

ESSENTIALS SERIES

Essentials of Profitable Showroom Sales[®]

Mastering the Art of the Consultative Sale

by Hank Darlington



ASA
UNIVERSITY

Essentials of Profitable Showroom Sales[®]

Mastering the Art of the Consultative Sale

from the

ASA Education Foundation

by Hank Darlington



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HEADQUARTERS

ASA Education Foundation
1200 N. Arlington Heights Rd.
Suite 150
Itasca, IL 60143

tel: 630.467.0000
fax: 630.467.0001
web: asa.net
e-mail: info@asa.net

CHAPTER 1

The Role of Showrooms in Wholesale Distribution

Wholesale distributors have adapted to the changing marketplace by adding showrooms to their business operations.

After reading and studying the material in this chapter you will be able to:

- 1. Explain why showrooms have huge market potential.**
- 2. Discuss why showrooms are targeting new customer groups.**
- 3. Identify why the showroom segment of wholesale distribution operations should develop business, marketing, and sales plans.**
- 4. Summarize the meaning of the three core financial statements.**
- 5. Explain why wholesale showrooms must learn to grow their gross profit margins.**
- 6. Explain how well-written job descriptions and performance evaluations contribute to a winning showroom team.**



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Every household has “X” dollars they can spend. They will shop the discount stores and internet to save—and then splurge on luxury products that are important to them. But your company’s biggest competitor isn’t the showroom or big-box store down the street—it’s the new car, a great vacation, the home theatre, etc. Your job as a showroom sales consultant is making a great kitchen and bath the most important thing to your customers.

Upper middle class incomes continue to grow. Moving up from 12.9% of the population in 1979 to 29.4% in 2015. This equates to an increase in spending of discretionary income. Your job is to get your showroom its fair share of all those new discretionary dollars.

Consumer research shows that people are willing to pay premium prices for higher quality products. It is estimated that by 2020 the luxury market will be \$375 billion and that more and more middle-class consumers will be trading up. Is your company positioned to take advantage of this where bath and kitchen products are concerned?



Why Showrooms are Important to Distributors

Wholesale distribution, like most other businesses, is driven by sales. Distributors must continuously grow their sales and profits to support the enormous investments they have made in product inventory, accounts receivable, facilities, equipment, and people that are required to service their customers. Competition has never been tougher than in today’s world where customers can not only purchase products from other supply houses, but also from numerous other sales channels.

This includes sales anywhere in the country via online websites. With what appears to be growing competition from all sides, distributors must constantly search for new ways to grow their sales and profits.



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Getting into the showroom business can provide an excellent opportunity to grow both sales and profits for distributors.

Showrooms can provide excellent opportunities for distributors to increase their sales and profits. However, profitable showrooms are not just an extension of warehouse and distributor sales operations. Getting into the showroom business requires the same organized and disciplined approach necessary when starting any new business venture.

In the case of showrooms for distributors, several important considerations come into play:

- **Distributor showrooms have huge market potential but must understand the need to operate as a consumer-focused retailer opposed to the traditional distributor to trade business model**
- **Compared to big box stores wholesale distributor showrooms often emphasize higher-end products and service to mid to higher end consumers**
- **Showrooms providing superior service and products eliminate the need to compete on big box and internet sellers**
- **Showrooms should never price compete with the big boxes**
- **Showrooms need to target and serve an expanded number of customer categories**
- **Showrooms need to adapt the best operational practices and target financial ratios appropriate to the retail nature of showrooms**
- **Showrooms need to develop detailed operational, financial, and marketing plans for their operations**
- **Showrooms need to develop a high-performance team of showroom professionals that match product providers.**

In the remainder of this chapter and throughout this course, we will take a closer look at these and additional considerations.



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Retail showrooms offer huge market potential

Wholesale distribution showrooms have been around for more than 60 years. Originally showrooms were developed as a service for the plumbing contractor and fixture and faucet manufacturers. In the past, showrooms primarily moved manufacturers' products through the supply chain channel to residential and commercial contractors. In more recent years, distributor showrooms whose customer base was primarily the trades began to realize that retail consumers were a potentially huge market that was being largely overlooked. Many made major commitments and invested in improving and growing this segment.

Today's best showrooms are upscale, customer-friendly stores in easily accessible locations that showcase a diverse selection of mid to higher end products. The best showrooms have top sales people who connect with the consumer, vast array of products, customer friendly layout and aspirational vignettes.

Many times vignettes or displays are designed to present realistic home environment situations that attract customers to key areas. Full-size working displays of showerheads, body sprays, faucets, and whirlpool tubs provide suggestions of how products work and look. These displays of kitchen and bath products, as well as radiant heating, allow buyers to choose from a broad array of colors, styles, materials, cabinets, countertops, fixtures, and appliances for every aspect of a remodeling or new construction project.

