

Chapter 2

EVOLUTION OF SELLING MODELS THAT COMPLEMENT THE MARKETING CONCEPT

Chapter 2, in response to the developments associated with the information economy, presents the evolution of contemporary selling models that complement the marketing concept. Chapter 2 also introduces the major themes that connect all of the chapters.

EXTENDED PRESENTATION OUTLINE

Personal selling is an important force in maintaining the economic vitality of a nation. Many productive salespeople are using the strategic consultative-selling approach to determine and fulfill consumers' product and service needs.

As part of the Reality Selling Today Video Series, this chapter features Marcus Smith from Liberty Mutual, selling financial services.

I. Marketing Concept Requires New Selling Models

A. Evolution of the marketing concept.

1. Sweeping change in personal-selling models, from peddling to long-term consultative problem solving and value-added partnering, was prompted by the emergence of the marketing concept.
2. The **marketing concept** is a principle that holds that achieving organizational goals depends on knowing the needs and wants of target markets and delivering the desired products.
3. The foundation for the marketing concept is a business philosophy that leaves no doubt in the mind of every employee that customer satisfaction is of primary importance.
4. The era of marketing and the age of information began in the 1950s (discuss Table 2.1).
5. The foundation for the marketing concept is a business philosophy that leaves no doubt in the mind of every employee that customer satisfaction is of primary importance.

B. Marketing concept yields marketing mix.

1. The combination of elements making up a program based on the marketing concept is known as the **marketing mix** (Figure 2.1).
2. The marketing mix is a set of controllable, tactical marketing tools that consists of everything the firm can do to influence the demand for its product.
3. Elements of the marketing mix:
 - a. Product
 - b. Promotion
 - c. Place

- d. Price
- 4. Promotion—can be further subdivided into:
 - a. Advertising
 - b. Public relations
 - c. Sales promotion
 - d. Personal selling
- C. Important role of personal selling.
 1. Personal selling is often the major promotional method used in—whether measured by people employed, by total expenditures, or by expenses as a percentage of sales.
 2. Firms make investments in personal selling in response to several major trends:
 - a. Products and services are becoming increasingly sophisticated and complex.
 - b. Competition has greatly increased in most product areas.
 - c. Demand for quality, value, and service by customers has sharply risen.
 3. Since beginning of information age, personal selling has evolved through three distinct developmental periods:
 - a. Consultative-selling era
 - b. Strategic-selling era
 - c. Partnering era

II. Evolution of Consultative Selling

- A. **Consultative selling** emerged in the late 1960s and early 1970s (see Table 2.1) and is an extension of the marketing concept.
- B. **Transactional selling** is the sale process that serves the buyer primarily interested in price and convenience.
 1. The transaction-based buyer tends to focus primarily on low price; some marketers are adopting lower-cost selling channels.
 2. Transactional selling usually used by marketers who do not see the need to spend very much time on:
 - a. Customer need assessment
 - b. Problem solving
 - c. Relationship building
 - d. Sales follow-up.
- C. Major features of consultative selling:
 1. The customer is seen as a person to be served, not a prospect to be sold.
 2. The salesperson doesn't use a high-pressure sales presentation; two-way communication identifies (diagnoses) customer's needs.
 3. Consultative selling emphasizes need identification, problem solving, and negotiation rather than manipulation.
 4. Consultative selling emphasizes service at every phase of the personal selling process.
- D. Consultative selling practices are not easily mastered
 1. Requires an understanding of concepts and principles borrowed from the fields of psychology, communications, and sociology.

III. Evolution of Strategic Selling

- A. Strategic selling began receiving considerable attention during the 1980s (see Table 2.1).
- B. During the 1980s we witnessed the beginning of several trends that resulted in a more complex selling environment.
- C. **Strategic planning** is the managerial process that matches the firm's resources to its market opportunities.
 - 1. It takes into consideration the various functional areas of business that must be coordinated.
 - 2. Areas include financial assets, workforce, production capabilities, and marketing.
 - 3. Strategic plan should be a guide for a strategic-selling plan.
- D. The strategic market plan is often the guide for a strategic selling plan.
 - 1. **Tactics** are techniques, practices, or methods you use when you are face-to-face with a customer.
 - 2. A **strategy** is a prerequisite to tactical success. If you develop the correct strategies, you are more likely to make your sales presentation to the right person, at the right time, and in a manner most likely to achieve positive results.
 - 3. A selling strategy is a carefully conceived plan that is needed to accomplish a sales objective.
 - 4. Strategic planning: an important element of the "problem-solver stage."
 - 5. Strategic planning sets the stage for a valued-added form of consultative selling that is more structured, more focused, and more efficient.
 - 6. Adaptive selling is another key element of the "problem-solver stage."
 - a. Defined as altering sales behaviors during a customer interaction in order to improve communication.
 - b. Relates to a salesperson's ability to collect information regarding the customer's needs and responding appropriately
 - c. Adaptive selling frequently requires complex behavioral adjustments.
- E. Strategic/Consultative-Selling Model.
 - 1. The model is divided into five steps. Each step is based on three prescriptions:
 - a. **Relationship strategy**: A well thought-out plan for establishing, building, and maintaining quality relationships.
 - 1) Must encompass every aspect of selling from the first contact with a prospect to servicing the sale once this prospect becomes an established customer.
 - 2) Integral dimension of **relationship selling**.
 - 3) Relationship selling is a form of personal selling that involves securing, developing, and maintaining long-term relationships with customers
 - b. **Product strategy**: A plan that helps salespeople make correct decisions regarding the selection and positioning of products to meet identified customer needs.
 - 1) The three prescriptions for the product strategy are (1) become a product expert, (2) sell benefits, and (3) configure value-added solutions.
 - 2) Development of a product strategy begins with a thorough study of one's product (see Figure 2.3) using a feature-benefit analysis approach.
 - 3) Development of a product strategy often requires thoughtful decision making

- c. **Customer strategy:** A carefully conceived plan that will result in maximum responsiveness to the customer's needs. It involves the collection and analysis of specific information on each customer.
 - 1) Customers have become increasingly sophisticated in their buying strategies.
 - 2) Customers expect value-added products and services and long-term commitments.
 - 3) When developing a customer strategy, the salesperson should:
 - i. Develop an understanding of the customer's buying process
 - ii. Understand buyer behavior
 - iii. Develop a prospect base.
- d. **Presentation strategy:** A well-developed plan that includes preparation of the sales presentation objectives, understanding the buying process, and renewing one's commitment to provide outstanding customer service.
 - 1) Presale presentation plans give salespeople the opportunity to consider those activities that take place during the sales presentation.
 - 2) Presale planning ensures that salespeople are well organized during the sales presentation and prepared to offer outstanding service.
- 2. Interrelationship of basic strategies—the relationship, product, and customer strategies all influence development of the presentation strategy.

IV. Evolution of Partnering

- A. The partnering concept emerged in the early 1990s (see Table 2.1) and in 2000s became a business reality.
- B. Partnering has been driven by several economic forces.
 - 1. Demise of the product solution in several industries.
 - 2. Partnerships grow out of the need for customized products or services.
 - 3. Today's customer wants a quality product *and* a quality relationship.
 - 4. Even small increases in customer retention can result in major increases in profits.
- C. **Partnering** is a strategically developed, long-term relationship that solves the customer's problems.
- D. Today's customer wants a quality product and a quality relationship. Partnering requires that salespeople continuously search for ways to add value to their selling relationships.
- E. Partnering is the key to building repeat business and referrals.
Note: The partnering concept is covered in more detail in Chapter 3.
- F. Strategic Alliances – The Highest Form of Partnering.
 - 1. The goal of strategic alliances is to achieve a marketplace advantage by teaming up with another company.
 - 2. Strategic account management is usually led by a **Strategic Account Manager, (SAM)**.
 - a. Execute an enterprise-wide sales strategy for growth, profitability, customer loyalty, and customer-driven innovation.
 - b. Key element of strategic account management is involving senior level management on the sales and buying teams in relationship development, product configuration, and service after the sale.

