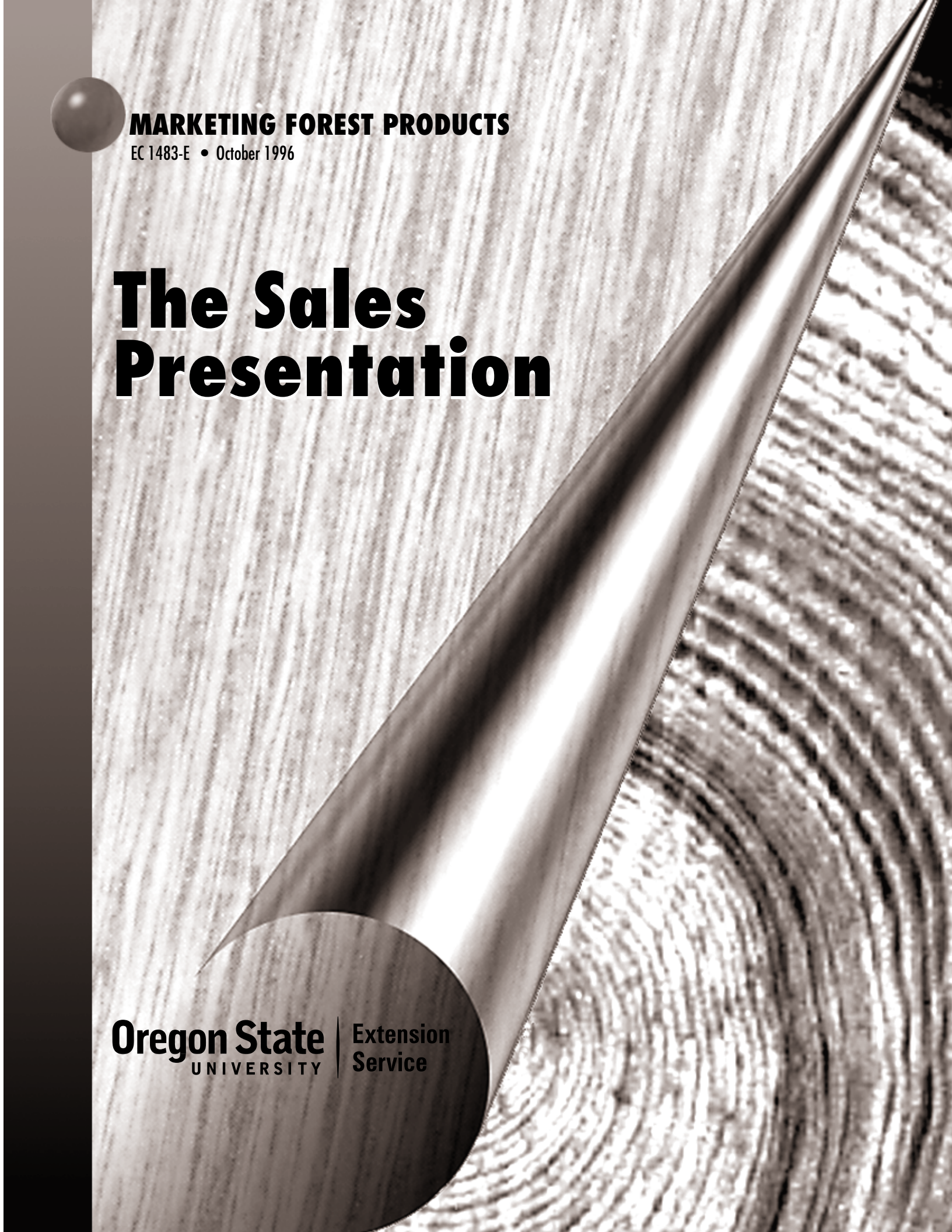

MARKETING FOREST PRODUCTS

EC 1483-E • October 1996

The Sales Presentation

Oregon State University | Extension Service

The Sales Presentation

R. Smith and E. Hansen

With a little patience and a lot of practice, sales presentations can become one of your most productive selling tools. Success depends on your capacity to listen, the depth of your knowledge of your company and its products, and your ability to ask the right questions.