"One-stop shopping" is very popular with homeowners and it doesn't cost a showroom any more to advertise and promote a "larger selection of products and services."

In many cases showrooms allow homeowners to touch, sit in and sit on the products before they buy them. They understand that because homeowners are using their hard-earned money to furnish their home, they have the right to choose whatever appeals to them.

Often a woman will be making the choices. Women are most likely to be responsive to sales consultants who are well-dressed and to a showroom with an overall feel that is customer-friendly. They are more likely to notice displays that include distinctive home decor accessories that look and feel like a real home. This includes towels on towel bars and soap dishes with soap; rugs on the floor; vases with flowers; and so forth.

Kitchen and bath products are the fastest growing niche in the building products trade.

Over the past few years, the kitchen, bath and decorative hardware industry has evolved from a manufacturing-led utilitarian industry to a marketing-oriented fashion industry.



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A fact that bodes well for showrooms today and into the future is that the master bathroom, powder rooms, and the kitchen are regarded by many as the most important rooms in the home. Homeowners are willing to spend the money necessary to make these rooms more luxurious and welcoming.

In an increasing number of showrooms, distributors not only feature the products of their primary vendors but are also showing and selling products from non-traditional supplier partners.

There is additional good news that comes from this evolution. Simply stated, sales of higher-end luxury products to homeowners, custom home builders, remodeling contractors, and interior designers are often considerably more profitable than sales to plumbing contractors who still get deep discounts in “over the counter” sales from the wholesale side of the business. Manufacturers appreciate these efforts to sell their higher-margin products and therefore, are often very supportive of the showroom’s efforts.

Showrooms operate more like retail stores than supply houses

Retailing involves selling products and services directly to consumers for their personal or family use. Department stores, discount stores, and specialty stores are all examples of retailers. Service providers, such as dentists, hotels and hair salons, and on-line stores are also considered retailers.

Many businesses, such as large home improvement centers, are both wholesalers and retailers because they sell to consumers and building contractors. Regardless of what other functions these businesses perform they are still retailers when they interact with the final user of the product or service.

Distributor showrooms emphasize mid- to higher-end products and services to higher-end consumers

In addition to the sales and profit potential mentioned above, distributors with showrooms became proactive in selling a variety of upper and mid-range decorative products for two important reasons:

1. **The ever-increasing number of independent kitchen and bath dealers, hardware stores, super stores, home center chains, and online suppliers are competing aggressively to offer lower-end products to lower- and mid-level consumers at the lowest prices. Plus, the plumbing departments at the big-box stores are only a fraction of the store’s total space, and are nearly as well displayed as they are in plumbing wholesaler showrooms.**
2. **The tremendous growth of big-box stores that are mass marketing traditional wholesaler products to everyone and anyone.**



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The big-box retailers' emphasis on mass marketing and low price leaves open a growing opportunity for distributors to provide highly consultative sales of mid- to higher-end products to all clients coming through the doors. In this arena, meeting the upscale consumers' wants, providing a quality consultative selling service, and offering higher-end products not carried by the mass marketers establishes the competitive point of difference for distributors' showrooms. The big-box stores just can't do it.

With these upscale consumers and products, price is not the major differentiating factor and margins can be large enough to cover the showrooms' higher costs of operation while still increasing profits.

Big-box stores emphasize volume rather than price margin

The terms "big-box stores," "value retailers," "superstores," or DIY (do it yourself) stores are often used interchangeably. "Big box" is descriptive of the physical characteristics of the building. A big-box store is a large, free-standing, rectangular, generally single-floor facility built on a concrete slab. For these retailers, size does matter.

The big-box stores depend on selling a high-volume of lower-priced commonly available products rather than on price markups. To do a profitable volume, they must occupy large amounts of space, sell a huge variety of products, attract large numbers of customers, and avoid having their sales associates spend large amounts of time with individual customers. Big-box stores are several times the size of a traditional outlet, but, only a small percentage of that total space is dedicated to decorative plumbing products.

CHARACTERISTICS OF BIG-BOX RETAIL STORES

- Typically occupy more than 100,000 square feet
- Derive profits from high sales volumes rather than price mark up
- Often windowless, rectangular single-story buildings
- Standardized facades
- Reliance on auto-borne shoppers and acres of parking
- No-frills site development without pedestrian amenities
- May be located in rural towns or urban neighborhoods
- Varying market niches such as discount department stores and warehouse clubs.
- Associates that help customers navigate the store but are not strong on product knowledge or selling skills



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Big box opponents criticize such stores for things such as being visually overbearing, wasteful of open space, and harmful to community and small businesses. On the other hand, advocates point to consumer benefits from the greater convenience and lower cost of goods, and the ability of such stores to draw in sales tax-generating consumers from a wide area.