- c. Technical sales-support personnel are also an important part of the strategic account management team.
- 3. Other strategic account management roles and titles are:
 - a. **Regional Account Manager (RAM)**: part of a larger sales team and acts as the direct client contact and manager of a number of business accounts.
 - b. **Key Account Manager (KAM)**: responsible for the coordination and management of a company's prioritized accounts.
 - c. **National Account Manager (NAM)**: responsible for recruiting and negotiating various business transactions and sign on new regional and national retailers.
 - d. **Global Account Manager (GAM)**: key account manager specialized on a specific product portfolio not on a given customer or geography.
- 4. Partnering is enhanced with high ethical standards.
- 5. Partnering is enhanced with **customer relationship management (CRM)**.
 - a. Sometimes referred to as "sales automation"
 - b. System used for building and maintaining strong customer relationships while adding customer value.

V. Value Creation – The New Selling Imperative

- A. The **information economy** will reward salespeople who can create value at every step of the sales process.
- B. Traditional selling has too often emphasized communicating value that lies in the product rather than creating value for the customer.
- C. Creating and delivering customer value model:
 - 1. Understanding customer's value needs.
 - 2. Creating the value proposition.
 - 3. Communicating the value proposition.
 - 4. Delivering the value proposition.

END-OF-CHAPTER ACTIVITIES

Included in this section are answers to selected end-of-chapter exercises. Answers are provided for all review questions, application exercises, and case problems. Also, a brief description of each role-play is provided.

Not included in this section are answers to the Regional Accounts Management Case Study. The answers are found in the Instructor's Manual for Appendix 2: Answers to the Regional Accounts Management Case Study.

Also not included in this section are answers to exercises related to Appendix 3: "Partnership Selling: A Role-Play/Simulation." Answers, forms, and instructions related to Appendix 3 will be found in Instructor's Manual for Appendix 3 and the Instructor's Manual titled Traditional Role Play Exercises and Forms.

Key Terms

Marketing concept, p. 31: The *marketing concept* is the belief that a firm should dedicate all its policies, planning, and operations to the satisfaction of the customer.

Marketing mix, p. 32: The *marketing mix* is a set of controllable, tactical marketing tools that consists of everything the firm can do to influence the demand for its product. The many possibilities can be organized into four groups of variables: *product*, *price*, *place*, and *promotion*.

Consultative selling, p. 33: *Consultative selling*, which emerged in the late 1960s and early 1970s, is an extension of the marketing concept. This approach emphasizes need identification, which is achieved through effective communication between the salesperson and the customer.

Transactional selling, p. 33: *Transactional selling* is a sales process that most effectively matches the needs of the value-conscious buyer who is primarily interested in price and convenience.

Strategic planning, p. 35: *Strategic planning* is the process that matches the firm's resources to its market opportunities.

Tactics, p. 35: *Tactics* are techniques, practices, or methods you use when you are face-to-face with a customer.

Strategy, p. 35: A *strategy*, on the other hand, is a prerequisite to tactical success.

Adaptive selling, p. 35: *Adaptive selling* is another key element of the "problem-solver stage." Adaptive selling can be defined as altering sales behaviors during a customer interaction in order to improve communication.

Relationship strategy, p. 37: A relationship strategy is a well-thought-out plan for establishing, building, and maintaining quality relationships.

Relationship selling, p. 37: *Relationship selling* is a form of personal selling that involves securing, developing, and maintaining long-term relationships with customers.

Product strategy, p. 38: The *product strategy* is a plan that helps salespeople make correct decisions concerning the selection and positioning of products to meet identified customer needs.

Customer strategy, p. 38: A *customer strategy* is a carefully conceived plan that results in maximum responsiveness to the customer's needs.

Presentation strategy, p. 39: The *presentation strategy* is a well-developed plan that includes preparing the sales presentation objectives, preparing a presentation plan that is needed to meet these objectives, and renewing one's commitment to provide outstanding customer service.

Partnering, p. 40: *Partnering* is a strategically developed, long-term relationship that solves the customer's problems.

Strategic Account Management, p. 40: A strategic selling alliance also called *strategic account management* is usually led by a Strategic Account Manager (SAM).

Information economy, p. 43: The *information economy* will reward those salespeople who have the skills, the knowledge, and the motivation to determine how to create value at every step of the sales process.

MyMarketingLab

To complete the problems with the * in your MyLab, go to the EOC Discussion Questions.

ANSWERS TO REVIEW QUESTIONS

★ 2-1 Why is peddling or “pushing products” inconsistent with the marketing concept?
In adapting to the marketing concept, emphasis is now placed on satisfying the customer through “partnering.” Instead of “pushing” goods, salespeople now form relationships and seek to identify specific customer needs.

2-2 Describe how new models of selling emerged in response to the marketing concept.
The marketing concept sparked development in marketers' fundamental understanding of personal selling. This change of mindset altered companies' focus from an orientation that is focused on selling to one that is focused on the customer. Models of selling that have emerged in response to the marketing concept include consultative selling, strategic selling, and partnering. These models have progressed to our current focus on partnering and are outlined in Table 2.1.

- ☛ 2-3 Describe the importance of personal selling as a part of the marketing concept.
Personal selling is the point at which the marketing concept is implemented. A personal selling philosophy that is centered on partnering allows a company to generate customer information that is necessary to be customer focused. Further, as personal selling is a boundary-spanning task, it has considerable impact on customers' perceptions of a product or service.
- 2-4 What is consultative selling? Give examples.
Consultative selling emphasizes need identification that is achieved through effective communication between the salesperson and customer. The salesperson assumes the role of consultant and offers well-considered recommendations. Negotiation replaces manipulation as the salesperson sets the stage for a long-term partnership.
- 2-5 Diagram and label the four-step Consultative Sales Presentation Guide.
The four steps include: need discovery, selection of product, need-satisfaction presentation, and servicing the sale.
- 2-6 List and briefly explain the four broad strategic areas that make up the selling process.
The four broad strategic areas that make up the selling processes are (1) developing a relationship strategy – success in selling depends heavily on the salesperson's ability to develop, manage, and enhance interpersonal relations with the customer, (2) developing a product strategy – products and services represent problem-solving tools, (3) developing a customer strategy – sales and marketing efforts are organized around the needs and desires of the customer, and (4) developing a presentation strategy – although the sales call may last no more than 25 minutes, the presentation is definitely a critical part of the selling process.
- 2-7 Briefly describe the evolution of partnering. Discuss the forces that contributed to this approach to selling.
In the 1990s, many companies began to see the merits of maintaining long-term relationships. With more look-alike products, customers are seeking quality products and quality relationships.
- 2-8 Provide a brief description of value-added selling. What economic forces have motivated companies to adopt value-added selling?
Value-added selling can be defined as a series of creative improvements in the sales process that enhance the customer experience. Salespeople can add value by carefully identifying the customer's needs and then prescribing the best possible product solution. Value-added selling has surfaced in response to increased levels of competition and the growing complexity of many products and services. The value added by salespeople today is increasingly derived from intangibles such as the quality of the advice offered.
- ☛ 2-9 Explain why the ethical conduct of salespeople has become so important today.
Because salespeople are a vital link between a company and its customers, buyers will usually form impressions about the company based on the salesperson.

SUGGESTED ANSWERS FOR APPLICATION EXERCISES

- 2-10. Assume that you are an experienced professional salesperson. A professor who teaches at a nearby university has asked you to speak to a consumer economics class about the benefits of personal selling to customers. Make an outline of what to say.

The outline should include the following topics: Economic benefits – development of global markets; stimulate our local economy, which reduces unemployment. Consumer benefits – assistance with the purchase of complex products; service after the sale.

- 2-11. A friend of yours has invented a unique and useful new product. This friend, an engineer by profession, understands little about marketing and selling this new product. She does understand, however, that “nothing happens until somebody sells the product.” She has asked you to describe the general factors that need to be considered when you market a product. Prepare an answer to her question.