The sales presentation is a tool that few salespeople truly master. It has a heavy component of public speaking—an activity that strikes fear in the hearts of many. Nevertheless, whether you sell kitchen cabinets or construction lumber, are presenting to an individual or to a group, there are sales presentation tactics that can work for you. There are so many sales presentation models, gimmicks, and guidelines that we can't begin to discuss them all here. What they have in common is important—each emphasizes the necessity of having a definite strategy for delivering a sales presentation.

One highly recommended model is *SPIN Selling,* developed by Neil Rackham.[1] SPIN Selling outlines a sequence of questioning that successful salespeople follow during a presentation. The SPIN model, shown in Figure 1, consists of *situation questions, problem questions, implication questions,* and *need payoff questions.* Each category provides the information necessary to successfully develop and deliver the next set of questions—and ultimately to convince a potential customer to become more than just potential.

In the SPIN model, *situation questions* reveal the background information that forms a basis for interacting with the potential buyer. They help you define who your customer (both the company and the contact person) really is. To the extent feasible, *situation* information should be generated prior to the sales presentation.

Problem questions identify implied customer needs, i.e., the problems or difficulties the customer is experiencing. For example, you might discover that your contacts "aren't happy with the consistency of the quality of the dimension parts" they've been purchasing.

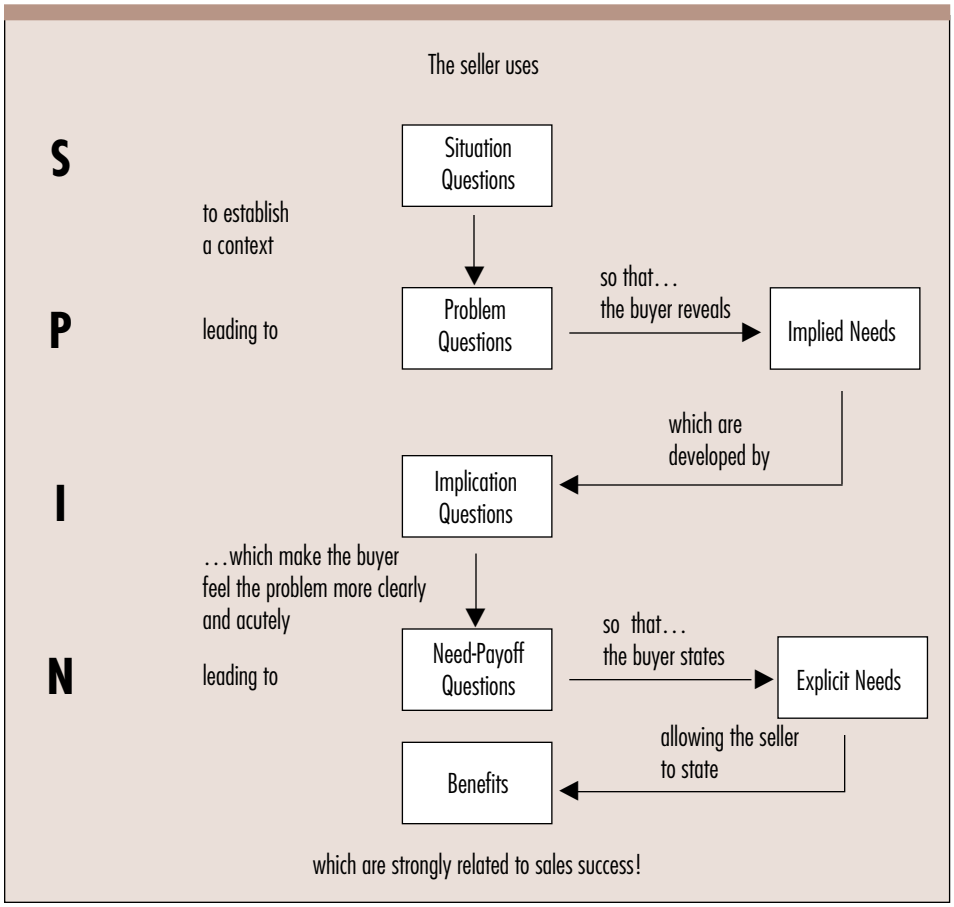

Figure 1.—The SPIN Model. From Neil Rackham, *SPIN Selling* (McGraw-Hill, New York, 1988).

