



HOME-BASED AND MICRO BUSINESSES
CASHING IN ON
BUSINESS OPPORTUNITIES

SELLING SECRETS

PREFACE

Goal: The goal of this lesson is to teach the would-be home-based or micro business owner or current owner how to develop or improve salesmanship skills. Sales, in any business, are key to the success of that business. This text is designed to be taught in a one-hour segment, unless role-play scenarios are included to enhance the application of technique.

Objectives: After studying this section on salesmanship, the participant will be able to:

- Define salesmanship and why it is important to the home-based business owner.
- Explain the value of relationships in selling.
- Differentiate retail and wholesale selling.
- Use a variety of communication techniques in selling.
- Recognize customer responses.
- Know the steps in closing a sale.

HANDOUTS

Handout 1 – Ten Commandments of Creating Sales

Handout 2 – Effective Salesmanship

Handout 3 – Selling Secrets

Handout 4 – Building a Relationship in Selling

ADDITIONAL RESOURCES

- Alessandr, A.T., Wexler, P., Barrera, R., & Alessandra, T. (1992). *Non-Manipulative Selling*. New York: Prentice Hall Press.
- Brabec, B. (1997). *Homemade Money* (5th ed.). Cincinnati, OH: Betterway Books.
- Evanson, D. R., Fisher, J., Griffin, C. E., Kanarek, L., Kennedy, D., McGarvey, R., & Weinstein, B. (1996, Mar.). 10 best ways to. *Entrepreneur Magazine*, 102-111.
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INSTRUCTIONAL MATERIALS

SELLING DRIVES THE BUSINESS

Selling is the backbone of any business. The success of your business is totally dependent on your ability to sell not only goods and services, but yourself as well. As possibly the only salesperson in the business, you make the business visible. You create the business image the customer sees; you are the salesperson. Whether you are selling products or services, you are the critical link between product and service. You become the expert that satisfies customer needs and wants.

SLIDE

3

Salesmanship is described as the ability to understand customer needs and wants. It requires being able to translate those needs and wants into a product or service that can be sold. Though the product or service from your business is important, your actions and attitudes with customers, as you learned earlier, create an image of the business in the customer's mind. These images distinguish your business from others. Selling is part of that image. Selling occurs as long as you are in contact with the customer—directly or indirectly.

Salesmanship is on the line continually in a home-based business. Family members who may be involved in the business in some way are also salespeople. Or you may have paid employees. How they treat customers is part of the selling process. Be certain they are trained in selling and customer service techniques because first impressions are important.

If you employ a sales person, be certain he or she is knowledgeable of what is being sold and has a commitment to making the sale. You must be concerned with not only what is being sold, but to whom, how many, needs of customers, where they are and how you will reach them. Today's entrepreneur should also be concerned with cultural differences in customers and selling situations.

Salesmanship is at the heart of your efforts to succeed. Many people owning a home-based business are in business because they love creating a product or providing a service. They believe people want their product or service because they are "good" or "creative." Small business owners generally dislike selling; they would prefer that customers simply want the product. However, owners as well as employees should know the steps in the selling process and learn and practice those skills.

SLIDE HANDOUT

1
2

WHO ARE SUCCESSFUL SALES PEOPLE?

Some of the same characteristics that describe successful entrepreneurs also describe good sales people: energetic, friendly, motivated, persistent, knowledgeable of product, good communicators, and problem solvers. Some of the most essential qualities of successful sales people include:

- Expect positive results
- Believe in the business, product and one's self
- Quick thinking

SLIDE

4

- Effective manager of self and time
- Respectable appearance
- Able to handle rejection
- problem-solver
- Courageous (ask for the sale)
- Determined
- Good listener
- Self-starter

Personal and caring attitudes are effective tools in increasing the chance for successful selling.

With increasing competition for the consumer's dollar, home-based business owners should check personal attitudes that can affect their salesmanship. Paul and Sarah Edwards, authors of *Secrets of Self Employment*, state that having a serious business attitude is essential for being taken seriously as a home-based business. A marginal business attitude hampers the owner's ability to sell himself or herself as a really viable business. They cite five signals that indicate an owner may have a marginal business attitude:

- Working only when the owner wants to, if at all.
- Claiming lack of money as reason for not doing what needs to be done to make the business successful.
- De-valuing the products and services sold by charging too little.
- Disliking the challenge of sole ownership.
- Trying to be everything to everyone.

Take yourself and your business seriously. Remember that even the best product cannot make up for a poor business attitude.

RECOGNIZING SELLING SITUATIONS

Where and how do you sell what you produce or provide? There are two types of selling situations—direct and indirect selling. Which type you are in depends on whether the business sells directly to consumers or to other businesses.

