customer "lapse into laziness," which means that you let the relationship run on autopilot, relying on your established relationship to keep the business going. In this case, there's usually no pressing reason to change; you might think that as long as the customer is happy, everything is OK. But it's best to avoid complacency because the world is constantly changing. While you are enjoying a comfortable, easy relationship, there are probably new business challenges that you should be learning about from your customer. Or worse, you may open the door to a competitor because you weren't bringing new and relevant ideas to your customer and he began to think of you more as a nice guy than a resource for advice and new ideas. Claire Sykes, "Relationship Selling," *Surface Fabrication* 12, no. 1 (January–February 2006): 58.

Many companies use **customer relationship management (CRM)** tools, which are technology solutions that organize all of a customer's interactions with a company in one place. In other words, CRM is a customer database that holds all the information regarding a transaction (e.g., date; products purchased; salesperson who sold the products; and name, address, and contact information of the customer). In addition, it captures all communication the customer has had with the company, including calls made to the company call center, posts and reviews made to the company Web site, and the details of each sales call made by a salesperson. Some CRM tools are extremely sophisticated and help the salesperson and the company to manage relationships with prospects and customers. Other CRM tools are simpler and are focused on helping the salesperson manage her relationship with prospects and customers. SearchCRM.com, "CRM (Customer Relationship Management)," searchcrm.techtarget.com/definition/CRM (accessed November 30, 2009).

A CRM tool works in a variety of ways. Here are a few examples. A construction contractor calls a toll-free number for a plumbing supply company after seeing an ad in a trade journal. The prospect inquiry is sent via e-mail to the appropriate salesperson. The

salesperson reviews the CRM system to see if there have been any previous contacts with the customer and if there is any information about the customer and his business. Then he returns the prospect's phone call and sets up a date to meet him to learn more about his business needs. The salesperson makes a note in the CRM system about the phone call and the date of the meeting and sets a follow-up reminder for himself for the meeting and for three days after the meeting. When the salesperson meets with the prospect, he learns that the prospect has five developments that he manages. The salesperson makes a note in the CRM system so everyone from the company who comes in contact with the prospect, such as other salespeople or customer service, know this information about the prospect.

CRM tools can be extremely helpful in managing customer relationships, especially where there are multiple people in the company who come in contact with prospects and customers. CRM tools also make it easier to understand the lifetime value of a customer since all purchases, inquiries, and other contacts are included in the system. It is the information that is gathered in a CRM system that helps a salesperson better understand customer behavior, communication patterns, and short- as well as long-term needs. For example, many companies offer loyalty programs as a tactic to increase sales but also to gather information about customer preferences to offer more relevant messages and offers. CRM tools are used to manage loyalty programs, such as Best Buy Rewards Zone, Southwest Airlines Rapid Rewards, and the Safeway card for their different local grocery chains. This information is then used for marketing and selling purposes. Best Buy can identify all the recent purchasers of Hewlett-Packard (HP) printers and send them an e-mail for HP ink cartridges. CRM tools are used to manage customer relationships in other ways. For example, Starbucks uses Salesforce.com, a widely used CRM tool, to power their MyStarbucksIdea Web site. The Web site is a collaboration and feedback tool that engages customers in providing ideas to the company. To manage the relationships with customers online, Starbucks uses a CRM tool. This allows Starbucks to provide personal feedback to each customer on all the ideas they submit.

Face Time

So you might think that customer relationships are easy to maintain with text messaging, e-mail, and other technology-based methods of communication. After all, that's how you communicate with your friends. But while technology can enhance an established relationship because it allows you to provide information and insight at a moment's notice, the fact is that most significant customer relationships, especially in B2B selling, require face-to-face communication. Susi Geiger and Darach Turley, "The Perceived Impact of Information Technology on Salespeople's Relational Competencies," *Journal of Marketing Management* 22, no. 7 (August 2006): 827.