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[1] Neil Rackham, *SPIN Selling* (McGraw-Hill, New York, 1988).

Implication questions build upon answers to *problem questions*. Use them to clarify exactly what the customer means when stating a problem, and to reveal the problem's true impact. Continuing with the example above, you might ask, "How does inconsistent quality affect downstream processes?" If the answer is that it slows other processes as well as final delivery time, then you have begun to make the customer ponder the true costs of the problem.

Need payoff questions are the crux of the SPIN sales strategy. Since the potential customer has identified problems, and you have helped reveal the true implications of those problems, the stage is set for you to propose solutions.

According to the SPIN concept of selling, if you successfully lead the customer through the SPIN questioning process, the customer will be the one stating benefits about what you have to offer rather than your doing it yourself. An example might be, "Wow, this problem is worse than I first thought, and your product looks like it would solve our problem!"

Notice something about the process outlined above. In it, the salesperson does more than just hawk a product—he or she serves a facilitatory role, helping the potential customer identify problems and solutions. Treating sales as a problem-solving process creates a strong relationship between you and the buyer.

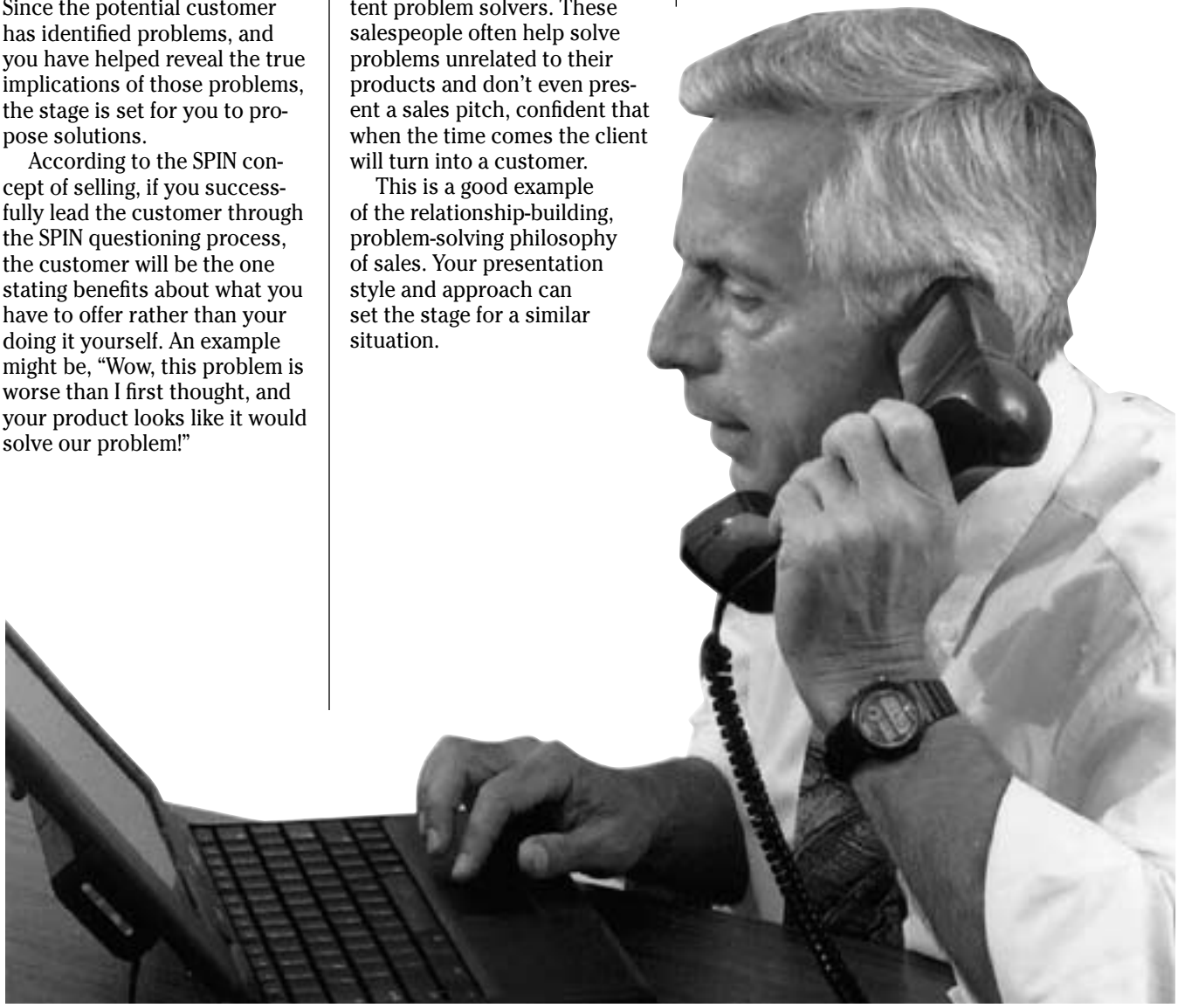
Some wood products companies have tried this strategy. A leading equipment manufacturer and a major producer of engineered wood products both demand that their salespeople be skilled engineers and competent problem solvers. These salespeople often help solve problems unrelated to their products and don't even present a sales pitch, confident that when the time comes the client will turn into a customer.