Direct selling is known as personal selling. It is used in retail businesses where you sell directly to consumers. Indirect selling is conducted in wholesale situations and involves an impersonal approach. You are selling to a business that will re-sell the product directly to the consumer. Regardless of the type of product or service you are selling, your aim is to generate enough sales to stay in business and make a profit. Perhaps you just love what you're doing; however, you must also close sales to cover your costs to maintain a business. Do not be shy or embarrassed about searching for or creating situations to sell your product.

BUILD SALES RELATIONSHIPS

Relationships with customers play a critical role in successful salesmanship. Ruth and Wysoki suggest the relationship between customer and owner should be the focus of business

5

SLIDE

6

SLIDE

7

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SELLING SECRETS

rather than the sales. To build customer relations and the potential for sales, ask questions, observe customers, and respond to their wants and needs. The skilled salesperson listens to the meaning of what people are saying and is alert to cues that signal the chance to close a sale. Take a keen interest in your customer to build trust.

A relaxed communication style in sales can create a welcoming image in the mind of a prospective buyer. This style establishes credibility, conveys competence and instills a sense of trustworthiness. Though communication style cannot predict sales success, it can contribute to a positive relationship with the customer and greater potential for sales. Good business communication brings in customers by communicating a favorable and accurate image of your business. The home-based business owner must be prepared to do more than produce a product or service. They must believe in their product or service and be willing to convince potential customers to do the same.

According to Ken Blanchard, co-author of *Raving Fans*, it is necessary to go a step beyond your competitors by “taking care of your customers to the point they become raving fans and want to brag about you.” Salesmanship is more than closing the final sale; it is everything you do on behalf of the business, including opportunities to network with potential clients, competitors, vendors, and resources for your business.

Selling is everything you do on behalf of the business.

NETWORKING EQUALS CONTACTS/POTENTIAL SALES

Accessing customers for the home-based business owner is critical to create contacts with people who know others. This technique is called networking and involves salesmanship skills in communicating with others about your business. Without it, the home-based business remains invisible. Networking creates potential leads that can develop into sales. Creating prospective contacts and potential sales requires the effective salesperson (home-based business owner) be knowledgeable of local events and news, talk with existing customers, follow up on former customers, read newspapers and trade journals as well as related publications. Home-based business sales people should follow up on leads, ask questions, and get referrals as a regular part of networking.

Networking extends your contacts to locate services that can help you in your business or initiate the interest of contacts that do not know about your products and services. Two types of networks can improve your salesmanship abilities. The first is formal networks where people from trade or professional associations with similar business interests come together. One example is the local Chamber of Commerce. This type of association allows you to establish your credibility in the business community. The second type of networking is informal networks that involve other people with other businesses, such as owners, sales people, and even competitors.

Effective networking, like good salesmanship, demands the person be professional. Good business communication brings in customers and saves you time and money because you are communicating a favorable and accurate image of your business. Networking means you

SLIDE HANDOUT

4

8

SLIDE

9

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10

SLIDE

11

must be prepared by knowing as much as you can about the groups you network with and how you can answer questions about your business.

BUILD YOUR SELLING SKILLS

Selling requires several skills that can be learned. Sources indicate the first step in developing salesmanship skills is to get organized. Know your customer, your product, the value of that product for the customer, your competitors, and your own resources. Have a clear idea of what you sell. Know why your product would be valuable to a customer. Another key selling skill involves anticipating selling situations before actually encountering them. Talking to other owners about their experiences, networking with a variety of businesses, and anticipating what to expect and how you will react can build selling. Practice on a spouse or friend. These selling skills can be learned. Know what to expect, whether the encounter is face to face or phone to phone. Selling requires the person to be adaptable to a variety of situations, making the most of opportune times to encourage customer loyalty and increase sales volume. Flexibility is an important characteristic in adaptive selling. In dealing with a variety of cultural groups, effective sales people adjust to different cultural norms, including negotiation and communication styles. It is advisable to learn as much as you can about other cultures. It can also be valuable to study different temperaments and be aware of how people respond to different situations. Also, it is important to always be on the lookout for new sales. Always have a sales plan and continuously look for new customers or ways to keep current customers satisfied. The best time for selling is when you are already meeting the financial needs of your business.

12

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STEPS IN CLOSING A SALE

Salesmanship implies you make sales and earn profit. A poorly handled transaction can destroy sales. Customers remember negative transactions and uneasy sales people. Though you may be uncomfortable selling, you can sell regardless of your personality. Skills of selling can be learned.

There are seven steps to the selling process: prospecting, preparing, approaching, presentation, dealing with objections, closing the sale, and follow-up.

