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SALES CURRENCY MATTERS MORE THAN EVER BEFORE

By Leanne Hoagland-Smith, M.S.

“Recommendations are the sales currency of the future.” This statement was made in a sales presentation by Nikolaus Kimla, CEO of Pipeliner CRM.

As I pondered Kimla's words, I wondered how many SMB owners, C-suite executives, or salespeople know what their sales currency value currently is, where it is stored, or who is handling it.

The two simple words *sales* and *currency* have such deep meanings. I fervently believe in Zig Ziglar's definition, “Sales is the transference of feelings.” Sales is always dependent on people buying from other people they know and trust.

Selling or sales is simple, though not necessarily easy, as some sales statistics suggest. For instance, Scripted reports that 44 percent of salespeople give up after one follow

up, and SiriusDecisions notes that the average salesperson makes only two attempts to reach a prospect.

The sales buzz talk today and for the last year has been around the concept of social selling. My sense is that social selling has become the easy way to fool salespeople into believing that they are transferring feelings through this marketing channel. The truth of the matter is that they are not selling.

Social selling confuses salespeople into thinking all their motion is actual progress. This leads them to confuse activity with results. No wonder so many salespeople—from 25 to 80 percent—fail to meet quota. Think about all those wasted dollars that have never been recovered from all those greeting and meeting appointments.

Other sales buzz talk claims that cold calling is dead. The murderers of

cold calling are social selling, social marketing, and content marketing. The truth is that when salespeople have a simple yet emotionally compelling message and know exactly their ideal customer and target audience, cold calling works. There are ways to warm up a cold call such as sending an ideal, intended customer a series of different and relevant articles over the course of several weeks. This action warms up the cold call.

Building lists and reaching people through email is another strategy to warm up a cold call. Sales research still confirms that email is still the best way to reach sales leads.

Great salespeople will always be needed. No one is going to buy an F-15 through Amazon or a CRM system through eBay because people buy from people they know and trust.

Also, great salespeople provide technical expertise directly or indirectly through subject matter

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experts. More importantly, great salespeople know how to hold the hands of their customers as they walk through the various aspects within the completed sale.

Currency also has a much deeper meaning than just dollars and cents. This word, currency, comes from the Latin word *currere* meaning “to run” and the “condition of flowing.” In 1699, John Locke extended this term of currency to the “circulation of money.”

French writer Marcel Proust alluded to the condition of flowing in his work by these words: “The true voyage of discovery is not seeking new landscapes but seeing with new eyes.” When we see currency with new eyes beyond dollars and cents, we have a different perspective, especially when it comes to sales.

Sales currency begins with the social history of your business and the business of your prospects or sales leads. The social history as related to a business is potentially a new term to some. These two words describe how the relationship between the buyer and seller began.

Social history is more complex than an organizational chart. This is where having an integrated customer relationship management (CRM) system may support the ability to capture all this information. I do not know of any specific system that clearly identifies and tracks social history through a specific report, but I believe a few CRMs are looking to include social history into their database.

For instance, LinkedIn provides some help in identifying social history. Members can search who is connected with this or that company. However, with the recent purchase of LinkedIn by Microsoft, advanced

searches have been somewhat restricted to premium (paid) accounts. With a little perseverance and good research—yes, great salespeople know how to research—you can find quite a bit of social history.

Another advantage of LinkedIn with respect to social history and overall sales currency is that top sellers leverage their connections on LinkedIn to increase sales. A 2013 Sales & LinkedIn Survey conducted by Jill Konrath discovered top sellers were connected to over 50 percent of their customers through LinkedIn, and this was three times greater than others who took the survey. This fact suggests that the more you are connected to people within any organization through LinkedIn, there is an increased likelihood to increase sales.

For those involved in SMB, which is 97.7 percent of all U.S. businesses, social history is somewhat easier to document because it probably has surfaced somewhere within the sales culture of the organization. Of course, this does require potentially multiple meetings with different individuals who may not directly contribute to the buying decision process.

Second or third generation family-owned businesses probably have social historical stories about how this customer was earned or what created a relationship with a particular vendor. These stories are the beginning of the social history and should be documented.

With regards to sales currency, what is your condition of flowing when you look at your sales? Where is your sales currency coming from? What is limiting your sales currency? Who is responsible for your sales currency? Where is your sales currency stored?

For many in the SMB marketplace, sales currency is flowing from marketing efforts. Peter Drucker once said a business has two functions: marketing and innovation. Everything else is a cost.

Are you asking your internal customers, your employees, to be part of that flow? Are they making recommendations regarding your products or services? How about your external customers—are they also making recommendations? What is your process to capture those recommendations and testimonials about your solutions?

Did you know that according to Dale Carnegie, 91 percent of customers say they'd give referrals (think recommendations), but only 11 percent of salespeople ask for referrals? To receive recommendations may require you to have a process to capture them as well as a process

to give them. As the old and true expression goes, "It is better to give than to receive."

Possibly your sales currency has been limited through excessive turnover of staff, especially salespeople. At a past CEB (formerly the Corporate Executive Board) conference, a startling statistic arose: the average tenure of a sales manager was just 19 months. Salespeople are on the job for approximately the same amount of time, two years. This entire turnover negatively impacts sales currency.

Since people buy from people they know and trust, relationships take time to nurture and build. Additional research from Marketing Donut reveals 20 percent of all sales take more than 12 months to come to fruition. Factoring in the above turnover, no wonder there is so much "churn" in sales.

Probably the real value of recommendations as a sales currency is

revealed through sales referral research. *Journal of Marketing* reported the lifetime value of a referred customer is 16 percent higher than a non-referred customer, and a referred customer is 18 percent more loyal than a customer acquired through a different method. When it comes to actual dollars and cents, a referred customer outspends a non-referred customer by 13.2 percent.

Yes, indeed, recommendations are the sales currency of the future. It brings new meaning to the words from Capital One: "What's in your wallet? **N**

Leanne Hoagland-Smith is THE People and Process Problem Solver. As a thought leader who challenges the status quo, she earned the position of judge for the 1st 2015 North American Women in Sales Awards. Follow her on Twitter@CoachLee.