She will have to (1) research the kind of customer her product appeals to as well as the customer’s motivation for purchasing the product; (2) improve the product by engineering product features that will appeal to the customer; (3) package and brand it so it will be convenient and memorable to the customer; (4) price the product so it will be within the economic means of the customer and yet allow the company to make a reasonable profit; (5) select dealers and physically transport and store the product so it will be available in the right place at the right time; and (6) promote the sale of the product by communicating to the consumer through the mediums of personal selling, advertising, and other forms of sales promotion.

- 2-12. Sharon Alvarez has been teaching college biology courses. She is offered a position selling pharmaceutical products. This position requires that she call on doctors and pharmacists to explain her product line. Describe the similarities and the differences between personal selling and teaching.

In teaching and selling, Sharon must be able to present scientific ideas accurately and persuasively. She must be able to motivate others as well as enjoy working with people. The differences consist of working without a prearranged schedule; she will need to organize her own time in sales work. Compensation plans, especially extra financial incentive, are usually found in selling; they are not usually found in teaching.

- 2-13. To learn more about industry-based, global, sales-training programs, access www.wilsonlearning.com. Click on the “Sales Effectiveness” link and examine the content of the various sales courses offered throughout the world by this company. From this review, describe the similarities between what this company offers and the material in this chapter. Students will find information regarding sales training offered by the company. Have them print and submit this information. Likely similarities that students will mention are partnering, win-win exchanges, problem solving, understanding the customer’s business, value-added selling, adaptive selling, and others.

ROLE-PLAY EXERCISE

Provide students with a brief introduction to the wide variety of pens and pencils available. A nice gold pen, for example, might sell for \$100 or more.

SOLUTION FOR THE CASE PROBLEM

- 2-14. Yes, it appears that Smith has adopted the three prescriptions of a personal selling philosophy. He demonstrates adoption of the marketing concept because he is constantly seeking to offer his customers the best value. He appears to value personal selling because he participates in a high degree of ongoing training. He also approaches selling as a problem solver because he bundles insurance policies that are in the customer's best interest and works with all individuals who directly or indirectly influence the sale.
- 2-15. Smith has adopted the win-win philosophy; projects a professional image; and maintains high ethical standards. See page 36 for a description of why a relationship strategy is especially important in personal selling.
- 2-16. Smith can create value for his customers by helping them understand complicated insurance terms, comparing terms across policies (and even competitors), bundling policies to save the customer money, providing information about new policy types, and quantifying the benefit of having a particular insurance policy or the risk of not having a particular insurance policy.
- 2-17. It is imperative that Liberty Mutual employees in the marketing research and advertising departments understand personal selling because of the cross-functional demands placed on the marketing discipline. That is why Smith regularly communicates with employees in other departments – to understand the highly competitive insurance industry and to share market knowledge with them. Marketing support people in the departments mentioned in the question would all benefit from acquiring personal selling skills due to their interaction with stakeholders of the organization that are external to Liberty Mutual.

Appendix 2

Regional Accounts Management (RAM) CRM Case Study

The Regional Accounts Management (RAM) Case Study is a unique simulation exercise providing students the opportunity to plan sales strategies to move the sales process to a successful outcome for 20 customers. While most role-play/simulations provide students an important setting for developing selling skills while working one-on-one with a customer, Appendix 2 is the first such exercise to provide important selling skills development in a diverse multicustomer setting.

Research studies reveal selling skills in the researching, planning, organizing, and communicating activities associated with multiple accounts are critical to success in personal selling. Additionally, more time is generally spent on these activities than in one-on-one presentations.

Information collected by a previous salesperson has been captured in a CRM (customer relationship management) database for a company called NewNet Systems. Students assume the role of a newly hired NewNet regional account manager (RAM) with responsibility to work with sales opportunities associated with the clients in their new CRM database.



INTRODUCTION

The Regional Accounts Management (RAM) case study presented in Appendix 2 provides examples of CRM sales notes and customer information previously recorded by a salesperson working for a company named NewNet Systems.

The Regional Accounts Management CRM Case Study requires students to replace the previous NewNet Systems salesperson and examine a CRM account database containing information similar to an actual business with which the author has consulted. Students plan sales strategies to close as much of the forecasted \$1.8 million in projected sales, as possible. Each assignment in the text refers to strategies presented in that chapter. Student time required to complete each of these assignments will average about 30 minutes. **It is important to review the introduction to the Regional Account Management Case Study in Chapter 9, and the Account Screens in Appendix 2 before assigning this multi-chapter case study.**

Included in the RAM case study is a series of questions found at the end of Chapters 9–15, that your students can answer by analyzing” the CRM Contact and Notes Screens in Appendix 2. Your students are presumed to be a new RAM, replacing the previous NewNet Systems salesperson, Lee Bizon. NewNet Systems sells network products and services. **The questions in this REGIONAL ACCOUNT MANAGEMENT Case Study all relate to successfully moving accounts through the stages in the sales process. Answering these questions relate to the sales process, and do not require technical networking product knowledge.**

The following NewNet Systems Sales Metrics table supplies the information requested in the first question for Chapters 9–15. The first three columns provide the information requested in question one of chapter nine. The fourth column supplies the answer to the first question in the Chapter 10 Regional Accounts Management Case Study. Finally, the fifth through the eighth columns supply answers to Chapters 12–14.

RAM METRICS—SELLING TODAY 14E
REGIONAL ACCOUNTS MANAGER CASE STUDY

NewNet Systems Accounts Management
Name “Instructor’s Key” Regional Accounts Manager,
NewNet SYSTEMS

Date	Account Name/	Dollar	Comm.	Sales Process	Likeli-	Forecasted	C
Close	Contact Name	Sales Amt	Style	Stage	hood	Sales	(10
1/31	Able Technologies/ 17,500 Bradley J. Able	250,000	Supportive	Needs Analysis	70%	175,000	
1/31	Aeroflot Airlines/ 6,000 John Poltava	75,000	Emotive	Qualified	80%	60,000	
11/30	Bryan Enterprises/ 7,425 Bill Bryan	75,000	Emotive	Qualified	99%	74,250	
6/30	Computer Products/ 1,500 Joanna Barkley	50,000	Director	Qualified	30%	15,000	
2/28	Computerized Labs/ 4,500 Sam Pearlman	75,000	Reflective	Presentation	60	45,000	
0/00	Designer Associates/ D Simon Sayers	None	Supportive				
1/31	Ellis Enterprises/ 15,700 Timothy P. Ellis	175,000	Reflective	Qualified	90	157,000	
6/30	Engineering Software/ 2,250 Ian Cortez	75,000	Supportive	Qualified	30	22,500	
2/28	General Contractors/ 9,000 Brian Allan	100,000	Director	Qualified	90	90,000	
1/31	International Studios/ 2,000 Robert G. Kelly	25,000	Supportive	Needs Analysis	80	20,000	
12/31	Johnson and Assoc/ 12,375 Ralph Johnson	125,000	Director	Qualified	99	123,750	
6/30	Lakeside Clinics/ 500	25,000	Director	Needs Analysis	20	5,000	

	Dr. Jeff Gray					
12/30	Landers Engineering/ 2,000	25,000	Emotive	Qualified	80	20,000
	Colleen Landers					
1/31	Media Conglomerate/ 6,000	100,000	Emotive	Qualified	60	60,000
	Joe Romero					
3/30	Mercy Hospital / 10,000	250,000	Directive	Qualified	40	100,000
	Kerri Mathers					
8/31	Modern Designs/ 10,000	200,000	Reflective	Qualified	50	100,000
	Cheryl Castro					
12/31	Murray D'Zines/ 2,000	20,000	Directive	Order	100	20,000
	Karen Murray					
11/17	Piccadilly Studio/ 6,000	60,000	Emotive	Order	100	60,000
	Judith Albright					
2/28	Quality Builders/ 1,700	25,000	Supportive	Qualified	70	17,000
	Sherry Britton					
1/31	Southern Motors/ 11,250	125,000	Supportive	Needs Analysis	90	112,500
	Dwayne Ortega					
TOTALS		1,855,000				1,232,000
123,200						

Chapter 9—Developing a Prospect Base

Regional Accounts Management Case Study—Reviewing the Prospect Database

Questions

Using the following headings prepare an account metrics report for your meeting on the current status of your 20 new accounts found in Appendix 2. Keep a copy for future reference.