1. Prospecting is the step of developing lists of customers. These are generated from contacts, direct efforts of advertising, or through networking to meet potential customers.
2. Preparation is the attempt to gain as much information about potential customers as possible.
3. The sales approach is the initial opportunity to make a positive impression. Relationships often begin with this stage.
4. Sales presentation is intended to hold the attention of the customer. It should be a persuasive presentation on the benefits of the product or service. Every attempt should be made to maintain focus on the customer, involving the customer and conveying enthusiasm

13

SLIDE

SLIDE

14

for the business and the product. A good sales presentation will enable a customer to identify with your product.

5. Dealing with objections or rejection is often difficult for the novice salesperson. Be prepared to analyze customer objections. Objections tend to fall into five categories: no need, no hurry to buy, no trust, no money to buy, and no desire to buy. Anticipate your reaction to those objections; role-play how to respond to customers. Maintaining composure and anticipating objections without raising them is desirable. Other techniques for overcoming objections include asking the customer questions, giving the customer confidence that his interest is well directed, or directing the customer to other features or benefits that may be more appealing. Experts in sales training indicate it takes three questions to get customers to get to the real (and usually emotional) reason for considering a purchase.

No need may mean you have not offered the potential customer a reason to buy from you. It's up to you to create that need. If the customer indicates he is in no hurry to buy the product, then it is up to you to provide an incentive to make the purchase. It may be a matter of providing an extra service that makes the product more valuable.

Customers who state they just don't have any money right now may actually not be willing to spend as much money as you are asking. Consider different payment methods or ways to add value to your product.

When you are selling a product or service through the mail, the Web, or other remote method, the customer needs to know that you and your product are to be trusted. You may need to provide some evidence, such as references from other pleased customers, your resume, or samples of your product or service.

The final objection, no desire, is difficult to overcome. You may have to listen more carefully to learn of other objections, offer other alternatives, or ask more questions. If that customer truly has no desire to purchase, then ask for referrals to other potential customers.

SLIDE

15

6. Closing the sale can occur any time during the objection phase. Make positive suggestions; assume the sale is complete. Offer an incentive to make the purchase. Summarize benefits that appeal to the customer, remembering the emotional motivation. Stress your desire for the customer to be satisfied. Finally, do not overlook asking the customer for an order.

Many sales have been lost by the inexperienced owner because he talks too much. There comes a time in selling that you just have to quit talking. Recognition of that time arrives when the customer himself indicates he is ready to close the deal, either verbally or non-verbally. Some of these situations present themselves in clear messages: the person takes out a credit card or checkbook, or actually states, "I'll take it." If the cues are less clear, ask for the sale. Sum up the benefits and features of your product or service. The salesperson must be an astute listener and analyst and be prepared to offer alternative solutions to negative selling situations.

The most overlooked part of salesmanship is that the salesperson forgets the “ask.” It does not matter how well you learn the client or how well you can overcome the objections. If you do not ask for the sale, it probably will not happen.

Just remember that salesmanship is more than just making one sale. The home and micro business, like any business, depends on regular sales, typically to ongoing customers, to stay in business. Therefore, it is important to spend time getting to know the customer, his or her needs, and how you can be an important element in the business.

Good salesmanship requires knowledge of one’s self, knowledge of the product and service being sold, and knowledge of customers. Salesmanship demands attention to relationships, planning to maximize networking opportunities, and communicating so others can understand you.

7. Lastly, do not forget to follow up with the customer after a sale is made.

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GLOSSARY

- Customer.** The person who purchases the products and services of a business.
- Marginal business attitude.** Attitudes that impair the ability of an owner to create a viable business.
- I2-9 Networking.** Communicating with people in a variety of social and professional situations.
- Relationship marketing.** The idea that the relationship with the customer endures longer than the sale of the product or service.
- Retail.** Selling directly to the end-user of the product or service, the consumer.
- Salesmanship.** The ability to understand customer needs and wants and translate those needs and wants into a product or service that can be sold.
- Selling situations.** Retail or wholesale situations in which goods or services are exchanged for money.
- Serious business attitude.** Attitudes that encourage an owner to create a viable business.
- Wholesale.** Selling to a company that will, in turn, sell the product or service to the ultimate user, the consumer.

ROLE-PLAYING EXERCISES

Objective: learning to overcome objections

Roles:

One home-based business owner/or micro business owner

Customer

1. **Situation:** looking at the home-based business owner's product or service portfolio.

What would you say to the person if he indicated he was unsure if the product/service was what he wanted?