This is a good example of the relationship-building, problem-solving philosophy of sales. Your presentation style and approach can set the stage for a similar situation.

Before the presentation

"In an emergency a plan is useless, but the planning is indispensable."
—Dwight Eisenhower

The initial steps in your sales presentation should occur well before the meeting with your potential customer. Time spent on advance preparation, including a detailed plan of action, is time well spent.



You may not (in fact, probably will not) end up following every point of your plan during the actual presentation, but the effort you put into the plan won't be wasted. The process will leave you far better prepared and enable you to respond to your potential customer more effectively.

Start by gathering as much information as feasible about the potential customer. Check industry directories (such as Miller Freeman's *Directory of the Forest Products Industry* or Random Length's *Big Book*), associations, or even the local chamber of commerce. Your current customers may be good sources of information, and don't overlook the wealth of information that may be obtained by talking to a contact's secretary or receptionist. Other hints for gathering information are provided in EC 1482-E, *Developing and Maintaining Customer Contacts*.

From this information, you should be able to anticipate whether your contacts are likely to be interested in your product. If they don't have problems that you can solve, you should reassess the situation.

The preparation done to this point will form the basis for your presentation plan. At a minimum, your written plan should include an outline and the primary questions you intend to ask. See below for an outline of a more detailed presentation plan.

You may want to follow the SPIN model and prepare questions in each of the categories. Remember, too many *situation questions* tend to irritate the prospect—so answer as many of these questions as you can during the homework stage. We recommend that you also spend time anticipating how your contact may respond to your sales presentation questions and preparing to follow up.

When you are thoroughly prepared, it's time to meet the customer. First impressions are important. Make sure you are on time and look good. Whether you follow the SPIN approach or your own approach to selling, remember these key points:

- Be a problem solver.
- Be a good listener.
- Follow your plan or strategy.