Note again the first three columns of the table presented above provide the information requested in this question. Also, note the fourth column supplies the information to Chapter 10, as does the remaining columns for Chapters 11–14. If you choose you could have students complete the table at this time, however, it is recommended they complete it as they answer the other questions in each of the following chapters.

NewNet Systems Accounts Management Regional Accounts Manager, NewNet Systems							
Name							
Date	Account Name/	Dollar					
Close	Contact Name	Sales Amt.					

Which contact can you ignore immediately as a *prospect* for making a potential purchase?

Lee Bizon’s notes in the Designers Associates Contact Screen show this professional organization has three workers who do not share files or resources that would not need a network. Dr. Sayers, the director of the organization, appears to be a good reference contact. So further discussions with Dr. Sayers will be documented, this record should be kept as a reference, not a prospect. This requires changing the ID/Status field entry from prospect to reference.

Referring only to the *date close* category, which four prospects would you call immediately?

In the Date Close field, Lee Bizon entered the dates that he felt his prospects might place orders. Assuming the student begins as a salesperson for the company in December, four accounts were identified as likely to close this “year.” The three accounts that should be called immediately are: Colleen Landers, Landers Engineering (12-30); Ralph Johnson, Johnson and Associates (12-31); and Karen Murray, Murray D’Zines (12-31). The fourth account could be any one of the following who Lee Bizon indicated might close by 1-31: Brad Able, Able

Technologies; John Poltava, Aeroflot Airlines; Dwayne Ortega, Southern Motors; Timothy Ellis, Ellis Enterprises; Joe Romero, Media Conglomerate; or Robert Kelly, International Studios.

Referring only to the *dollar amount* of sales forecasted category, which four accounts would you call first? Does the likelihood of closing percentage category have any influence on decisions concerning which prospects to call first? Why?

In the “Dollar Amount” field Lee Bizon entered the amounts that he felt his prospects might purchase. The four accounts with the largest amounts forecasted are Able Technologies, Inc. (\$250,000), Mercy Hospital (\$250,000), Modern designs (\$200,000), and Ellis Enterprises (\$175,000).

Yes, the likelihood of closing percentage would have an influence on decisions concerning which prospects to call first. The “likelihood” of closing represents the potential likelihood of the account actually purchasing and making the purchase from NewNet rather than a competitor.

According to information on the Contact and Notes Screens, which prospecting method did Lee Bizon appear to use the most? Give examples.

A quick review of the of the contact screens and notes windows reveals that Lee Bizon frequently used the referral method of prospecting. He was apparently well liked, respected, and trusted because frequently clients would provide him with referrals.

9-21 Identify any accounts where there may be ethical or legal issues to be considered. Describe what these issues may be.

Designer Associates, Media Conglomerate and Quality Builders may have issues related to ethics. Designer Associates shared what may be confidential information. Media Conglomerate has a potential pending lawsuit with Bill Bryan. Quality Building has an issue with pricing that could turn out to be both a legal and ethical issue.

Regional Accounts Management Case Study—Establishing Your Approach

10-17. As a part of your preapproach preparation for your meeting, you would like to have information on the communication styles of each of your accounts. Using the table you prepared for Chapter 9 add a column as noted below and list the communication style of each of your customers.

Date	Account Name/	Dollar	Comm.				
Close	Contact Name	Sales Amt.	Style				

Mr. Kelly is a supportive. Therefore, you need to take time to build a social relationship with the Mr. Kelley. Spend time learning about the matters that are important in this individual's life—family, hobbies, and major interests. Listen carefully to personal opinions and feelings. Supportive individuals like to conduct business with sales personnel who are professional but

friendly. Therefore, study their feelings and emotional needs as well as their technical and business needs. Throughout the presentation, provide personal assurances and support for their views. If you disagree with a supportive person, curb the desire to disagree too assertively; Supportive people tend to dislike interpersonal conflict. Give them the time to comprehend your proposal. Patience is important.

As you develop your communication-style identification skills and become more adept at style flexing, you become better able to manage the relationship process. With these skills, you should be able to open more accounts, sell more to established customers, and more effectively meet the pressures of competition. Most important, your customers will view you as a person better able to understand and meet their needs.

- 10-19. Your call on Aeroflot Airlines involves both team selling and selling to a buying committee. Who will you team with from NewNet and what kind of preapproach planning will be needed?

Lee has indicated a need to team up with NewNet Technical Sales Support members Joe and Charlene. Joe could do the needs analysis. Charlene may work with the product configuration. You will need to meet with each to update them on progress with the account, prepare call objectives, and coordinate roles during the meeting.

Who are the members of the Aeroflot buying committee and what kind of preapproach planning will be needed? Your meeting with Aeroflot Airlines includes meeting with a buying committee including John Poltvata, his CFO and CEO, and possibly other key Aeroflot people. Regarding the CFO and CEO, you should attempt to find out as much about them and their role in the purchase as you can before the meeting. When you call to make an appointment, you might inquire about the participants that will be in the meeting.

- 10-20. Reviewing the social contact information in this chapter, what topics might be appropriate for Dwayne Ortega, Robert Kelly, Bradley Able, Sherry Britton and Karen Murray?

Dwayne Ortega's interest is golf. Robert Kelly's hobby is model railroading. Bradley Able is an avid San Francisco 49er's fan. Sherry Britton's brother plays football at UCLA. Karen Murray's brother is a tennis enthusiast.

- 10-21. In analyzing Lee Bizon's notes, each of the four communications styles are represented. If you haven't done so, Casey would like you to complete the on-line Communication Style assessment presented in Chapter 5 (see also communication style assessment at www.pearsonhighered.com/manning) and assess your preferred and secondary styles. With this information, summarize how you will use the Platinum Rule described in Chapter 5 to flex your style to work collaboratively with the four styles exemplified by your new contacts.

The Platinum Rule, created by Dr. Tony Alessandra, provides each of us with the motivation we need to treat others the way they want to be treated. This rule is a simple, proven method for building strong relationships with our customers: “Do Unto Others As They Want to be Done Unto Them.” The Platinum Rule (www.platinumrule.com) is at the heart of the style-flexing sales strategy. When we take the time to determine whether the customer is behaving as an Emotive, Directive, Reflective, or Supportive, we can then treat them the way they want to be treated.

- 10-22. Casey has given you a reprint of a new article about using networks for warehouse applications. Which of your prospects might have a strong interest in this kind of article? How would you use this article to make an approach to that prospect?

John Poltava of Aeroflot Airlines manages 12 warehouses and might have a strong interest in this kind of article. Study the article. Then send a copy of it to Mr. Poltava with a note saying, “thought you might be interested in the enclosed article. I’ll call you on [date].” When you call, your objective will be to discover Mr. Poltava’s desire in implementing the article’s suggestions—and buying a network from you.

- 10-23. It is not uncommon for new account managers to experience some call reluctance when taking on a new set of accounts. Referring to the section on “Coping with Sales Call Reluctance,” describe how you might overcome this potential problem if this happens to you as you take over Lee Bizon’s accounts. Build your answer around the four suggestions in this chapter.

Be optimistic about the outcome of the initial contact It is better to visualize and anticipate success than to anticipate failure. It is important to frequently recommit yourself to the double-win value-adding approach to working with customers discussed earlier. The anticipation of failure is a major barrier to making the initial contact.

Practice your approach before making the initial contact A well-rehearsed effort to make the initial contact increases your self-confidence and reduces the possibility that you may handle the situation badly.

