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BY RICK DAVIS

The biggest fallacy in the sales profession is that *closing the sale* is a one-time pinnacle moment of all-or-nothing price confrontation between the seller and buyer. The reality is that closing is merely one small step among many in the ongoing sales process, and to clinch a deal you must be able to spot and address the primary underlying factors that influence a buyer's decision, such as greed, fear, status, scarcity, guilt, timing, and friendship.

Many lumber and building materials salespeople wrongly assume that greed is the most influential decision driver in the minds of builders. They incorrectly believe that the entire sales process is mere jockeying for position while the real battle of price negotiation has yet to come. Thus, they ultimately feel immense pressure to reduce price because they have overlooked the other factors that influence the purchasing decision. Of course, builders (like most businesspeople) are out to make money, but rather than price, *timing* is the factor that usually has the most influence on profitability.

Supporting this argument, the PROSALES "Builder Revolution" study, which was published in April 2003, found that when choosing a supplier, the most important criterion for builders is meeting delivery time. Timely delivery was rated higher than price, loyalty/past relationship, after-sales support, manufacturer brands carried, and a host of other factors. This implies that builders recognize that the total costs of doing business are dramatically affected by inaccurate delivery promises. In other words, it's easy

to see how a few percentage points in price savings can be wiped out tenfold by delivery problems.

Equipped with this knowledge, you can develop specific skills that will help you close more sales and strengthen relationships with existing customers.



Perfect Timing

**TO CLOSE MORE DEALS,
DON'T LOWER PRICES,
IMPROVE YOUR TIMING.**

Rather than become a quoting machine for builders, Sales Leaders establish a role as a resource for builders that enhances the planning process.

Salespeople in a business-to-business environment have advantages not afforded salespeople in retail settings.

For example, it is not predictable when a consumer will need new shoes or when a teenager will want to buy a new CD. And while a builder can't predict when a homeowner will finalize his or her decision to buy a new home, when that builder finally schedules production, the LBM salesperson can easily predict the timing of subsequent events—i.e. foundation first; then lumber; then sheathing; roof, windows and doors next; and so on.

Yet many problems arise because salespeople often mishandle discussions regarding lead time. For example, when builders ask salespeople, "What is your lead time?" most reps fail to consider the implications of their answers and whether the information is less than honest. Rather than

carefully crafting answers that provide information upon which builders can schedule production, salespeople too often make boastful, inaccurate claims about product availability and delivery. Not only can these poorly worded responses destroy future sales opportunities, they often ruin relationships in the process.

To close more deals, every salesperson should carefully consider the factors that create "lead time" before making overzealous commitments. For example, I know of one synthetic millwork manufacturer that outperforms others in the industry by delivering all standard materials in "five business days" when orders are placed on the "cutoff date." However, that does not mean the dealers can promise delivery to builders in "five business days" because there are

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multiple factors at play that can extend the supply chain.

The reality is that deliveries automatically will take nine business days when orders are placed one day *after* the cutoff date. Then bump up that number of days to account for questions from the purchasing department, which delays the process even more. Then consider that the dealer needs to receive the materials and stage them for delivery. The result is that, while a five-day lead time accurately describes the manufacturer-dealer relationship, the LBM salesperson needs to translate this into terms suitable for the builder. In this example, the

actual lead time to a builder could approach three weeks.

On the Clock

Try the following steps to improve your delivery time quotes to builders and close more sales:

- 1. Understand the production schedule of the products you represent.** If your company manufactures trusses in two weeks but requires additional time for design, setup, and approval of drawings, then “two weeks” is not an adequate lead time to quote to builders. Moreover, don’t put undue

pressure on your company’s resources. When you continually strive to honor the “special requests” of customers, you may be strengthening short-term relationships, but the long-term negative impact on your company’s resources could result in higher prices and inefficiencies that can cost you closing opportunities with future prospects.

- 2. Investigate the production schedule of your customers.** Three times in the past two months, I traveled with salespeople who jumped through hoops to get products to jobsites only to later discover that the superintendent ordered materials prematurely. Take time to ask the builder questions about the production schedule. Visit jobsites to anticipate scheduling problems.

- 3. Become an “employee” to**

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your customers. Your value in the marketplace is based heavily on your ability to schedule deliveries effectively. Consider yourself a part of your customers' scheduling teams. Ensure their profitability and you will close more sales. Recognize the efficiencies and inefficiencies of your customers. There are no

perfect companies. You will occasionally need to manage your customers' expectations to protect their interests. Your ability to contribute and overcome inefficiencies will make your value soar.

4. Ask the right questions. When potential new clients ask you questions regarding lead times, respond with the question: "What is your schedule on the project?" The answer to this

question will tell you all you need to know. For example, if the builder says he is in the process of pulling permits, you can estimate when various products will need to be ordered. In most cases, it is better to have materials waiting and staged for delivery at your facility than to exercise risky just-in-time logistics with manufacturing.

Become a scheduler with the builder and work cooperatively with your delivery team to meet the customer's expectations. If the builder is unaware that he needs to place an order immediately to accommodate lead times, tell him!

A true Sales Leader recognizes that a builder's inquiry into lead times creates a closing opportunity if he or she can carefully construct an answer that maximizes planning opportunities for that builder. Better yet, Sales Leaders recognize that they can take full responsibility to ensure deliveries take place as expected. So the next time a builder asks you what your lead time is, consider all the details that create lead times and remember that the best answer to the question is an accurate one. ■