Components of the presentation plan

- Background information on the prospect's organization
- Background information on the prospect
- The prospect's anticipated needs
- Information on the products the prospect is most likely to buy
- Specific benefits your company can provide the prospect (problems you can solve)
- The objective for the appointment
- Key questions to ask
- Anticipated objections and how you will respond
- Presentation materials
- A person who will serve as a reference

Presenting to a group

The ability to present ideas to a group is one of the most important assets you can possess. It affords greater visibility for your organization, its products, and yourself. Buying decisions for major purchases often are made by a committee, so an effective presentation enhances your chance of making a sale.

Anthony Salinger[2] believes there are 11 ways effective presenters connect with their audiences. With a little creativity, you can incorporate these concepts into your sales presentation technique.

1. **Let them know you are human**. Establish a bond with the audience. Mention something that you have in common with them. Let them know you are glad to be there. Be warm and sincere.
2. **Be your unique self**. There is no one else like you. Be proud and confident in how you differ from every other person. Look for and allow your own style to develop.
3. **Use stories and human examples**. Tell stories about yourself for examples. Twist a humorous story you have heard to include yourself as a main character.
4. **Perfect your timing**. Some of the tools for effective timing are the use of the pause,

[2] Anthony Salinger, *The Toastmaster Magazine* (August 1995), pp. 14–15.

skillful story line development, and the surprise ending.

5. **Stay informed**. A skillful communicator cannot be too well informed. Know what current topics interest your audience and profession. Know what unifies your audience. Forest products share numerous links. For example, what happens in the medium-density fiberboard and particleboard industries has significant impacts on the furniture and cabinet industries.

General economic conditions have important interactions with the industry. Many forest products markets follow the trends of housing starts. You should know what is happening in all aspects of the industry that affects your customer's business. Libraries, bookstores, magazines, and newspapers can help keep you abreast of what is happening in the world of sales and forest products.

6. **Let your voice make friends**. Can you smile with your voice? Have you learned to use inflection, volume, pitch, and intonation to make your voice sound warm and friendly?

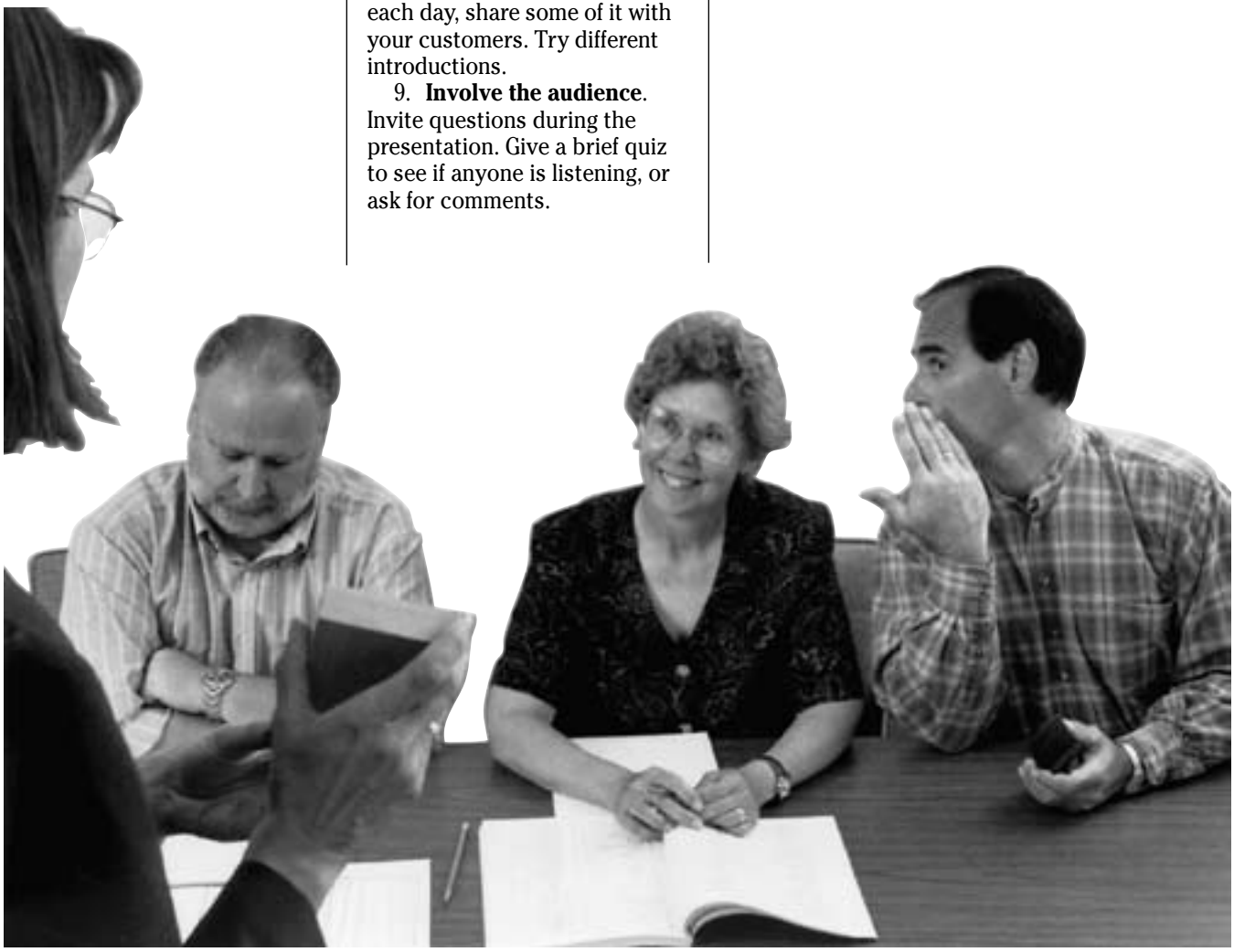
7. **Be flexible**. Adapt—your life is one of the richest sources of speaking material. Whatever you tell them, make it your own.