Recognize that it is normal to feel anxious about the initial contact Even veteran salespeople experience some degree of sales call reluctance, and this reluctance can surface anywhere in the sales process.

Develop a deeper commitment to your goals.

Chapter 11—Determining Customer Needs with a Consultative Questioning Strategy

Regional Accounts Management Case Study—Needs Discovery

Questions

11-14. For your meeting with Casey, using the table you prepared in the last chapter add another column titled “Sales Process Stages” as indicated below. Reviewing the metrics on your 20 accounts, indicate the last stage of the sales process each account has gone through. This information will be used as you prepare your next call.

NewNet Systems Account Management							
Regional Account Manager, NewNet Systems							
Name							
Date	Account Name/	Dollar	Comm.	Sales Process			
Close	Contact Name	Sales Amt.	Style	Stage			

Refer to column 5 Sales Process Stage in the RAM Metrics Report presented earlier.

11-15. Which four accounts has already had a needs analysis? Which two accounts are scheduled for a needs analysis? Which six accounts are likely to buy but have not yet had a needs analysis?

Needs analysis has been conducted for Able Technologies, Southern Motors, International Studios, and Lakeside Clinic. Piccadilly Studio and Murray D'Zines bought a network without a needs analysis. Designers Associates is not a network prospect.

Needs analysis is set for second Monday in December for General Contractors and the second Thursday for Engineering Software.

11-16. Reviewing the notes and the likelihood of buying, which six accounts are likely to buy but have not yet had a needs analysis?

Needs discovery has neither been set for Aeroflot Airlines, Computer Products, Quality Builders, Ellis Enterprises, Landers Engineering, nor Mercy Hospital. Lee Bizon's projected likelihood percentage indicates these accounts appear to be buyers. Therefore, a needs discovery should be justified.

11-17. Which two accounts has had a needs analysis and now need a product solution configured?

A needs discovery, but no product configuration or proposal has been prepared for Southern Motors and International Studios.

Bryan Enterprises and Modern Designs appear to be planning to buy without having products specifically configured for their needs.

11-18. Reviewing the Network Now entries, which three accounts do not now have a network, but appear to be ready for moving the sales process to the next stage and what will be your next initiative?

Able Technologies needs a product configuration, proposal and presentation, Landers Engineering needs a needs analysis, and Quality Builders needs a needs analysis.

11-19. Which accounts appear to be planning to buy without a needs discovery or product configuration/proposal? What risks does this pose?

Bryan Enterprises and Modern Designs appear to be planning without a needs discovery. Planning without need discovery poses some risks. Without a thorough confirmation of expectations by both buyer and seller, misunderstandings often occur, especially in complex strategic sales. Poorly configured networks could have a negative impact on NewNet's company image.

Chapter 12—Creating Value with the Consultative Presentation

Regional Accounts Management Case Study—Custom-Fitting the Demonstrations

Questions

12-17. Using the table you prepared for chapter 11, add another column to record the metrics regarding the likelihood of closing each account. Lee Bizon recorded this information in the Contact Screen.

NewNet Systems Account Management

Name

Regional Account Manager, NewNet Systems

Date	Account Name/	Dollar	Comm.	Sales Process	Likeli-		
Close	Contact Name	Sales Amt	Style	Stage	hood		

Refer to column 6, Likelihood in the RAM Metrics Report presented earlier.

Which two medium sized accounts with a high likelihood of purchase accounts need a demonstration of the speed and power capabilities of the recommended network? What is the likelihood of closing each of them? Based on projected date to close which should you work on first?

The needs discovery for Southern Motors (90% likelihood) revealed that this account needs a network that offers speed and power. Speed and power can be demonstrated by using the recommended network to solve a problem this account will commonly encounter.

General Contractors (90% likelihood) needs a network that will support the Extranet that they need to share their work with their clients. The Extranet capabilities of the recommended network and software should be shown to this account.

Southern Motors projected date of close is 1/31 so this is the first and largest one on which to work.

Which account wants a very specific network and information management system and needs to be shown that the recommended network product configuration and demonstration will meet their exacting specifications?

The account contact for Computer Products, Ms. Joanna Barkley, has in mind a very specific network configuration. Her proposal and demo has to prove that our recommended solution meets her exacting requirements. With only 30% likelihood and a close date of 6/30 this should not be a priority to work extensively on immediately.

12-14. Which account with many sites will need a demonstration of NewNet's ability to put together a complex solution? With many sites will this be an account you need to spend a lot of time on soon? Explain.

The NewNet proposal for Lakeside Clinic goes beyond NewNet's usual products and services. A wide-area network headquarters for the central offices of 84 clinics is proposed. This headquarters clinic would provide training, policies, and support for a number of connected remote networks. This could be a very complex and costly installation with expensive training for a number of Lakeside personnel. Even though an account with many sites this appears to be a large account, Lee's projections indicated only a 25% chance of closing a \$25,000, six months from now. With this information, it would appear not to be an account to spend a lot of time on now. It will be important to build a relationship with Dr. Grey and see if there is a lot more potential with all the sites they have.

Which medium-sized account seeking a low price needs a testimonial of NewNet's value-added ability to help customers maximize the power of their network? What is the likelihood of closing this sale and how large could it be? What is the close date?

Mr. Joe Romero at Media Conglomerate says he doesn't require a needs discovery because they already use a network, know how to use it, and have their own expert. Mr. Romero says he needs nothing more than a low price and some names of other clients he can seek out for testimonials of what we can do. The likelihood of closing this sale is 60% with a total sale amount of \$100,000. The close date is imminent and is 1/31.

Which medium-sized account with a fairly short close date needs a demonstration of NewNet's financial stability?

The salesperson notes for Southern Motors reveal that this account's former network vendor went bankrupt. Emphasizing NewNet's longevity, producing a letter of recommendation from the company's banker, or presenting NewNet's financial statements should demonstrate to this account that it need not be concerned about this possibility.

Chapter 13—Negotiating Buyer Concerns

Regional Accounts Management Case Study—Negotiating Resistance

Questions

13-20. Using the report you prepared for Chapter 12, add another column titled Forecasted Sales as shown below. In this column, multiply the Dollar Sales Amount times the Likelihood percentage of closing the sale and record the metrics for a forecasted sale for each account.

NewNet Systems Accounts Management

Name

Regional Account Manager, NewNet Systems

Date	Account Name/	Dollar	Comm.	Sales Process	Likeli-	Forecasted	
Close	Contact Name	Sales Amt	Style	Stage	hood	Sales	

Refer to column 7 Forecasted Sales in the RAM Metrics Report presented earlier.

13-21. Reviewing the account and notes screens which fairly small account might voice a time objection and say, “We want to put off our decision for now,” and how would you propose dealing with this objection?

Landers Engineering appears to be stating a time objection. This is a common method of phrasing a time objection. The prospect may be indecisive, unconvinced, or using this objection instead of the “real” reason. Careful questioning may reveal that she cannot afford the purchase. However, a needs analysis would still be beneficial. A needs analysis might reveal real financial problems. If there are no compelling reasons for delay, Ms. Landers could be reminded of the value of buying now for tax reasons. The closing date is soon, 12/20 with a fairly high likelihood of 80% for a forecasted sale of \$20,000.

13-22. Reviewing the notes screens which very large account has voiced a price objection citing budget issues and how should you respond? What is the closing date, likelihood, and forecasted sales for this account? Reviewing the “Creating Value During Formal Negotiations” unit in this chapter, which of the “do’s and don’ts will likely be most effective in negotiating the price problem?