In this world of high-tech instant communication, some relationships can easily become "low-touch," or missing the human element. Meeting with and entertaining customers is an important part of the selling process. It helps you get to know customers in an environment outside the office, in a casual or social place such as a restaurant, sporting event, or concert. These can be excellent opportunities for you and your customer to "let your hair down," relax, and enjoy each other's company. Many sales positions include an entertainment budget for this reason. Taking someone out to eat is not the only part of a selling relationship, but it's an important part of building and developing a connection. One sales manager said that he can tell when one of his salespeople is struggling simply by reviewing his expense reports. He looks for activities that take place outside business hours because those are the activities that build relationships. In fact, according to one study, 71 percent of top-achieving salespeople use entertainment as a way to get closer to their customers. Tom Reilly, "Relationship Selling at Its Best," *Industrial Distribution* 25, no. 9 (September 2006): 29.

✓ Fore Relationships

What makes golf a good way to build a business relationship? During eighteen holes of golf, the typical golfer actually hits the ball for only two and a half minutes during a four-plus hour round of golf. "How to Use Golf as a Business Tool," video, BNET, www.bnet.com/2422-13722_23-323018.html (accessed July 27, 2009).

Speaker and author Suzanne Woo describes the secrets of using golf to build business relationships.

www.bnet.com/2422-13722_23-323018.html

Source: BNET

R-commerce

You've probably heard of e-commerce, selling products and services on the Internet, and m-commerce, selling products and services via mobile devices such as cell phones and smart phones. But you probably haven't heard of **r-commerce**, a term that refers to relationship marketing, which establishes and builds mutually beneficial relationships.

Terry L. Brock, an international marketing coach and syndicated columnist, says salespeople have the opportunity to make the difference in their relationships with the little things. Sending a thank-you note after a meeting, forwarding an article or video on a topic you discussed, remembering the names of your customer's children, even providing a personal suggestion for a vacation spot are all examples of little things that can set you apart from every other salesperson. You might think that these "little things" aren't important when you get into the big world of business. But Harvey Mackay, renowned author, speaker, and business owner, says it best: "Little things mean a lot? Not true. Little things mean everything." Terry L. Brock, "Relationship-Building Skills Pay Off for Your Bottom Line," *Philadelphia Business Journal*, June 12–18, 2009, 25. Developing your own r-commerce strategy can help set you apart in sales. It's expected that you will make phone calls and follow up; it's the extra personal touch that makes your customer feel special and helps establish a strong relationship.

✓ It's the Little Things

Here's an idea for a small activity that can turn into big opportunity along the way: every day take fifteen minutes at the beginning of the day to write three notes or e-mails—one to a customer, one to a prospect, and one to a friend just to say hi, follow up, or send an article of interest. At the end of the week, you will have made 15 contacts and 750 by the end of the year. What a great way to build relationships by doing the little things that make you stand out. Andrea Nierenberg, "Eight Ways to Say 'Thank You' to Customers," *Manage Smarter*, February 6, 2009, www.crystal-d.com/eight-key-ways-to-say-thank-you-to-customers (accessed July 3, 2009).

Trust Me

"The check is in the mail." "The doctor will see you in ten minutes." "I'll call you tomorrow." How many times have you heard these promises, or ones like them? When people make promises that they don't keep, you lose trust in them. It's unlikely that you will trust a person who doesn't deliver on what he or she says.

Trust is a critical element in every relationship. Think again about your best friend. Is she someone you can trust? If you tell her something in confidence, does she keep it to herself? If you need her for any reason, will she be there for you? Chances are, you answered "yes," which is why she is your best friend. You believe that she will do what she says she will do, and probably more.

