“Selling and Marketing Construction Products and Services”

Presented By:
Kevin L. Dougherty
1710 N Lakeshore Drive
Sarasota, FL. 34231
941.926.0141
714.801.0524
www.kevinldougherty.com
salesacademy@verizon.net
Introduction

This program focuses on the following realities of business.

- Unsophisticated Competition
  - Any business that requires minimal capital will have unsophisticated competitors.
  - Successful businesses must rise above this level of competition to be profitable.

- Price vs. Value
  - All things being equal, customers will pick price.
  - Differentiation is the key to avoiding price comparisons.

- How’s and What’s of Quality
  - Quality is conformity to a set of standards that involve both how and what.
  - Customers may not fully understand technically what you do but they clearly can see how you do it.

- Traditional Pitfalls of Sales and Marketing
  - Lack of confidence in price and mark-up practices
  - Misunderstanding of sales and marketing concepts and principles
  - Having a bidder or price-quoter mentality
  - Believing marketing is not valuable

Building a value-oriented company allows you to differentiate your company and clearly place it in a better market position.
Establishing a Professional Image

Many people confuse image and reputation. A professional image is perceived as added value by customers and is a first step in creating product differentiation.

• **Image**
  ➔ Based on the perception in the marketplace.

• **Reputation**
  ➔ Built on service history and actual contact.

• **Having a strong professional image accomplishes three goals.**
  ➔ Makes it easier for the customer to pick you.
  ➔ Provide justification for paying a higher price.
  ➔ Helps the customer feel good about the money they spent.

Image is a factor in positioning your company, products, and services in the marketplace. Companies with poor images have trouble selling up and increasing their prices. Companies with strong professional images can sell down by lowering their price to become a "good deal."
Consistency Builds a Professional Image

Perception drives image. The following techniques can improve your image and create a sense of consistent awareness and value:

- **Market Awareness**
- **Logo**
- **Slogans**
- **Truck and job signage, yellow pages, flyers, attire, etc.**
- **Initial Contact**
- **Professional phone practices**
- **Proposal packets and sales literature**
- **Detailed professional sales presentations**
- **Follow-Up Sales**
- **Systematic follow-up**
- **Automatic mailing list and contact system**

Presenting a professional image and giving the customer a clear choice of value allows you to sell at a higher margin. Your firm becomes the business of choice.
Service Checklist

- Check-in procedures
- Techs impression
- Emotional intelligence
- Be wary of embarrassing and potential conflicts
- Providing what the customer wants: time, service, and products
- Check-out procedures
- Follow-ups and add-ons
- Handling complaints
Handling Customer Complaints

Complaints should be seen as an opportunity, not as a hassle. For every person that complains, many others take their business elsewhere. Your goal is to keep normal people from becoming difficult people, not to make difficult people become normal.

- **Do not avoid the problem.**
  - When given proper respect, most customers will calm down.
  - If the person does not calm down, you may have a difficult and unreasonable customer.

- **Separate feelings from facts.**
  - Deal with feelings first. Upset people are not logical.

- **Listen**
  - Don’t interrupt, talk, or argue. Just listen.

- **Take notes.**
  - Gives you something positive to do while the customer is being difficult.
  - Shows you are concerned.
  - Controls exaggerated complaints.

- **Use the "A.C.T., Don’t React" Principle.**
  - **A.C.T.=**
    - Acknowledge the customer’s problem.
    - Show Concern.
    - Focus on the Task (the complaint or issue at hand).

- **Use the "feel, felt, found" principle.**
  - Deal with feelings and keep the conversation flowing.

- **Use mirroring.**
  - Match your pace, tone, and style to the customer. If the customer talks fast, you talk fast. If the customer talks slow, you talk slow.
Know Your Competition

Competition, both direct and indirect, is a major factor in business. Most businesses complain about competition, but few develop a plan of action to counteract the competition.

- If customers do not buy from you, what are the alternatives?

- Know your competition.
  - Their strengths
  - Their weaknesses
  - Identify indirect competition and trends

- What brings business to you?
  - Relationships
  - Price
  - Service
  - Location
  - Product lines
  - Longevity in market

While you may not be able to change the competition, you must be aware of trends and create a long-term plan. Product differentiation is an important key to marketing success.
Customer Types

- **Construction Manager**
  - Scheduler, process implementer, group in charge of project
  - Most cases they look after the owner’s interest
  - They usually do not self perform but do provide the documentation function

- **Owner**
  - The individual or group which has the vested and financial interest in the building or project, they are the end user and who the building is for
  - The value buyer… the person who ultimately controls the purse strings.
  - The one entity where quality and performance is a real issue
  - The owner is the ultimate decision maker and can override decisions if it is in his or her best interest

