



The Baron
Group, Inc.

**"Let's Talk
Selling"**

About this Issue...

Dear Friends:

As complicated as some of us try to make the sales process, when push comes to shove, it is all about the relationship. People buy from people they like. They buy from people they respect as business colleagues. They buy from people they believe. And they buy from people they trust.

Of course, there are many reasons why buyers buy. But we can never underestimate the importance of the relationship. It does drive everything. If they don't like, respect, and trust you, they will figure out a way *not* to do business with you.

So with that in mind, we would like to remind you about why buyers buy and review the behaviors they demand from their salespeople. And then we will tell you one of our favorite stories from my book, *Selling is a Team Sport*. It's about a guy named "Charlie Joslin," and it illustrates just how likeable someone can be.

Call us if you'd like to discuss this issue or request more about another subject of interest. And thanks for those kind emails-- keep 'em coming!

Eric R. Baron

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& Fred Lamparter

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Why Buyers Buy

There have been a gazillion studies done about why buyers buy. It varies from business to business. How people buy for their businesses can vary significantly from how they buy for themselves. Different variables enter the equation as the cost increases; for example, the state of the economy greatly affects buyer behavior. So ten surveys will probably reach ten different conclusions.

Yet as you investigate this and observe some of the solid research that has been done, certain themes become clear. And what really hits home are the behaviors customers consistently demand from the salespeople who call on them.

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Why Buyers Buy (cont'd)

Here are the behaviors customers expect from their salespeople:

- ◆ **Credibility**
- ◆ **Empathy**
- ◆ **Sensitivity**
- ◆ **Trustworthiness**

To make it easy to remember, we call this **CREST**.

Credibility-- Sure, buyers want you to know your products cold. And they also want you to know their business and industry-- the trends, the tendencies, and the warnings in the marketplace. In short, they want you to know your stuff. That's why doing your homework, staying current, asking thoughtful questions, demonstrating awareness of needs, presenting effectively, following through, offering ideas and demonstrating confidence are among the ways to answer the credibility question.

Empathy-- Your customer wants you to see things from his or her perspective. You are expected to find things in common and to connect. And far and away most important, they want to believe that you truly understand their situation. If you are a good listener, and know how to demonstrate your understanding of their needs, you will come across as empathetic. Other ways to answer the important empathy question include also showing interest in things of interest to your customer, acknowledging their concerns and worries, and in general trying to understand what makes them tick.

Sensitivity-- The sensitivity question is the least tangible. Buyers need it, but even have difficulty defining it themselves. It's what you say or don't say, do or don't do to keep them comfortable. It's about how you ask questions, knowing how personal to get, realizing when it's time to go, sensing when people are uneasy, and in general, being tuned in. It's something you naturally have, and you need to use it consciously. Trust your instincts; you will be right a lot more than you are wrong.

Trust-- This is the real challenge. Here's the highly regarded trust formula from Synectics® Inc.:

$$\text{Trust} = \frac{(\text{Credibility}) (\text{Intimacy})}{\text{Risk}}$$

It's elegant in its simplicity. Trust comes from a combination of Credibility and Intimacy, which refers to things like empathy, sensitivity and likability. Together, they generate trust.

But *risk is the culprit*. More risk equals less trust. So your challenge is to minimize your customer's perceived risk in doing business with you; lowering the risk increases trust. Examples of reducing risk: show your experience in similar situations, offer testimonials, acknowledge the downside extremes, start small, share the risk, offer fallback plans, be visible, etc. Lower the denominator and raise the numerator to maximize trust.

So there they are: the **CREST** behaviors buyers want from their salespeople. You know very well that your job is to think about how you can demonstrate these behaviors before, during and after any interaction with a customer.



Applying CREST Principles

I was lucky to learn the value of CREST early in my career, when I was selling for Union Carbide. A large customer had warping problems when using our product in an injection molding process. They were very upset about the poor quality and reject rate of the plastic lids they produced. So I visited their facility with Charlie Joslin, a technical expert in our molding and extrusion group.

When we arrived, the purchasing manager brought us immediately to the faulty machine; the plant manager, quality control manager, molding supervisor, and a machine operator were all there, stymied. The fact that the machine was old and that the factory was in many ways obsolete didn't matter. Our customers expected us to get the process back on track quickly, or 'we'd be history.'