You can see why trust is so important in selling. If your customer doesn't believe that you will actually do what you say you are going to do, you do not have a future in selling. Trust is built on open and honest communication. Trust is about building partnerships. Salespeople build trust by following up on their promises. They are accessible (many times 24/7), and they work to help their customers succeed. Customers trust you when they believe you have *their* best interest at heart, not your personal motivation. According to Tom Reilly, author of the book *Value Added Selling*, "Consultative selling is less about technique and more about trust." Trust is what gives a relationship value. It is the cornerstone of selling. Trust creates value. In fact, one B2B customer described his salesperson by saying he was like an employee of the company. Another described her salesperson in terms of problem ownership by saying, "When we have a problem, he has a problem." Tom Reilly, "Relationship Selling at Its Best," *Industrial Distribution* 25, no. 9 (September 2006): 29. Trust is equally important in B2C selling. For example, at Zen Lifestyle, a salon in Edinburgh, United Kingdom, the approach to customers is described as soft sell with a focus on educating customers and providing information. Customers are encouraged to try products in the smallest size to determine whether they like the product. It is only after they have liked it that larger and more economical sizes are suggested. "This helps develop a relationship between customers and therapist built on trust, which in turn will generate future sales from recommendations," according to salon owner Fiona Macarthur. Annette Hanford, "Best Sellers Tell All," *Health & Beauty Salon* 25, no. 12 (December 2003): 50. In every business, these are all powerful testaments to great salespeople.

✓ Power Player: Lessons in Selling from Successful Salespeople - Sign of Trust

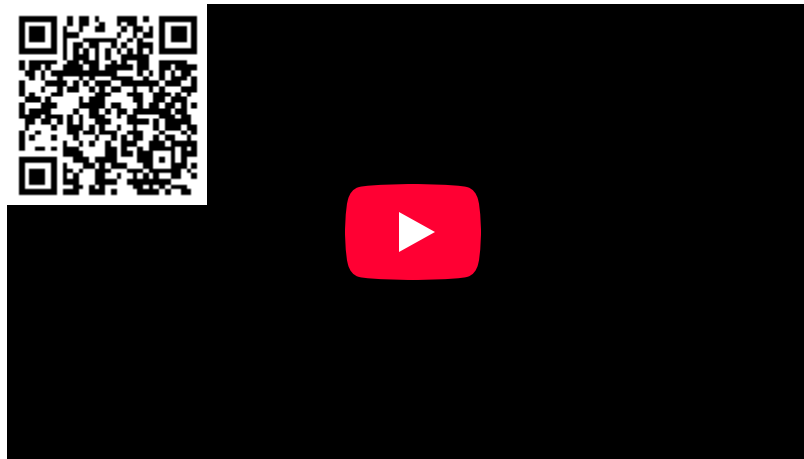
Imagine not even bringing in product samples or literature with you on your first sales call with a customer. That's what Susan Marcus Beohm, a sales manager for a handheld dental instrument manufacturer suggests. "I don't go in as a salesperson—I go in looking to see how I can help them. Not bringing my goods and wares with me says, 'I'm here to find out what you need,'

and it makes an impact.” When salespeople are too eager to start talking about features and benefits before they listen to the customer, they make it more difficult to establish trust. “A Foundation Built on Trust,” Selling Power Sales Management eNewsletter, August 8, 2001, <http://www.sellingpower.com/content/newsletter/issue.php?pc=146> (accessed March 16, 2010).

People buy from people they trust. Consider the fact that customers put their trust in salespeople with their money and, in the case of business-to-business selling, with their business and ultimately their reputation. Customers actually become dependent on you, and their buying decisions are actually based on the fact that they trust you and believe what you say. Thus, the relationship can be even more important than the product. Brian Tracy, “Teaming Up with Your Customers,” *Agency Sales* 34, no. 2 (February 2004): 59. It is said that you can give a customer the option to buy a product from a salesperson she knows or buy the same product for 10 percent less from someone she doesn’t know, and in almost every case she will buy from the salesperson she knows. “Building Trust,” Selling Power Presentations Newsletter, February 25, 2002, <http://www.sellingpower.com/content/newsletter/issue.php?pc=186> (accessed March 16, 2010).