Brad Able at Able Technologies might object on price—he has already pointed out the need to satisfy his board of directors, usually a financial concern. Joe, NewNet's technical specialist, has suggested in his report that the needed network can be phased

in over two budget periods. You can propose that by getting started right now Brad's company can begin enjoying network productivity gains without work interruptions and large budgetary outlays. The closing date is soon, 1/31; the likelihood is 70%, and the forecasted sale is large at \$175,000. The best "do" strategies from the "Creating Value During Formal Negotiations" unit would be to point out the relationship between price and quality and explain and demonstrate the difference between price and cost. Pointing out the relationship between price and quality will be especially important regarding the 20% return on investment condition. Being a new account manager, you probably would not be successful trying to add yourself to the cluster of satisfactions strategy. You might be successful using Joe because he is one of your best technical sales support team members. You could also bring up the outstanding work of Charlene and Camilla and add them to the team with Joe.

- 13-23. Reviewing the notes screens, which medium-sized account with 100 workstations may be citing the price objection because they don't need all your value-added features or it may be a cover for credit problems. What is the closing date, likelihood, and forecasted sales of this account? Reviewing this chapter's section on "Specific Methods of Negotiating Buyer Concerns," what specific method should you use to negotiate effectively with your contact?

Joe Romero at Media Conglomerate has brought up the price objection. He seems to be laying the groundwork when he says "we don't need help, we know all about networks, we have our own expert," and so on. In effect, he is saying, "we don't need to pay you more for your help, give us a low price." The projected closing date is soon, 1/31; the likelihood of closing is 60%, and the forecasted sale is \$60,000.

Reviewing the "Specific Methods of Negotiating Buyer Concerns," the best method would be to supply him a list of **third-party testimonials** immediately. You might also bring one of your Technical Sales Support team members with you to **demonstrate** how a needs analysis might reveal other possibilities and enhance the networking capabilities. Using the **superior point method**, you would emphasize how NewNet's help (making Media's network users more productive) can positively affect Media's bottom line, making any additional costs a good investment. These two last methods may reveal a needs analysis should be conducted so Joe might understand the extent of benefits that NewNet can confer on Media as well as more about the accounts payable issues.

- 13-24. Reviewing the notes screens, which medium sized account might you anticipate might voice the source concern "we want to shop around for a good solid supplier." Reviewing the section in this chapter on "Common types of Buyer Concerns" which of the four ways to deal with the loyalty or source objection might be most effective? What other strategies could you

combine with this method? What are the closing date likelihood and forecasted sales of this account?

If Southern Motors makes this statement, it might be a source objection. This firm's last network vendor became insolvent and Southern might want to continue shopping to assure it finds a financially reliable vendor.

Pointing out the superior benefits of your company's financial condition should be most effective. Combining this with a **demonstration** using a letter of recommendation from the company's banker (**also a third party testimony**), or presenting NewNet's financial statements to demonstrate to Southern Motors that NewNet is financially reliable and no further shopping is necessary.

The closing date is soon, 1/31; the likelihood is 90% and the forecasted sale large, \$112,500.

13-25. Describe how the closing date, likelihood, and forecasted sales might affect you plans for negotiating customer objections and concerns.

The closing date indicates how much time you have to overcome the objection. The likelihood of closing indicates how much effort you may have to put into negotiations and to some degree may indicate, if it is very low, whether or not you should even try to overcome the objection. If the likelihood is very high and the forecasted sale is also high, this indicates that it may be very beneficial to spend a large amount of time in negotiations.

Chapter 14—Closing the Sale and Confirming the Partnership

Regional Accounts Management Case Study—Forecasting the Close

Questions

14-18. Using the following report format, prepare a metrics report showing what your potential commission income would be for each of Lee Bizon's accounts with a 10% commission if you closed them as Lee forecasted. Be sure to figure in the likelihood percentage that was in the forecasted projections. Show what your commissions would be for each of the months shown in Lee's forecast and the total commission you can expect.

The following table shows the results forecasted by Lee. It is rewritten to list accounts by the date close category. Additionally, it shows the total commissions for each month and the total commissions. Students may figure this month from the NewNet Systems Accounts Management Report prepared for the previous chapters.

COMMISSIONS REPORT

Date Close	Accounts	Likeli- hood	Dollar Amount	Forecast Amount	Commission (10% Forecast)
12/30	Landers Engineering	0.80	25,000	20,000	2,000
12/31	Johnson and Associates	0.99	125,000	123,750	12,375
12/31	Murray D'Zines	0.50	20,000	10,000	1,000
	December Commissions				15,375
1/31	Able Technologies, Inc.	0.70	250,000	175,000	17,500
1/31	Ellis Enterprises	0.90	175,000	157,500	15,750
1/31	Southern Motors	0.90	125,000	112,500	11,250
1/31	Aeroflot Airlines	0.80	75,000	60,000	6,000
1/31	Media Conglomerate	0.60	100,000	60,000	6,000
1/31	International Studios	0.80	25,000	20,000	2,000
	January Commissions				58,500
2/28	General Contractors	0.90	100,000	90,000	9,000
2/28	Computerized Labs	0.60	75,000	45,000	4,500
2/28	Quality Builders	0.70	25,000	17,500	1,750
	February Commissions				15,250
3/30	Mercy Hospital	0.40	250,000	100,000	10,000
3/30	Piccadilly Studio	0.40	60,000	24,000	2,400
	March Commissions				12,400
6/30	Engineering Software Inc.	0.30	75,000	22,500	2,250
6/30	Computer Products	0.30	50,000	15,000	1,500

6/30	Lakeside Clinic	0.20	25,000	5,000	500
	<i>June Commissions</i>				<i>4,250</i>
8/31	Modern Designs	0.50	200,000	100,000	10,000
	<i>August Commissions</i>				<i>10,000</i>
11/30	Bryan Enterprises	0.99	75,000	74,250	7,425
	<i>November Commissions</i>				<i>7,425</i>
	Designers Associates	0.00	0	0	0
	<i>Total Sales, Forecast Commissions to 11/30</i>		<i>1,855,000</i>	<i>1,232,000</i>	<i>123,200</i>

14-19. What kind of special concession might be necessary to close the sale with Quality Builders? What is the closing date, likelihood of closing and forecasted sales for this account?

Ms. Sherry Britton of Quality Builders is a friend of, and works closely with, two other customers who already purchased a network—Ms. Karen Murray of Murray D’Zines and Ms. Judith Albright of Piccadilly Studio. Ms. Britton needs a network and wants to purchase one similar to her friends so they can share network support information. Ms. Britton appears to be unable to afford to pay the same price as her friends. Lee Bizon’s notes show he was considering offering Ms. Britton a special concession—perhaps a special price in order to get her business and keep her friends’ business—if she’ll order immediately.

The closing date is 2/28, likelihood is 70% and the forecasted sale is \$17,000.

14-20. What kind of close seems appropriate to get an order from Computerized Labs? What is the closing date, likelihood and forecasted sales for this account?

Lee Bizon presented the benefits of a network and doing business with NewNet to Sam Pearlman of Computerized Labs. Lee detected a great deal of interest on Mr. Pearlman's part. However, when Lee followed up a week after the presentation, Mr. Pearlman seemed hesitant and confused. It appears that Sam Pearlman understands many of the benefits of a network but is unable to put the entire picture together without help. Your students should help Mr. Pearlman clarify and summarize the most important buyer benefits in a positive manner and then ask for the order.

The closing date is 2/28, the likelihood is 60% and the forecasted sale is \$4,500.

14-21. Should you anticipate a closing problem with Lakeside Clinic’s manger, Dr. Jeff Gray’s lack of knowledge about networks? What kind of close should you prepare to overcome this problem, if it occurs?

Dr. Gray of Lakeside Clinic highly values information. He obviously wants to know, as a manager, how a network should be used but he doesn't want to sit through the typical operator training. This offers your students an opportunity to Preparing to use the negotiating the single-problem close you could propose that NewNet offers a special network course for Dr. Gray. Perhaps arrange for a NewNet network instructor to conduct a special course at the convenience of Dr. Gray. Arranging for a special course might be called an "executive overview" or something similar. This could give Dr. Gray the perspective and information he needs and might be offered in exchange for his order.