Charlie walked around the machine, investigating every pipe, dial, valve, electrical component, and piece of mechanical equipment. Then he said, "Well, let's get to work," and I could tell we'd be there for a while. Charlie really worked over that machine, experimenting with different settings, twisting every valve, changing the pressure, raising and lowering the temperature; you get the idea. Three hours later, he had diagnosed the problem. He explained that he had changed a few settings on one of the water feeds. Sure enough, lid after lid now came out of the mold like perfect cookies.

The customer was pleased. As we left, Charlie remarked that those darn temperature readings can be misleading and even suggested that we should have warned the customer of this possibility. He gave them the ranges for each setting for their own future use and promised a full report to follow.

In the car, I thanked Charlie for his efforts and for time well spent. Then he dropped the bomb, confiding that he had identified the problem in the first eight minutes at the plant! As he had approached the machine, he noted that a key pipe leading to the mold was ice cold, when it should have been 70 degrees. All he had to do was increase the temperature and the problem was solved.

If it had been me, I guarantee you that I would have fixed it immediately, shown how smart I (thought I) was, and what great value I was to the customer (and also gotten an earlier flight home).

But Charlie Joslin knew better. Yes, solving the problem right away would have made him look good, but the molding supervisor would have looked incompetent. Charlie's way was far better for the business relationship. "We were there and the time was already allocated, so why not use all the time and avoid embarrassing the plant people?" When I replied that this seemed like a charade, he patted my shoulder and said, "Son, sometimes saving people's dignity is worth a bit of a charade." He didn't mention that in choosing this route, he also endeared himself, and us, to the customer.

Instinctively, Charlie had addressed all three terms in the trust equation. He demonstrated his credibility by working expertly on the machine and solving the problem. Acting selflessly and humbly, he was likable and personable, thus addressing the intimacy question. And by assuming ownership of the problem, and taking all the time he did, he minimized the risk for all his customers. And it's clear that his behavior also demonstrated the key CREST ideas of empathy and sensitivity. In short, he fulfilled all of the key needs that his customers had. It's a great model for all salespeople.



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Who We Are:

The Baron Group is a consulting firm that researches and teaches the skills involved in the sales process, the sales management process and problem solving. Our primary focus is on the role of the salesperson as a problem solving resource to his or her customers. The salesperson who can help his or her customers solve their business problems by combining industry and product knowledge with proven problem solving skills will clearly become a valued-added resource to the customer.

We develop programs customized to your needs-- creating a uniquely effective sales process for your organization. We then provide the required training for your salespeople, sales managers and colleagues.

The Baron Group and the Graduate School of Business, Columbia University-- Eric Baron teaches *Consultative Selling Skills, Coaching Skills* and *Sales Action Planning* as part of Columbia Business School's one-week "Sales Management Program." It is offered in June and November at historic Arden House in Harriman, New York. For the past three years, Columbia Executive Education Programs have been ranked #1 worldwide by the Financial Times of London. For more information, contact Liz Schultz at: Columbia Executive Education, 212-854-7613

◆ OPEN REGISTRATION PROGRAMS IN 2002 ◆

The Baron Group offers an Open Registration Program in *Consultative Selling Skills* to individual participants on a first come, first served basis. The diversity of the companies and industries represented in these programs greatly broadens perspectives gained in the learning situation.

We define **Consultative Selling** as the ability to work with clients and prospects to solve their business problems. True consultative salespeople understand how to *transform a sales call into a problem solving opportunity*. They know **how to listen** for ideas, for perspectives and for client needs during the salesperson/client dialogue. They understand the value of **offering solutions**, not just products and services. And they know how to **manage the resistance** they'll inevitably encounter when presenting ideas. This program teaches sales people all these "consultative" skills. Our facilitative, highly interactive training approach uses live videotaping extensively in extremely **realistic simulated "sales call" role-play exercises**.

Six 2-day programs are offered in 2002:

January 10-11 ◆ March 21-22 ◆ May 30 - 31 ◆ July 25-26 ◆ October 23 - 24 ◆ December 5-6

For more information, fill out the form below and fax this page to: 203-221-8411, or email us at: info@barongroup.com

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Consultative Selling **Needs Driven Selling** **Problem Solving Selling**

Innovative Team Selling **Sales Action Planning** **Coaching** **Negotiation**