Trust is such an important topic that sales guru Jeffrey Gitomer has written a book dedicated to the topic of gaining and giving trust titled *Jeffrey Gitomer’s Little Teal Book of Trust: How to Earn It, Grow It, and Keep It to Become a Trusted Advisor in Sales, Business, and Life*. The following video provides the highlights.

Jeffrey Gitomer on Trust



Learn the two important questions that can give you insight on trust. Source: Buy Gitomer, Inc.

Underpromise and Overdeliver

One of the tenets of selling is establishing trust and setting expectations. The best salespeople underpromise and overdeliver. In other words, they say they will do something by a certain day, and then not only do they do it, but they deliver it one day early. Here’s a way to think about the power of this approach: if you order a new pair of jeans online and the estimated date of delivery is Tuesday, but you receive them on Monday, you are delighted. You are pleased that they came early. However, if the jeans were promised for Tuesday delivery, but they arrived on Wednesday, you would be disappointed and probably would not trust that Web site for timely delivery in the future. You can imagine how this strategy builds trust with customers—not only can you rely on the salesperson to do what she said, but she never lets you down and even delivers earlier than promised sometimes. That’s how trust is built between salesperson and customer, and the relationship goes to the next level: partnership.

When Times Are Tough

No one likes to deliver bad news. But it’s not always good news that you will have to tell a customer. The best antidote for bad news is a good relationship. If you have nurtured your relationship with the customer and built trust, it is much easier to deliver bad news. When it’s time to deliver bad news, like a delayed delivery, a cost increase, or a discontinued product line, don’t put it off. Use the same practices that you use to build your relationships: open, honest, and timely communication.

As soon as you learn about information that may be bad news for your customer, contact her by phone to discuss the situation: “I realize we set Thursday as the installation date for phase one, but there have been some delays in development. Can we reschedule it for next Tuesday? I’m confident that everything will be complete by then. I apologize for any inconvenience. Let’s talk about any challenges this may cause on your end. I have some ideas about how we might work around them.” The sincerity in your voice and

the dialogue you have with the customer can help avoid turning bad news into a serious problem. Because you have always made a point of underpromising and overdelivering, there is a high likelihood that your customer will respond positively to your ownership of the problem and solution-based conversation. It's always best to include a realistic solution to the problem and, if you don't have a solution, let the customer know exactly when you will get back to her with an update.

The Good News about Bad News



Here are tips for five ways to deliver bad news the right way. Source: Sally Cordova, McKee Consulting, LLC

Win-Win-Win: The Ultimate Relationship

If you do volunteer work for an organization such as Autism Speaks, you get involved because you believe in raising awareness of autism to increase funds for research for the cure. Those who have autism and their families benefit from your involvement. This is win #1. You also benefit because you gain the satisfaction of helping people. This is win #2. You help build the strength of the organization, in this case, Autism Speaks. The more people that are involved, the more people they can reach with their message, and the more money they can raise to reach their goal of curing autism. This is win #3.

The above example is an illustration of the **win-win-win** concept in relationships. In other words, in the ultimate relationship, all parties have something to give and something to gain. This same win-win-win occurs in successful selling relationships. Your customer wins because he gets your advice and expertise to help him find a product or service that meets his needs. You win because you have enhanced your relationship and made a sale; and your company wins because the relationship, the sale, and the repeat sales help it achieve its goals.

Although the win-win-win may sound like a simple concept, it is a critical one to keep in mind in any business position, especially in selling. This art of collaboration actually results in more business with your existing customers because you have become a partner in solving their problems, and it brings you new business in the form of referrals. The win-win-win also plays a significant role in the negotiating process (covered in Chapter 12). The best business relationships and negotiations are based on the win-win-win model, not the win-lose model in which one party loses so that the other can win. Stephen R. Covey, "Win-Win Strategies," *Training* 45, no. 1 (January 2008): 56.