8. **Use variety**. Don't limit yourself to one subject or style. Think like a professional. Since you are gaining new information each day, share some of it with your customers. Try different introductions.

9. **Involve the audience**. Invite questions during the presentation. Give a brief quiz to see if anyone is listening, or ask for comments.

10. **Project sincerity**. Strong beliefs, enthusiasm, and energy cause listeners to lean forward in anticipation of what you have to say. Don't be afraid to get excited. The audience wants to hear your feelings, values, and what you care about.

11. **Practice, practice, and practice**. Effective communication is a developed skill. Some of us spend a lifetime studying, practicing, and learning. There is no substitute for knowing your material, products, and company. You must project a confident, knowledgeable image if your customers are to believe in you.



Handling objections

No matter how well you are prepared, how polished your presentation, or how wonderful your product, you are certain to encounter objections from some of your contacts. Properly handled, objections can be turned to your favor.

Your first goal should be to prevent objections. Examining the SPIN approach, we find that one effective way to prevent objection is to avoid providing solutions too early in the presentation. If you present a solution before you have fully developed the problem and the prospect's needs, it's natural for him or her to object. It's like telling the punch line in the middle of the joke. If you do, the prospect won't get it!

If objections do come up, here are some suggestions on how to handle them. Remember, there is no such thing as rejection. There are only objections. Find out why the prospect does not want to buy today. Start by asking the following questions, but tailor them to your specific application:

- What are your reservations?
- What would I have to change to make this offer more attractive?

Listen carefully to the answers. Good listening skills are critical at this stage of the sales presentation. Avoid preparing your response until you have heard all of the customer's concerns.

Make short notes while the prospect is talking. Get clarification or specifics on the answers. Paraphrase the customer's concerns and repeat them back to ensure you are interpreting them correctly. If the contact says your product is too expensive, find out what is too expensive. Make sure the prospect is telling you the real objection. Again, ask probing questions. "Is there anything else that concerns you?"

