

# Second Place

Before you launch a bidding war for an account, consider how relationship-building and prospecting can make the runner-up position a better place to be. By Rick Davis



Rick Davis is president of Building Leaders, Inc., a Chicago-based sales training organization. 773.769.4409. E-mail: rickdavis@buildingleaders.com

During my recent travels around the country, many dealers have expressed extreme concern about the state of the building industry. You can hardly turn on the television or open a newspaper without hearing the bad news. The fact is clear: Housing starts are down. What should you do? Well, you can debate the causes of the slowdown and concern yourself with an economic outlook over which you have no control. Or you can strategically maximize your sales opportunities under adverse circumstances. For certain, the slowdown offers a critical lesson: You should have been vigilantly prospecting for new business all along.

You can't change the news, but you can control your response to it. I'd like to conclude this year's Sell Sheet series by offering you a new vision that will help you deal with the current slowdown and provide a foundation for success that will endure in both good times and bad. I believe the best sales response you can have in times of

scarcity and abundance is to strive for a new position in the market, the position of Second Place.

Most salespeople, being competitive, regard second place as merely the first loser. But in our industry, being the "next choice of suppliers" is sometimes the best strategy. It makes a lot of sense to strike up relationships with as many people as you can and, rather than expect instant gratification for your sales efforts, take a longer-term approach.

A builder survey conducted by PROSALES a few years ago confirmed that loyalty is one of the strongest motivators in selecting a supplier. This is hardly information you need a survey to confirm; your own experience has probably demonstrated that trying to encourage a prospect who is satisfied with his current dealer to change suppliers only leads to frustration that includes combative price negotiations. The sales that are usually the most successful are those that come after a period of courtship and are consummated as mutually profitable relationships. In other words, loyalty and rapport in relationships begin before the first transaction is completed.

When a sale is made too rapidly, most salespeople agree that red flags should go up. The implication is that the builder may have poor credit or will not be particularly loyal to you if it was so anxious to make a change away from its last supplier. The simple truth is that builders and industry contractors, like all humans, are creatures

of habit and generally do not switch suppliers until something goes wrong. Most customers are not anxious to switch suppliers because it means meeting new people, learning new procedures, and, most importantly, taking a risk! Therefore, you should remind yourself of what you already know: A prospect considering a new supplier will choose the one that is familiar and minimizes risk during a transition. The first supplier that comes to mind when it is time to make a change is the one that has been lurking in second place all along.

If you want to improve your sales performance over the long haul, stop trying to achieve instant gratification and realize that long-term success requires a systematic program of prospecting, cultivating relationships with potential customers before they become customers. To become the first supplier a builder will choose when they have a problem (which is when they choose a new supplier), the best

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strategy you can employ is to be the first choice of alternatives.

## Get Active

The minor tragedy for LBM salespeople has been two decades of unmiti-



Become the first supplier a builder thinks of when he needs to change dealers.

gated prosperity. The market has been so strong that salespeople have made a living by simply keeping up with demand. Because of the excessive demand, salespeople could boast of record sales performances with virtually no proactive prospecting efforts.

Salespeople naively have assumed they are doing their job merely because customers keep them busy and sales were “up.” Now that we are in a slow-down, dealers are realizing that proactive prospecting efforts are an urgent

matter. Unless a salesperson makes prospecting an urgent task and a daily (or weekly) priority, it is an easy responsibility to procrastinate for prolonged periods. Keep in mind that prospecting is much more than finding prospects that will allow

you to bid for business. The result of the “bid and pray” strategy is that the sales process leads to the inevitable combative price negotiation. This is the error that salespeople consistently make in our industry. Instead, prospecting should focus on cultivating rela-

tionships and positioning yourself in second place with as many prospects as possible.

To be a true Sales Leader, steer your 2007 conversations away from price and take a long-term approach to cultivating loyal, long-term business relationships. Here’s how:

**1. Pick up the phone!** When I was a sales representative for an insurance organization I was taught early on that the telephone was my No. 1 tool for productivity. Nearly 15 years later, when I started my own training business, I was still utilizing the same skill. All too often, members of our industry like to say, “We’re not like other sales professions.” I agree with this in many regards, except when it comes to telephoning potential customers. If you don’t schedule time to make phone calls to telemarket to

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potential customers, you will never control your destiny.

**2. Make the first phone call.** The toughest phone call is the first phone call. Stop procrastinating.



Stop explaining and complaining and start prospecting, because it is the only thing you can do to temper the impact of the economic downturn.

Don't worry so much about where you get your sources for leads. In the end, it doesn't matter because there is only one way to begin a new relationship with a customer and that is by talking to them. It will take dozens of calls to find a qualified lead. Confucius said that a thousand-mile journey begins with a single step.

Pick up the phone and make the first call!

**3. Save your excuses.** As the market begins to slow, managers and salespeople throughout the country

responsibility for your sales performance as the market cools. Stop explaining and complaining and start prospecting, because it is the only thing you can do to temper the impact of the economic downturn.

Imagine how much more successful you'll be when the market picks up if you have been aggressively prospecting for new business when the market is slow.

will be eager to explain why sales are shrinking. The fact is that someone is going to lose. If you have experienced consistent growth in sales for the past decade and feel pretty proud of your performance, that is a signal you take full credit for the growth that has been fueled by the surging economy. Therefore you should accept full

Make 2007 the year in which you hone your prospecting skills so you never have to worry about market conditions again. Remember that if you have found yourself suddenly concerned by the lack of sales opportunities in your pipeline, don't let it happen again! Now is the time to start building your future. Prospecting is the key. ■