A Seat at the Table

The seat at the table is given to those salespeople who deliver value, not sell products or services. They develop the relationship to assist customers in implementing their business strategies. J. D. Williams, Robert Everett, and Elizabeth Rogol, "Will the Human Factors of Relationship Selling Survive in the Twenty-First Century?" *International Journal of Commerce & Management* 19, no. 2 (2009): 158. Customers want value in the form of strategic thinking around issues that are important to them and their company goals. As a result, your goal as a salesperson should be to help your customers create demand, secure a competitive advantage, and identify a new niche. When you deliver this kind of value, your customers will no longer see you as a salesperson; they will see you as a "business person who sells." It's this kind of thinking and value creation that earn you a seat at the table. The seat at the table also helps you expand your business because you will be integrated into your customer's business. That allows you to deliver your core products or services and be a part of developing the new opportunities. It helps cement the relationship and establishes a partnership that delivers value for all involved. Marc Miller, "A Seat at the Table," *American Salesman* 54, no. 5 (May 2009): 9.

Every salesperson wants “a seat at the table”; she wants to be a part of the decision-making process. That is the epitome of consultative selling: you are included in the process from the beginning. You want to be included as a valued partner with your business-to-business customers to discuss their company’s strategic questions like “How will we grow our business in the next three years while technology is driving down the average selling price of our product?” “How can we extend our relationship with our customers beyond our contract period?” or “How can we expand to new markets and minimize our risk?” These are not traditional sales questions; they are strategic issues that companies wrestle with. When you are a true partner with your customers, you will be given a seat at the table when direction-setting issues are discussed. This allows you to participate fully as a trusted advisor and asset to the customer and to help shape the strategy of the company. It changes your relationship with the contact and the company from salesperson to partner. Although it may seem like a lofty goal, consider this: If you want to have a seat at the table, not only will you need to solve your customer’s problems and anticipate her needs, but according to Tim Conner, sales trainer and author, you will also need to be a creative problem creator. That means that you will be in constant pursuit of identifying problems that your customer didn’t even know she had. In other words, it means that you have to think *ahead* of your customer, not just along with her. Tim Conner, “Sales Strategies of Six-Figure Salespeople,” TimConnor.com, www.timconnor.com/articles_sales.html (accessed June 29, 2009).



Videp 7.4.1: This video features Jeffrey Gitomer discussing the value of providing value to customers. Source: Buy Gitomer, Inc.

Networking: Relationships That Work for You

You probably use Facebook frequently to keep in touch with your friends. If you want to know who took a particular course with a particular professor, you can ask your friends on Facebook. If none of your friends took the course, one of their friends may have taken it and could give you some insight about the course and the professor. Whether you realize it or not, you are networking.

Networking is the art of building alliances or mutually beneficial relationships. “What Is Networking?” The Riley Guide, www.rileyguide.com/network.html#netprep (accessed July 3, 2009). In fact, networking is all about relationships and exchange. In the example above, while you are looking for feedback on a class from someone you know, someone else may be considering seeing a movie and wants to know if you’ve seen it and if you thought it was good. This is a value exchange. Although networking isn’t exactly quid pro quo (something for something), it does include the element of exchange: if someone is looking for something, someone else can provide the information. What makes the network function is the fact that people in the network at some point have a need and at some point may be able to help someone else with his need. Said another way, networking is based on mutual generosity. Meredith Levinson, “How to Network: 12 Tips for Shy People,” *CIO*, December 11, 2007, www.cio.com/article/164300/How_to_Network_Tips_for_Shy_People?page=1 (accessed July 3, 2009).

Networking is an important part of the business world and an even more vital part of sales. It’s no longer a question of “if” you should network; it’s a requirement to stay competitive because it’s virtually impossible to do your job alone. Just as in social networking, professional networking allows you to leverage the people you know to expand your relationship to people you don’t know. Building strong relationships with customers is an excellent way to build your network. Satisfied customers will refer you to other people who might become potential customers.

It’s best to always be networking rather than networking only when you want something. It makes it easier to network and expand your relationships when you’re not asking for something. It also gives you the opportunity to help someone else first, which can go a long way when you need help in the future.

