

## **The Nature of Sales: It's More Than Just Getting An Order**

**By Jeff Krawitz**

Everyone has an opinion of what sales and selling are all about. Some view it as an honorable profession that requires substantial skills. Others view it as a less than desirable endeavor the purpose of which is to convince people to buy something whether they need it or not. This paper looks at the nature of sales and selling from the buyer's perspective and helps you to understand the implications as a seller.

### **The Nature of "Sales"**

Selling is a unique profession in the modern business world: everyone does it. Project managers sell their projects to management; CFO's sell their forecasts to industry analysts; applicants sell themselves for jobs; salespeople sell their products and services to customers.

And it carries into the rest of our lives as well: we sell when we negotiate for a new car (buying and selling are two sides of the same coin), attempt to get a date with someone (romantic or otherwise), visit a yard sale, or try for a better table at a busy restaurant.

People are not born accounting, writing software, managing investment portfolios, or developing cancer treatments; these are all learned occupations. But talk to anyone with children, especially young toddlers. Kids live to sell (and sell to live?): more cookies, a few more minutes before bed, no bath today, and so on. With age, the selling merely moves to larger issues: later curfews, more access to the car, or the prom weekend plans.

Accountants sell their services, programmers sell their programs, investment bankers sell their information, and research scientists sell their knowledge. We all sell all the time.

### **So What is "Selling?"**

Selling has three primary elements: informing, persuading and action.

**Informing** is providing information, data and knowledge to another person that they need and value. All information is not valuable, and the salesperson has to ascertain what is and what isn't valuable to that particular customer at that specific time. Few things turn a potential customer away faster than being buried in information he or she neither needs nor wants. Web sites and brochures can do an excellent job of

informing; they are integral parts of the buying process for anything from books to cars to computers.

**Persuasion** has to do with decision-making. It is subtly, yet importantly, different from convincing, cajoling, intimidating, "selling", or other manipulative actions. The fundamental difference is ownership of the decision itself. In a persuasive sales discussion, there is never a question who controls the decision; the buyer does. In sales, it means that the seller is part of the buyer's decision-making process.

Informing alone is not sufficient. Advertising, public relations, and branding are very good at informing the buying audience about products and their attributes. The connection between advertising and personal selling is one that has evolved over the years. Originally, advertising was referred to as "salesmanship in print." Given the state of the art of selling at that time, this comparison was appropriate: selling was heavily dependent on informing a prospect of what was available, and print advertising was very efficient at doing just that.

Selling today is far different; customers have as much information as they could possibly need (some say too much). Advertising has evolved from informing to positioning; it's primary function is to differentiate one product or brand from another. Thus, advertising retains its important, albeit different, role in selling.

**Action** is the third and final element. There's an old adage in business that "nothing happens until someone sells something." True, but it takes a specific action on the buyer's part to finalize the sale. The only meaningful result of "informing to persuade" is for the buyer to do something.

Connecting these three elements, we get a contemporary definition:

***Selling is informing others to persuade them to do something.***

## **So What is a "Sale"?**

Both "selling" and "buying" are processes; sellers and buyers go through distinct steps from initial awareness of the need (or problem) to satisfactory resolution of it. The buying process is typically divided into five distinct steps (with many possible sub-steps) as shown in Figure 1.

Whether transactional or consultative in nature, sales is about helping the buyer move through the buying process. If the buyer is gathering information on potential solutions to the problem at hand (Step 2), the salesperson's goal is to provide that information so that the buyer can move on to Step 3 as expeditiously as possible. Offering too much information floods the buyer, opens the door to competition, and stalls the process. Likewise, not giving enough information frustrates the buyer, opens the door to competition, and stalls the process.

So, the salesperson's task changes based on where the buyer is in their buying process, and is different for every buyer. Obviously, the better the salesperson performs any step, the easier the next one will be; it's a cumulative effect in that the sum total of your "goods" and "bads" stick with you throughout the process.

Also note that the buying process does not end with the order being placed at Step 4, which is the traditional place salespeople earn their commission. Buyers expect service after they place the order: delivery on time, high quality products, responsive support, and more.

Another old sales adage is that “the easiest part of sales is getting the order; then you have to service it!” While other functions within the company may play a strong role, it is incumbent on the salesperson to manage or monitor the complete process to ensure customer satisfaction.