- 14-22. Refer to chapter 14's section titled "Adapting to the Customer's Communication Style." With this information describe your closing strategy using communication style flexing with each of your contacts for: A. Quality Builders, B. Computerized Labs and C. Lakeside Clinic.

A. Quality Builders Contact is Sherry Britton, and she is a Supportive. You can expect the supportive customer to be slow in making the buying decision. They are more apt to worry about change or taking risks. It's important to understand their perceived risks so you can reassure them before asking for a buying decision. Curb the desire to put pressure on the supportive customer. Pressure may make this buyer more indecisive. Patience is important.

B. Computerized Labs Contact is Sam Pearlman, and he is a Reflective. Before you ask the reflective customer for a buying decision, make sure you review important factual information. These buyers are less likely to be influenced by emotion. Ask Reflectives, "Is there any other information I can provide before you make a decision?" Never pressure the reflective customer to make a quick decision.

C. Lakeside Clinics Contact is Dr. Jeff Gray, and he is a Director. Most directors are goal-oriented persons who are ready to make quick decisions once they believe your solution meets their needs. They like doing business with salespeople who display confidence that they can give the customer the benefits they want. The director may reject your trial close just to test your confidence level. The highly assertive director will respect persistence and determination.

Chapter 15—Servicing the Sale

Regional Accounts Management Case Study—Servicing the Sale with CRM

Your students have taken over a number of accounts of another salesperson, Lee Bizon. Most of these accounts are prospects, which mean that they have not yet purchased from NewNet. Two accounts did purchase networks from Lee: Ms. Karen Murray of Murray D’Zines, and Ms. Judith Albright, owner of Piccadilly Studio. You now want to be sure that these sales will be well serviced.

Questions

15-17. Whom should you speak, within NewNet, before following through and contacting Karen Murray and Judith Albright? What would you need to discover?

In addition to meeting with Casey Arnold, you should schedule meetings with NewNet’s technical support team members. Additionally, you should see if Lee Bizon is available for a meeting or telephone call. It will be extremely important for you to know and understand what is reported in each of the Contact and Notes Screens. Your responsibility is to assure customer satisfaction with NewNet and its products.

A check with NewNet’s accounts receivable person who handled these accounts might reveal helpful information. Occasionally, customers will communicate concerns to those to whom they make payments.

15-18. What will be your follow-up strategy for each customer?

Your primary goal in your customer communications will be to express appreciation and determine satisfaction. You need your customers to understand you are assuming full responsibility for their continuing satisfaction and you have all the resources at NewNet to support this. Each customer should be contacted for an appointment or, if possible, visited and asked to describe their feelings about NewNet's products and services.

15-19. Does the fact that these customers initiated their orders (they were not sold the products, they bought them) influence your follow-up strategy?

Those who ordered without being sold by NewNet actually “bought” the products, not the vendor. You should focus on expansion selling of services and products that will add value to their initial purchase.

15-20. Might other customers or prospects be affected by your service activities? How will this influence your activities? Could customer service be your competitive edge?

This question refers to the fact that these two customers and a prospect, Ms. Sherry Britton of Quality Builders, are friends and share information. Students might wish to consider the effect of their servicing the sale activities on all three of these people. Customer service could be the competitive edge. Any customer service problems could easily kill any future sales and referrals.

15-21. Do you see any expansion selling opportunities with Murray D'Zines and Piccadilly Studio? Which *expansion* selling methods should you consider?

There appears to be expansion selling with both accounts. Murray D'Zines appears to need one more network workstation. Piccadilly Studios may need more workstations in addition to possibly needing training and installation services.

Test Bank—Appendix 2

The following test bank questions are drawn from **BOTH** the text and case study. Correct answers are highlighted in **bold**. Correct answers to questions drawn from the text contain a reference to the page number in the text.

Chapter 9—Developing a Prospect Base

Regional Accounts Management Case Study—Reviewing the Prospect Database

1. Prospecting and account development are important, and customer attrition is inevitable. Of the following, which is **NOT** a common cause of customer attrition?
 - a. The account may have a one-time need or there is an extended period of time between purchases.
 - b. The salesperson may leave the position because of promotion, retirement, resignation, or serious illness. (Page 175)**
 - c. The customer may move to a new location outside the salesperson's territory.
 - d. A firm may go out of business or merge with another company.
 - e. Sales are lost to the competition.
2. The NewNet's customer relationship management (CRM) system is a wealth of information about the accounts you are assuming. Looking at the CRM database, which of the former salesperson's accounts would you immediately contact?
 - a. Able Technologies**
 - b. Aeroflot
 - c. Southern Motors
 - d. Bryan Enterprises
 - e. Computer Products
3. NewNet Regional Account Managers must carefully prospect for customers as well as carefully qualify them. When you examine the current list of prospects in the CRM, which of the accounts may pose a risk?
 - a. Able Technologies
 - b. Bryan Enterprises**
 - c. Computerized Labs
 - d. Designers Associates
 - e. Engineering Software

4. Prospecting and account development should be viewed as a systematic process of locating potential customers. Of the following, which is **NOT** among the primary methods of shortening the sales cycle?
 - a. Qualify as to need.
 - b. Qualify as to authority to buy.
 - c. Qualify as to size of budget. (Page 176)**
 - d. Qualify as to ability to pay.
 - e. Quality as to authority to purchase.
5. Qualifying is the process of identifying prospects that appear to have a need for your product and should be contacted. Top salespeople use _____ to qualify leads effectively.
 - a. power of observation and positive interaction
 - b. recommendations and referrals from other firms
 - c. industry and trade press reviews
 - d. good research and analysis skills (Page 185)**
 - e. other vendors and colleagues

Chapter 10—Approaching the Customer

Regional Accounts Management Case Study—Establishing Your Approach

1. Examine the CRM once again. Which of the following is an example in which the team selling presentation strategy successfully used?
 - a. Computer Products
 - b. Computerized Labs**
 - c. Southern Motors
 - d. Able Technologies
 - e. Engineering Software
2. The need discovery stage, also commonly referred to as “needs assessment” or “needs analysis process,” is one of the most critical parts of the selling process. Using information from the CRM system, which of the following prospects is not in the need discovery stage?
 - a. Quality Builders**
 - b. Able Technologies, Inc.
 - c. Engineering Software, Inc.
 - d. Lakeside Clinic
 - e. General Contractors
3. Throughout the years, salespeople have identified and used some effective methods to capture the prospect’s attention, arouse interest, and transition into the next step of the presentation.

Of the following common methods, which incorporates the “elevator speech,” and is one of the most effective ways to gain the prospect’s attention?

- a. **Customer benefit approach (Page 213)**
 - b. Referral approach
 - c. Product demonstration approach
 - d. Agenda approach
 - e. Premium approach
4. The _____ combines elements of the relationship, product, and customer strategies.
- a. personal selling strategy
 - b. **presentation strategy (Page 200)**
 - c. product strategy
 - d. customer strategy
 - e. sales strategy
5. The _____ provides the foundation for a value-added presentation strategy.
- a. marketing concept
 - b. strategic sales plan model
 - c. **strategic/consultative selling model (Page 200)**
 - d. relationship strategy model
 - e. customer strategy model

Chapter 11—Determining Customer Needs with a Consultative Questioning Strategy

Regional Accounts Management Case Study—Needs Discovery

1. _____ involves meeting customer needs by asking strategic questions, listening to customers, understanding—and caring about—their problems, selecting the appropriate solution, creating the sales presentation, and following through after the sale.
- a. Goal-oriented selling
 - b. Targeted selling
 - c. Psychological selling
 - d. Presentation selling
 - e. **Consultative selling (Page 223)**
2. Looking at the CRM database, which of the prospects may not progress to needs analysis or needs assessment stage?
- a. Southern Motors
 - b. Landers Engineering
 - c. Media Conglomerate