Networking Tips of the Trade

Today, networking can be done in person as well as online. Don't limit yourself to just one method. Networking is best done both in person and online to be truly effective. Here are a few tips for networking *in person*.

Start with People You Know

Make a list of all the people you know, starting with your current customers, family, friends, friends' family, and others. Include people such as your hair stylist, car mechanic, and others. Get to know everyone in your extended network as each can be a lead for a potential sale or even a job. Meredith Levinson, "How to Network: 12 Tips for Shy People," *CIO*, December 11, 2007, www.cio.com/article/164300/How_to_Network_Tips_for_Shy_People?page=1 (accessed July 3, 2009).

Join and Get Involved in Professional Organizations

If you want to meet people who are in the same business or profession as you, professional organizations such as Sales & Marketing Executives International, Advertising Club of New York, Home Builder's Association, and so on are the best places to be. Joining is good, but getting involved in one of the committees is even better. It helps demonstrate your skills and knowledge to the other people in the organization. Since most professional organizations are made up of volunteers, it's usually easy to be invited to participate on a committee. Kim Richmond, *Brand You*, 3rd ed. (Upper Saddle River, NJ: Pearson Prentice Hall, 2008), 176.

Attend Industry Events

Make an effort to attend industry or other professional events. Arrive early and work the room. If you come with someone, be sure to branch out to meet and mingle with other people. Set a time and a place to meet the person with whom you came so you can both maximize your networking. According to Peter Handel, the chairman and CEO of Dale Carnegie & Associates, a smile can be your greatest asset when networking in person. He suggests always asking questions of the people you meet; it helps keep conversation going and gives you more insight into their background and how you might work together in the future. But the other side of asking questions is listening; that's how you will learn. And always have your business cards handy. Give out your business card to those you talk to, and don't forget to get their business cards, too. Meredith Levinson, "How to Network: 12 Tips for Shy People," *CIO*, December 11, 2007, www.cio.com/article/164300/How_to_Network_Tips_for_Shy_People?page=1 (accessed July 3, 2009).

Keep in Touch

Many people think that networking is just about collecting business cards. Networking is so much more than that. Networking is about creating mutually beneficial relationships. It's best to use one of the basic practices for building relationships when networking: keeping in touch. That means dropping an e-mail to someone with whom you have networked just to find out how their big project is going, how their twins' birthday celebration went, or even just to say hi. Go beyond the e-mail by inviting someone to lunch. It's the perfect way to build a relationship, share common ground, and learn more about the person. Donna Rosato, "Networking for People Who Hate to Network," *CNNMoney.com*, April 3, 2009, http://money.cnn.com/2009/04/02/news/economy/networking_jobs.moneymag/index.htm (accessed July 3, 2009). Many people are gung ho about networking and meeting people, but rarely keep in touch. It almost defeats the purpose of networking if you don't keep in touch.

Online Professional Social Networking

Online professional social networking can be an equally powerful tool to build your contacts. But just like networking in person, you can't be passive and expect to expand your network. Consider a situation that Austin Hill, Internet entrepreneur and founder of the angel investment firm Brudder Ventures, encountered when his firm was trying to get access to someone in a specific department at a vendor. It was a large company, and he kept getting the runaround. But after going onto LinkedIn and getting introductions to the right people, within two days they were able to start doing business with the company. Lisa LaMotta, "How to Network Like a Pro Online," *Forbes*, August 9, 2007, http://www.forbes.com/2007/08/09/google-microsoft-walmart-ent-tech-cx_11_0809networking.html (accessed July 3, 2009).

Create a Profile on the Major Professional Social Networks

LinkedIn, Ryze, ZoomInfo, and Plaxo are all online professional social networks that have a substantial number of members. You can also use Facebook MySpace, and Twitter to create profiles, peruse job boards, and join the conversation.