Possible solutions:

- Service/product with other characteristics
- Different delivery/service terms
- More customized needs

2. **Situation:** Owner is at a wholesale or retail trade show. A customer is looking at the product at a wholesale or retail trade show.

How would you approach the customer? What would you say to, "I'm just looking"?

Role play your responses to:

- I really don't need this. (no need)
- I'm not in a hurry to buy this. (no hurry)
- I don't know yet. (no trust)
- I don't have any money right now. (no money)
- I really don't want that. (no desire)

Role play closing the sale (refer to Slide 13).

Create statements that suggest, offer, summarize, approve, and ask.

Prepared by Pamela J. Brown, Assistant Professor and Extension Specialist, Texas A&M University Systems, College Station, TX, Aug. 1997.

HANDOUT 1

TEN COMMANDMENTS OF CREATING SALES

1. A CUSTOMER ... IS THE MOST IMPORTANT PERSON IN ANY BUSINESS
2. A CUSTOMER... DOES NOT DEPEND ON THE BUSINESS; THE BUSINESS DEPENDS ON THE CUSTOMER
3. A CUSTOMER... IS NOT AN INTERRUPTION TO WORK; HE IS THE PURPOSE OF IT.
4. A CUSTOMER... IS PART OF THE BUSINESS, NOT AN OUTSIDER.
5. A CUSTOMER... DOES THE BUSINESS A FAVOR WHEN HE CALLS. THE BUSINESS IS NOT DOING HIM A FAVOR BY BEING THERE.
6. A CUSTOMER... IS A REAL PERSON WITH FEELINGS VERY MUCH LIKE MY OWN.
7. A CUSTOMER... DOES NOT WANT TO ARGUE OR MATCH WITS WITH ME.
8. A CUSTOMER... IS A PERSON WHO BRINGS HIS WANTS—IT IS THE JOB OF THE BUSINESS TO FILL THEM.
9. A CUSTOMER... DESERVES THE BEST AND MOST COURTEOUS SERVICE THE BUSINESS CAN GIVE.
10. A CUSTOMER... IS THE ONE WHO MAKES IT POSSIBLE FOR THE BUSINESS TO EXIST.

Adapted by Pamela J. Brown, Assistant Professor and Extension Specialist, Texas A&M University Systems from materials developed by Dennis O. Fisher, Professor and Extension Economist, Texas A&M University Systems, College Station, TX, Aug. 1997.

HANDOUT 2

EFFECTIVE SALESMANSHIP

Be aware of your attitude - make it positive.

Avoid these negative attitudes - They leave lasting impressions on the customer:

- Working only when you want to.
- Failing to **BE THERE** for the customer.
- Not servicing the customer.
- Undercharging for your services.
- Avoiding challenges.
- Trying to be all things to all people .

Communicate clearly about the purpose and image of your business.

- Know your strengths and weaknesses.
- Be willing to learn.
- Network with other business people and potential customers.
- Be adaptable to a variety of customers and situations.
- Relax while talking to customers.
- Listen with your mind and body.
- Make eye contact.
- Be friendly and keep it simple.
- Watch your customers' mannerisms.

Create trust with customers to develop long-term relationships that involve more than one sale.

Sell the value of your product or service rather than the product/service itself.
Anticipate selling situations.

Prepare yourself for possible customer responses.

Developed by Pamela J. Brown, Assistant Professor and Extension Specialist, Texas A&M University Systems, College Station, Texas, Aug. 1997.

HANDOUT 3

SELLING SECRETS

- Be completely familiar with the product/service.
- Have a strong desire to sell.
- Be neat and well groomed.
- Be familiar with customers' needs and wants.
- Show enthusiasm, energy, imagination, and initiative.
- Listen to customers; show interest.
- Practice role playing to anticipate situations.
- Ask your customer questions, and listen to the answers.

Developed by Pamela J. Brown, Assistant Professor and Extension Specialist, Texas A&M University Systems, College Station, TX, Aug. 1997.

HANDOUT 4

BUILDING A RELATIONSHIP IN SELLING

Six principles of non-manipulative selling:

PROFESSIONALISM

YOU'RE KNOWN BY THE WAY YOU HANDLE YOUR BUSINESS.

SHARED GOALS

THE DESIRE TO DO BUSINESS IS STRONGER THAN THE DETAILS.

TRUST

BUILD RELATIONSHIPS THAT ARE OPEN/HONEST.

UNDERSTANDING

LISTEN AND LEARN FIRST.

APPRECIATION

CUSTOMERS NEED AFFIRMATION AND ACCEPTANCE, NOT JUST THE PRODUCT.

PARTNERING

SOLVE PROBLEMS WITH THE CUSTOMER, NOT FOR THE CUSTOMER.