Always use verbal cushions. Don't counter with an objection. Show your concern, then state why the customer may not recognize all of the benefits. "I appreciate your concerns; others have found…" End your response with a question. "Does that make sense?" or "Is reliable service for this product important to you?"

Always avoid arguing. Calmly restate the information in a slightly different way and make sure your voice doesn't sound defensive. Keep your answers short and to the point. In many cases, this process will change objections into selling points.

Potential objections and responses

- It's too expensive.

  _____

  _____

  _____

- We like our current supplier.

  _____

  _____

  _____

- I'm not ready to buy yet.

  _____

  _____

  _____

- The last time I used your company we had these problems.

  _____

  _____

  _____

- Your financial arrangements are not as good as those we currently have.

  _____

  _____

  _____

Unfortunately, you will not always make a sale. Don't take this personally! "No" is not a personal rejection, but a business refusal. It means the prospect may not have enough information, doesn't need the product at this time, or can't afford it. It does not mean you are not a good person.

Some standard sales objections are listed on page 6. Prepare responses to them and you will be more likely to close your next sale. Identify other objections commonly encountered in your specific sales environment, and prepare for them as well.

Even the best salesperson cannot overcome all objections. Listen carefully, probe for underlying objections, get clarification, and verbally cushion your response.

If that fails, then leave on a positive note. Thank the contact for spending time with you, and ask if you may visit again when things may have changed. Follow up with a letter discussing your visit and any new items you may be able to share. Avoid sending the following message:

"*Your generous allowance of time was greatly appreciated. I am sure your decision not to use our very fine product is based upon careful consideration and thought (you dumb SOB).*"

Why did I lose that sale?

Losing a sale can be very discouraging, but it is critical to step back and evaluate what happened. Ask yourself the following questions; the answers will leave you better prepared for your next attempt.

- Was I fully prepared?
- Did I somehow offend them?

- Were they interested from the beginning?
- Did they understand the presentation?
- Did they believe me?
- Was my strategy strong?
- Was the market up/down at the time of my presentation?

Reducing the down periods

So you lost a sale. Maybe you are behind in sales for the quarter. Every salesperson has down days or periods. Here are some ideas that will help you retain a positive attitude:

- Engage in physical exercise.
- Set more attainable goals.
- Take life less seriously (we are not going to come out of it alive anyway).
- Share your positive attitude with others and stay away from negative people.
- Take a mini-vacation.
- Maintain a better balance between work and leisure.
- Devote more time to seeking inner harmony (good book, church, yoga, etc.).
- Do a favor for others.

Summary

No matter what approach you use, a well-thought-out plan is critical to a successful sales presentation. Confidence in yourself and your product help, and a well-thought-out plan builds confidence. Knowing your audience is critical and helps you create a mutually beneficial relationship with the buyer and avoid unnecessary objections. If you do your homework and thoughtfully prepare and practice your sales presentations, your success will increase.

For more information

OSU Extension publications

Smith, Robert, and Eric Hansen. *Developing and Maintaining Customer Contacts,* EC 1482-E.

Smith, Robert, and Eric Hansen. *Personal Selling,* EC 1481-E.

Smith, Robert, and Eric Hansen. *Sales and Understanding People,* EC 1480-E.

You can access OSU Extension's educational materials catalog and many publications online at http://extension.oregonstate.edu/catalog/

Other publications

Goodman, Gary. *You Can Sell Anything by Telephone.* Prentice Hall, Inc., Englewood Cliffs, NJ, 1984.

Master Salesmanship (biweekly newsletter). Clement Communications, Inc., Concordville, PA, 1-888-358-5858).

Miller, Steve. *How to Get the Most Out of Trade Shows.* McGraw-Hill Book Company, New York, NY 2000.

Rackham, Neil. *Spin Selling.* McGraw-Hill Book Company, New York, NY, 1988.

Sinclair, Steven. *Forest Products Marketing.* McGraw-Hill Book Company, New York, NY, 1991.

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