- **Owner Agent**
  - The go-between among the owner and the contractors
  - Hired to look after the owner’s best interest via price, quality, and what the owner deems important
  - Could be technical or non-technical in process, i.e. architect or engineer

- **Prime Contractor**
Types of Contracts and Project Options

TYPES OF CONTRACTS

Firm Price Contract
- Open or select bid list
- Low price gets the job based on quoting to a set of specifications and drawings

Time and Material Contract
- Work is billed on an itemized basis
- Requires documentation and justification

Negotiated Contract
- Owner has a preferred vendor
- Usually a budget and/or fee is established

GMP Contracts
- Similar to negotiated plans may or may not be available
- The pricing can be asked for before the plans are completed

PROJECT OPTIONS

Plan Spec
- Contract price is based on specifications and drawings provided

Design Build
- Contract price and design is mutually agreed upon
- May or may not be involved in the design team

Design Bid
- Design is developed by others and then a firm price is given

Design Assist
- Assist with the design and you may or may not be involved in the construction of the project (typically not desirable)
Integration...Putting the Package Together

Qualification
- Can you see any reason why you should not bid the job?
- Do they just need another number?
- What is your hit ratio?
- What is the customer’s pain?
- Do you know the budget?
- Would you be better off doing something else?
- Which competitors are estimating the job?
- What are your chances of success?
- What are the rules? Have you established estimating protocol with the potential customer?
- How will they make the buying decision? Will it be price? Or other? Can you verify?

Build the job in your head
- Conceptualize the job. Does it make sense?
- Does the job fit your company’s core competencies?
- Can you do it?
- Is the job worth the risk? Or would you be better off going after other opportunities?
- Do you know who is best suited for the job?

Cost of estimating and selling
- What is your team's cost per hour? How long will it take to estimate this job?
- Don’t be afraid to walk.

Political reasons
- Is this a good customer who needs help?
- Will this estimate help you in the future?
Maintaining a Positive Attitude & Overcoming Sales Fear

Having a positive attitude is an immeasurable ingredient to success. Sales fear can limit our willingness to seek new business and take risks.

- **Fear is Mother Nature's burglar alarm.**
- **Knowledge and confidence can be used to overcome fear.**
- **Only you control your attitude.**
- **Your personality will affect your effectiveness.**
- **Dealing with people can be stressful and will always be challenging.**

You can influence your environment by projecting a positive attitude. However, having a positive attitude without proper training, knowledge, and abilities to follow up is of little value.
Philosophies of Buying

People buy based on certain logic patterns and perceptions. Some traditional buying philosophies are:

- **Like and Respect**
  - Customers purchase from companies they like and respect. The customer's personality and market conditions will influence which aspect is most important to them.

- **Buy Not Sold**
  - Customers love to make purchases, but they hate to be "sold." Everyone likes to feel they are in control. Although, an overly aggressive sales presentation can put the customer in an adversarial position. A smart salesperson makes it easy for the customer to buy.

- **Their Concept, Not Yours**
  - Customers base buying decisions on their own reasoning and concepts, not yours. You can communicate benefits, but the customer must make their own decision. Arguing with the customer will only reinforce their prejudices. You must get the customer to question his or her own logic.

- **Understanding and Trust**
  - Business owners' purchase from companies they believe are able to solve their problem or fulfill their needs. Purchasing decisions are often based on trust, not on technical information. Customers probably don't know technically how the product will help them and are forced to have faith in your area of expertise.

Successful salespeople have the ability to put themselves in their customers' shoes. Customer perception is a key ingredient to sales success.
Building A Story

Every organization has unique traits and messages to send their customers. In three sentences or less, detail how you would describe your company to a customer:

Differentiation is a key ingredient to business sales success. If a customer perceives equal value in your work and your competitor's work, the customer will buy price. List what traits you have in common with most of your competitors and what traits are unique to your organization.

<table>
<thead>
<tr>
<th>Traits Shared with Competition</th>
<th>Traits Unique to Our Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>1.</td>
</tr>
<tr>
<td>2.</td>
<td>2.</td>
</tr>
<tr>
<td>3.</td>
<td>3.</td>
</tr>
<tr>
<td>4.</td>
<td>4.</td>
</tr>
<tr>
<td>5.</td>
<td>5.</td>
</tr>
<tr>
<td>6.</td>
<td>6.</td>
</tr>
<tr>
<td>7.</td>
<td>7.</td>
</tr>
<tr>
<td>8.</td>
<td>8.</td>
</tr>
<tr>
<td>9.</td>
<td>9.</td>
</tr>
<tr>
<td>10.</td>
<td>10.</td>
</tr>
</tbody>
</table>
Making Positive First Impressions

With first impressions, there is no second chance. People should not judge us by their first impression, but they do.