✓ Join *The Power of Selling* Group on LinkedIn

You can join the conversation about careers in sales created for this course on LinkedIn. Visit <http://www.linkedin.com> and go to http://www.linkedin.com/groups?gid=2566050&trk=myg_ugrp_ovr. Or go to “Search Groups,” search for “The Power of Selling,” select it from the groups that are displayed, and click on “Join Group.” Once you’ve joined the group, you can connect with sales professionals and other students across the country. You will be able to listen to the conversation, ask questions, and start or join discussions. This group is an excellent way to network and find people who work at companies that you may want to work at.

Start your professional networking now and network with sales professionals that want to help you.

- LinkedIn: <http://www.linkedin.com/home>
- *The Power of Selling* Group: http://www.linkedin.com/groups?gid=2566050&trk=myg_ugrp_ovr

Connect to People You Know, Then Network Personally

The number of connections you have is not a badge of honor. Take the time to connect to all the people you know, and network within their networks. If you only add people for the sake of having a lot of connections, you won’t know who can really help you in your network. When you do make a connection, make it personal; don’t just send a group invitation to join your network. It’s always best to keep in mind that the foundation of your network is relationships. Clare Dight, “How to Network Online,” *Times Online*, February 21, 2008, http://business.timesonline.co.uk/tol/business/career_and_jobs/graduate_management/article3402745.ece (accessed July 3, 2009).



Video 7.4.1: How to use Twitter and Twitter-related Web sites to network before and after a professional conference. Source: Mig Pascual

Be Proactive

Ask for introductions to people with whom you want to network and ask your boss, colleagues, and customers to write recommendations for you. It’s a good idea to use the features included on the professional social networking sites such as groups, discussions, and “Answers” on LinkedIn, which allows you to ask questions of your network. Lisa LaMotta, “How to Network Like a Pro Online,” *Forbes*, August 9, 2007, http://www.forbes.com/2007/08/09/google-microsoft-walmart-ent-tech-cx_1l_0809networking.html (accessed July 3, 2009).

Mind Your Manners

Just a word of caution about professional social networking: Be professional in all of your communications. You are participating in a professional forum so be aware that everything you “say” and do reflects on you and your company.

Key Takeaways

- **Consultative selling** is the process by which you get to know a customer personally, understand her needs, and put her needs first in the relationship.

- Relationships are vital to success in most selling situations. When you understand what the customer wants and needs, you can provide solutions to help your customer meet his goals.
- **Lifetime value** is a term that refers to the amount of business that you do with a single customer over the course of the relationship. When you have a long-term view of your relationships with customers, you have an opportunity to realize even greater success.
- **R-commerce**, or establishing and developing relationships with customers, focuses on the “little things” you can do to take advantage of opportunities and set yourself apart.
- Trust is the cornerstone of every relationship. If you don’t have trust, you don’t have a relationship.
- A solid relationship is essential, especially when delivering bad news. Always be honest and timely with customers when you have to communicate news that might not be what they want to hear. They will respect you and trust you for it.
- The **win-win-win** is when all parties in a relationship win: your customer, you, and your company or organization.
- **Networking**, the art of building mutually beneficial relationships, is an indispensable business tool.

? Exercise 7.4.1

1. Identify a situation in which a salesperson has developed a relationship with you. Do you trust her more since you know her better? Identify at least one way she puts your needs first in the relationship.
2. Name a situation in which a salesperson provided you with information to make your purchasing decision. Did you trust him to provide this information? Why did you trust him?
3. Think about a situation in which a salesperson underpromised and overdelivered. How did your perception of the salesperson and the company change because of your experience?
4. Go to <http://www.linkedin.com> and create your profile. Then use the search box to search groups and search for “The Power of Selling.” Click on the “Members” tab and search for members that you want to connect with and add them to your professional network. Click on the “Discussions” tab to begin or join into a discussion.
5. Research professional organizations that might be of interest to you that have a chapter on campus or in your local community. What is the mission of each organization? What events are scheduled soon? How can you become a student member of the organization?

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