Finally, as in all good processes, the buying cycle provides feedback for improving the next iteration through the process (“fool me once...”). Of particular importance to the seller, and the seller's company, is the direct connection between "Assess Results" and "Evaluate Choices". Obviously, the better you perform Step 5, the easier it is for you when your buyer enters Step 3 on the next go-around. This leads to a working definition of a “sale”:

***A “sale” is supporting a buyer move through the buying process.***

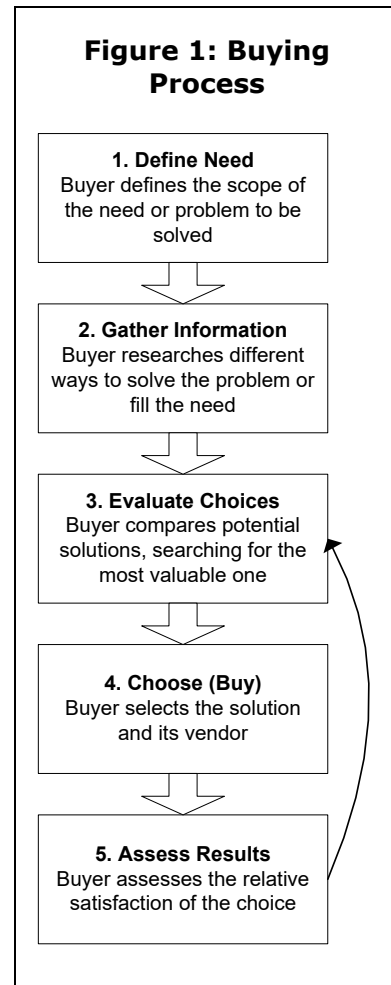
“Closing the sale” (Step 4) is the essential step in the whole process, but requires outperforming the competition at all the previous steps, and Step 5 as well, if you want customer references or repeat business.

Salespeople never stop selling. They sell when they assist the buyer in moving from defining their needs to investigating potential solutions. They sell by providing just the right information so the buyer can make the choice to stop collecting data and assess what they have. Salespeople sell all the time.

It is tempting to boil selling down to getting the order; but life just isn't that simple. Professional salespeople perform different tasks throughout their relationships with (potential) customers. Although common sense screams otherwise, it is customary to pay salespeople only for Step 4, signing the order, hoping and praying that they will somehow do everything else because they should.

### **What Does a “Salesperson” Do?**

Selling is informing others to persuade them to do something. The information may include financial data, technical information, personal details, and more. In other words, salespeople need at least some understanding of every aspect of their company their company as well their customer’s company... to sell.



On top of that, they have to be able to know what to offer and when, often based on reading the situation and the people involved. So, selling includes many other business disciplines applied in a new and different way... every day, in every sales interaction. Anyone who has ever sold knows that no two sales calls are alike, no matter how similar the circumstances.

Salespeople often have a broader, deeper and clearer perspective about the customer's company (and their own as well!) than anyone at that company does. Being on the customer/supplier boundary, salespeople develop a unique understanding of financial realities, operational capabilities and difficulties, technical know-how, and more.

In the buyer's mind, a salesperson's value is directly tied to how well he or she can serve the buying— informing— process. That takes knowledge.

### **Activity, Results, Behavior and Performance**

"Activity" include accounts visited, presentations delivered, telephone calls made, and so on; they are what a salesperson does all day. "Results" are what a salesperson accomplishes, i.e., moving the buyer to the next step in the buying process. Measuring results is much more useful than measuring activity, but there is a crucial missing ingredient, something that Enron, WorldCom and others have proved essential: the behavior of the people in achieving their results. In the absence of rules, guidelines or a code of conduct, people will do whatever they personally deem appropriate to achieve the required results; after all, that is what their employer is paying them to do. As a result, the organization is vulnerable to the individual ethical standards of their personnel.

For example, requiring a salesperson to "cold call" a certain number of prospects per week (an activity) will generate new contacts, but not necessarily meaningful ones. Requiring a salesperson to close a certain number of sales per week (a result) will generate signed purchased orders, but what if the product or service cannot be delivered as promised? In other words, management must also define the expected behaviors to be used in achieving the results. One without the other is a dangerously incomplete equation. Thus:

$$\text{Performance} = \text{Results} + \text{Behaviors}$$

The challenge is that "behavior" is often subjective and difficult to specify and quantify. In fact, it may be impossible, immoral, or even illegal to codify behavior. The answer lies in leadership and corporate culture; it is management's responsibility to create a code of acceptable behavior within which work is performed and results are achieved.

Southwest Airlines is arguably the most successful U.S.-based airline of the past two decades. It is the airline's performance for its customers, not just its financial results, that has dazzled Wall Street analysts and travelers alike. Herb Kelleher, CEO for most of the airline's history, was adamant about how Southwest's people behaved. He instituted an employment philosophy of "hire for attitude, train for performance."

FedEx treats their route drivers as part of their company's marketing team and expects them to behave accordingly, in contrast to UPS's view (since changed) that drivers were part of their operations team. The former values performance (results plus behavior), while the latter values the number of deliveries per day (activity).

## **Final Thoughts**

In the short term, "selling something" is easy compared to selling the right thing to the right customer. Professional salespeople know and value the difference. Good salespeople are easy to identify: their customers would follow them if they change employers, because good salespeople only sell products and services that meet their customers' needs.

Sales management has a critical role in setting a context for salespeople to be as successful as possible. By combining accurate, appropriate compensation plans with strong, hands-on management, salespeople understand the objectives and ground rules that should guide their decisions and actions. That, in turn, builds a sustainable market position that commands attention and respect, an asset that all companies value.

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