- **Prepare yourself.**
  - *Physically* - Make sure your appearance is appropriate and acceptable.
  - *Mentally* - Create an image of confidence and credibility.

- **Use hot buttons.**
  - A *hot button* is something important that the customer does not realize or consider about the situation.
  - Two common hot buttons
    - Delivery
    - Experience.
  - Hot buttons ensure the customer is listening. Too many salespeople babble on and on without gaining the customer’s attention.
  - Position yourself as a consultant by trying to solve a problem, instead of a salesperson trying to sell something.
Gathering Sales Information

Selling is an acquired skill that encompasses several stages. The first stage - research -- is to find out what the customer wants or needs.

- **Cat vs. Dog Selling**
  - Many sales people bark like a dog chasing a garbage truck.
  - The smart salesperson establishes a strategy and stalks the sale.

- **Qualified vs. Unqualified**
  - Without qualification, time can be wasted on customers who do not have the money or capacity to buy from you.

- **Ask questions and listen.**
  - Only by asking and listening can we identify the customer’s needs.
  - Frequently, customers will "hint" at what they really want through buying signals.

- **Probe for information.**
  - Find out the job particulars ... what, when, where, and how.
  - The following are sample-probing questions. You can lead into these questions by simply saying, "So that we can best serve you, some basic information would be helpful."
    - How did you hear about us?
    - What similar products or services have you used in the past?
Objections & Negotiations

Objections are not necessarily bad. The business owner is showing a sincere interest, and may need more buying information. Consider these techniques.

- **Explain**
  - Restate the appropriate benefits.

- **Sidestep**
  - Restate your strengths.

- **Give It Back**
  - Make the customer think through his or her own logic.

- **Use the "feel, felt, found" principle.**

Negotiating has little to do with money. Everyone wants to feel like they received a sound deal. Here are some standard negotiating ploys:

- **Reluctant buyer ploy**
- **Third party influencer**
- **Good cop/bad cop**
- **Appealing to a sense of fair play**

Simply asking for the order and seeking an appropriate ending may be all that is required to close the sale.
Consultative vs. Relationship Selling

Sales in this millennium are about solving problems. Buying lunch and playing golf aren’t enough in today’s competitive environment.

**RELATIONSHIP SELLING**  Strategy driven by one-on-one social contact. (personally focused)

**CONSULTATIVE SELLING**  Strategy driven by the ability to solve customer problems. (business focused)

- Selling requires reps to focus on three skill areas:
  - **Strategy**
    - Plan
    - Fact
    - Approach
  - **Positioning:**
    - Pre-sell
    - Arrange
    - Multi-buying influences
  - **Conversational Skills**
    - Dialogue
    - Product and company’s advantages
    - Features and benefits

Customers of the millennium prefer salespeople who they envision as business partners. Your ability to help your customer’s business will determine your ultimate success.
Value Added vs. Low Cost

While many companies profess to have a value-added strategy, the ultimate test of that strategy lies with the customer. Are they willing to pay more for your products or services?

- **Value-Added Strategy:**
  - The sales representative and/or company bring value to their product thereby allowing it to be sold at a premium.

- **Low Cost Provider Strategy:**
  - The sales representative and/or company offer their products at the lowest possible cost, allowing that low cost position to drive sales and growth.

- **Leveraging:**
  - "Leveraging" is a skill whereby sales professionals capitalize on existing relationships, past favors, and value to subtly pressure customers into buying products by using both consultative and relationship sales skills.

- **Factors determining your strategy:**
  - Commodity versus Specialty Products
  - Abilities of Your Sales Force
  - Cost of Selling
  - Uniqueness of Products
  - Industry Environment and Market Conditions
  - Product Types and Product Usage

Many companies fail due to their inability to clearly pick an appropriate strategy and stick to it. Companies rarely succeed when adopting a middle of the road position.
Developing Effective Sales Literature

Sales literature, whether it is a quick-copy flyer or a big budget brochure, is an essential ingredient in building the image of your company and selling the value of your services. Sales literature is also used to support and supplement your sales presentation.

- The power of the piece is more important than perfection.

- Messages should be clear and concise.

- Headlines and captions are important features.

- Packet and flyers may be the most economical approach.

- Economies of scale affect costs.

- Strategies vary according to quantities.

Many companies fail to have sales literature because they can’t decide on the perfect piece. Remember that something is better than nothing.
Summary

We thank you for attending this seminar. Should you have any questions on the material covered, please call us.

In closing, please keep the following in mind:

• Sales and marketing are acquired skills.

• Learning new skills requires commitment and practice.

• Sales and marketing techniques take time to be effective.

Should you like to know more about our cassette and video products, or about our individual consulting ability, speak with your instructor.