- d. Mercy Hospital
- e. **Bryan Enterprises**

3. Need discovery (sometimes called “need analysis” or “needs assessment”) begins with _____ when the salesperson is acquiring background information on the prospect.
- a. pre-presentation
 - b. **precall preparation (Page 226)**
 - c. a team assessment
 - d. the preapproach
 - e. the precontract stage
4. Based upon research studies, the use of a multiple-questioning strategy to discover customer needs is an effective way for top-performing salespersons to understand the customer. Of the following, which is **NOT** one of the types of need-discovery questions?
- a. **Focus group questions (Page 229)**
 - b. General survey questions
 - c. Probing questions
 - d. Confirmation questions
 - e. Need-satisfaction questions
5. Of the following companies, which demonstrates a situation in which you would have performed extensive need discovery and analysis?
- a. Landers Engineering
 - b. Murray D’Zines
 - c. **Lakeside Clinic**
 - d. Piccadilly Studio
 - e. Bryan Enterprises

Chapter 12—Creating Value with the Consultative Presentation

Regional Accounts Management Case Study—Custom-Fitting the Demonstrations

1. Examine the CRM notes. Which of the accounts will most clearly require the use of a combination of consultative sales presentation strategies (informative, persuasive, and reminder)?
- a. Landers Engineering
 - b. Mercy Hospital
 - c. **Lakeside Clinic**
 - d. Modern Designs

- e. Murray D'Zines
2. Once again examine the CRM notes. Which of the following accounts would likely require a reminder presentation?
- a. Landers Engineering
 - b. Murray D'Zines**
 - c. Lakeside Clinic
 - d. Mercy Hospital
 - e. Modern Designs
3. Since individual client problems and priorities are unique, every aspect of the sales presentation should _____.
- a. contain charts, graphs, or other materials that demonstrate understanding.
 - b. contains a clear strategy and roadmap for operationalizing the recommendations
 - c. be a combination of informative, reminder, and persuasive presentation tactics.
 - d. focus on moving the prospect forward to a commitment and a sale.
 - e. be adapted to the needs or problems mutually identified by the prospect and the salesperson. (Page 250)**
4. Salespeople who truly represent value to their customers plan ahead strategically for the actions taken during the consultative sales presentation. While all steps are important, which is considered one of the most critical steps in strategically planning for the presentation?
- a. Developing a consultative presentation plan that adds value. (Page 249)**
 - b. Reviewing prospect information.
 - c. Review buying motives.
 - d. Select need-satisfaction presentation strategy.
 - e. Review product selection.
5. There are many ways to incorporate persuasion into a presentation strategy and most, if used appropriately, will create value for the customer. Which of the following is NOT a recommended method to help create for the customer in a presentation?
- a. Target emotional links and use a persuasive vocabulary
 - b. Sell specific benefits and obtain customer reactions
 - c. Do not avoid explaining the negative impact of change (Page 256)**
 - d. Place the strongest appeal at the beginning or end
 - e. Use the power of association with metaphors, stories, and testimonials

Chapter 13—Negotiating Buyer Concerns

Regional Accounts Management Case Study—Negotiating Resistance

1. The ultimate goal of formal integrative negotiations is to _____ by offering buyers the value they appreciate without compromising the sellers' benefits.
 - a. achieve win-win solutions (Page 271)**
 - b. achieve customer satisfaction
 - c. win a long-term client
 - d. deliver more closed sales
 - e. deliver acceptable products
2. Which of the following statements is a TRUE statement regarding planning for negotiations?
 - a. The first step in planning for negotiations is to decide who will be in the negotiation session.
 - b. Exhaustive preparation is more important than aggressive argument. (Page 273)**
 - c. It is of primary importance to consider value only in terms of purchase price.
 - d. Arrive at a firm price point and do not negotiate away from that price.
 - e. As a seller, you set the agenda for both sides of the negotiation.
3. Referring to the CRM notes, which of the following best exemplifies a focus on exhaustive preparation and value creation?
 - a. Landers Engineering
 - b. Johnson and Associates
 - c. Lakeside Clinic**
 - d. International Studios
 - e. Ellis Enterprises
4. The CRM notes regarding _____ indicate the salesperson's recognition and understanding of verbal and nonverbal clues and alertness for closing clues.
 - a. Designers Associates
 - b. Computer Products
 - c. Bryan Enterprises
 - d. Computerized Labs**
 - e. Landers Engineering
5. Salespeople learn that patterns of buyer resistance exist and, therefore, they can anticipate that certain concerns may arise during the sales call. The great majority of buyer concerns fall into the following categories:
 - a. terms, product, time, warranty, and price.

- b. product, time, price, source, and financial arrangements.
- c. need, product, source, time, and delivery.
- d. service, need, source, time, price, and delivery.
- e. need, product, source, time, and price. (Page 278)**

Chapter 14—Closing the Sale and Confirming the Partnership

Regional Accounts Management Case Study—Forecasting the Close

1. Closing the sale is usually easier if you look at the _____ from the prospect's point of view
 - a. value proposition (Page 293)**
 - b. presentation
 - c. price structure
 - d. budget requirements
 - e. contracting process

2. Closing should be thought of _____.
 - a. as a certain way to achieve a sales goal.
 - b. as the beginning of a long-term partnership. (Page 294)**
 - c. as a win for the salesperson and his or her company.
 - d. as a last step in sales process.
 - e. as an indication of high-performing salesperson's behavior.

3. Consult the CRM notes. Which of the following account situations indicates the salesperson recognizes critical closing clues as well as potential roadblocks?
 - a. Able Technologies
 - b. Southern Motors
 - c. Computerized Labs**
 - d. Engineering Software
 - e. Lakeside Clinic

4. High-performing salespersons understand that they must perform certain actions during the close. Which of the following demonstrates that the salesperson is handling tough points early?
 - a. International Studies
 - b. General Contractors
 - c. Engineering Software
 - d. Lakeside Clinic**
 - e. Southern Motors

5. A number of factors increase the odds that you will close the sale. These guidelines for closing the sale have universal application in the field of selling. Which of the following is NOT among the key actions a salesperson should use during the close?
- a. Handle tough points early.
 - b. Keep prospect involved.
 - c. Recognize closing clues.
 - d. Focus on point of greatest interest.
 - e. Ask for the order once; then be prepared to walk away. (Figure 14.2, Page 295)**

Chapter 15—Servicing the Sale

Regional Accounts Management Case Study—Servicing the Sale with CRM

1. In a world of increased global competition and narrowing profit margins, _____ can mean the difference between increasing or eroding market share.
- a. customer retention through value-based initiatives (Page 311)**
 - b. thorough sales planning and execution
 - c. marketing and sales planning
 - d. achieving sales goals and objectives
 - e. properly estimating market share and sales
2. Bill Gates, in his book *Business @ the Speed of Thought*, predicted that in the new millennium _____ may become the primary value-added function.
- a. consultative selling
 - b. customer service (Page 314)**
 - c. e-commerce
 - d. globalization
 - e. technology
3. High-performance sales personnel do not abdicate responsibility for delivery, installation, warranty interpretation, or other customer service responsibilities. They continue to _____ with follow-through, follow-up, and expansion selling.
- a. focus on future sales
 - b. stay in touch
 - c. strengthen the partnership (Page 315)**
 - d. service the sale
 - e. attempt to secure an additional sale

4. High-performance sales personnel do not abdicate responsibility for delivery, installation, warranty interpretation, or other customer service responsibilities. Of the following, which situation best illustrates the need to focus on after-the-sale-service and follow-up?

- a. Southern Motors
- b. Bryan Enterprises
- c. Computerized Labs
- d. Able Technologies**
- e. Designers Associates

5. A dissatisfied customer often tells 8–10 people about his or her problem. Of the following, which is NOT a suggested approach to handle a dissatisfied customer and resolve conflicts?

- a. Give customers every opportunity to disclose their feelings.
- b. Politely share with the customer your point of view concerning the problem's cause.
- c. Decide what action must be taken to remedy the problem.
- d. Do not alibi.
- e. Keep in mind that it really matters whether a complaint is real or perceived. (Page 324)**