

Productive Selling News

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Sales Tip: "Referrals and Social Networking Sites" by: John Boyens

I wrote a Sales Tip of the Quarter article in our April 2008 newsletter (edition 25) entitled, "Referrals = Success." Given our current economic conditions I thought that this may be a good time to revisit the topic of generating referrals and add a technology spin on it to include social networking sites as well.

The majority of businesses in the United States make the majority of their revenue by maintaining and up-selling their existing customers. New business development can become much easier if we ask for and are given referrals! Here are some "facts" about customer retention and referrals:

- Studies have proven that a mere 5% increase in customer retention can result in profit increases of 20 to 80% for most businesses
- Repeat customers spend an average of 67% more than new customers
- After a customer purchases from the same supplier more than once they're 50% more likely to provide referrals
- The close rate on referrals is often three to five times better than the close rate on cold calling

Networking is a great way to generate referrals. So where should I network?

- Chambers of Commerce
- Industry associations
- Professional organizations
 - ✓ Business/Personal
 - ✓ Friends/Neighbors
 - ✓ Existing/Former customers
 - ✓ Existing/Former associates
 - ✓ Existing/Former suppliers
 - ✓ Former competitors
- Networking groups such as BNI
- Social Networking sites like LinkedIn or Plaxo

Here's a high-level overview of LinkedIn (www.linkedin.com):

- LinkedIn is geared towards the working professional and allows their users (over 35 million worldwide) to create a profile.
- LinkedIn users can recommend one another, join groups, make introductions as well as post and apply for jobs.
- In addition, it's a great tool to identify and connect with prospects, dormant clients, former associates and potential partners.
- LinkedIn is great for doing research on companies, organizations and industries as well as to build a "buzz" about your organization.

So how should I use LinkedIn to generate referrals and new business opportunities? Here are five ways to use LinkedIn effectively:

1. Increase your visibility...by adding connections you will increase the likelihood that people will see your profile when they're searching for someone to do business with. People would much rather work with people their friends/colleagues know and trust!
2. Get introduced to others...when someone accepts your invitation, immediately go to their connections and see if they are connected with anyone you want to know or do business with and then ask for a "warm" introduction.
3. Perform reverse checks...if someone's name or title is blocked on their profile go to other connections to see who you know in common because often their contact information will be visible through their connections.
4. Gauge the health of a company/industry...perform an advanced search for any company (by name) you're looking to do business with and uncheck the "Current Companies Only" box. This will allow you to evaluate turnover as well as any prevailing themes or trends.
5. Improve your Google Page Rank...create a public profile and select "Full View." Also, instead of using the default URL customize your public profile's URL to be your name or your company's name.

The most successful salespeople I know always ask for referrals, are involved in a variety of networking opportunities on a regular basis and leverage technology (e.g., LinkedIn) to build their pipeline!



Spotlighting a Top Performer

Recently we received an email from Mike Leisses, Commercial Sales Director for Orkin Pest Control Midwest Division, and he shared with me the following results after a Q 1, 2009 training we facilitated in Ohio:

- The Account Managers that attended our training proposed 29% more dollars in the sixty days after the training than the Account Managers that didn't attend our training.
- They sold 7% more dollars during that same time frame.
- They had a 30% higher average sale than the Account Managers that didn't attend our training.

On a side note...Mike was so pleased with the results of our training that he's asked us to come to Chicago in Q 4 to train the remaining Account Managers. Thank you for the opportunity Mike and keep up the great work!

Sales Management Tip: "Hire the Best Salespeople"

By: John Boyens

Given the fact that a lot of talented salespeople have been laid off in the past twelve to eighteen months it's important to hire the *best of the best* when you have an open sales position!

I've heard numerous complaints from managers indicating that they hired someone because the candidate "blew their socks off" in the interview only to have the candidate turn into a "toad" once they were hired! So what happened and more importantly how can you avoid having it happen again?

What probably happened is during the interview process you subliminally switched from interviewing the person to trying to hire the person! Let me be more specific. Let's say that you've had an "open" position for quite some time. Let's say that you, or other employees, have to cover for that open position and it's putting quite a bit of strain on the organization. Finally a candidate appears at your door that at least "looks the part." He or she sits down for the interview and as they answer the first question you observe that they are quite articulate and that they answered the question the way you wanted them to answer the question. The second question you ask probably would be easier than the first because you think that they may be the one! All of a sudden you move *full speed ahead* into the hiring mode. You tell them about the job. You sell them on the company. You sell them on the benefits and so forth. You do everything **except** interview them! One way to keep from falling into that trap is to use a process called behavioral interviewing.

Behavioral interviewing is a technique based on the fact that a candidate's past and present behavior is the best predictor of how he or she will behave in the future. But behavioral traits don't appear on a resume... they can only come from

an interview. Furthermore, interviewers need to obtain *repeated examples* of a specific behavior to ensure that the behavior they are observing is "real" and not just "turned on" for the interview itself.

Interviews not based on exploring competencies inevitably focus exclusively on education, experience, and knowledge... exactly what's on the resume! While these are clearly important, they only reveal what a candidate "said" that they did. Behavioral interviewing helps get at the "how" and "why" behind a candidate's performance and what he or she is likely to do in the future.

Let me give you some examples of behavioral or situational interview questions:

- Ask the candidate to:
 - ✓ Tell you about the most difficult customer situation they ever encountered and how they overcame it.
 - ✓ Tell you about the best manager they ever worked for and what made him/her so good.
 - ✓ Describe their job search activities.
 - ✓ Tell you what they consider their greatest achievement to date?
 - ✓ Describe their greatest business failure and what they learned from it.
 - ✓ Highlight any personal or professional development activities they engaged in over the past twelve months.

By establishing a behavioral interviewing process companies will be better able to assess potential candidates in terms of skills, attitude, aptitude and "fit."

Sales Productivity Workshop in Nashville

John Boyens will be facilitating another two-day, Sales Productivity workshop at the exclusive Richland Country Club in Nashville, Tennessee on July 15/16, 2009. This highly interactive workshop will include sales and sales management "best practices" from over 15,000 salespeople from a variety of industries across the globe, over 15 years of buyer-based research data as well as small group breakout sessions and role plays to ensure that each attendee will walk away with tips/techniques that will positively impact their business the very next day. Key topics will include:

- The four reasons why people don't buy
- Selling value versus price
- Differentiating your company from your competition
- Engaging decision makers earlier in the sales process
- Selling solutions versus selling products

As usual, seating will be limited to 25 workshop attendees to ensure an optimal learning ratio. The investment is \$750/person which includes registration for the two-day workshop, all workshop materials, continental breakfast and a catered lunch both days. We will continue to offer quantity discounts if four or more people attend from the same company.

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