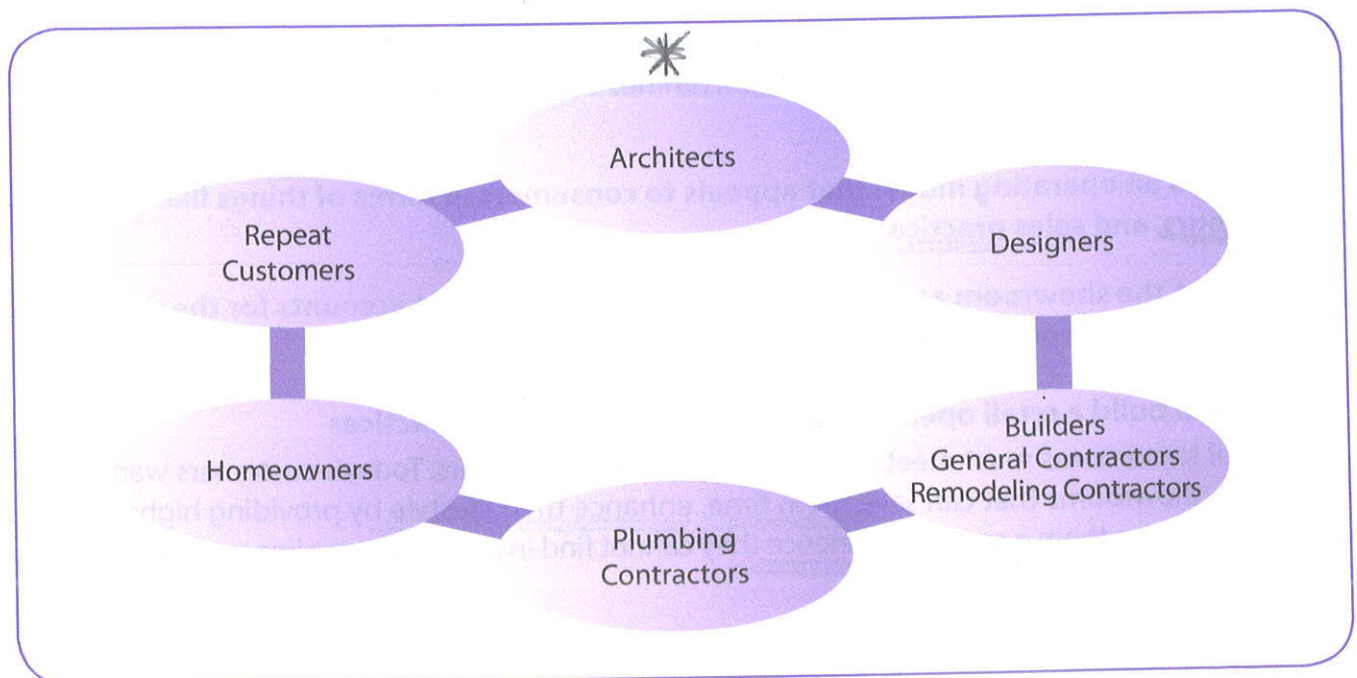
When thinking about the big boxes, showroom sales consultants need to keep in mind:

- **The big boxes can't compete on service with a high-quality showroom staffed by first-rate sales consultants selling higher-end products.**
- **Quality showrooms should never compete with the big boxes on price.**

Not every visitor to your showroom will be a good prospect. Some may be better prospects for the big boxes. In Chapter 4, this course will show you how to qualify good showroom prospects and quickly cut loose poorer candidates.

Wholesale Showrooms Now Target Up to Six Customer Categories

Today's decorative plumbing and hardware showrooms can serve up to six customer categories:



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In prior years, the plumbing contractor controlled the total buy/sell of almost all plumbing products. ✓

As wholesale distributors strive to create profitable showrooms, it is important to keep in mind that the identity of the showroom customer is still evolving. The growth of the big boxes, the internet, and independent dealers have made distributors realize they must change their marketing strategies and reach out to new customer categories to gain a larger share of the market.

The trend of selling direct to homeowners started about 30 years ago and continues to increase every year. This does not mean plumbing contractors will be completely eliminated from the transaction; it means their role will certainly change.

The changing marketplace will change the role of the plumbing contractor

Currently plumbing contractors—just like most other contractors—are responsible for meeting with their clients, estimating the costs of the job, getting approval on this estimate from the customer, and then completing or overseeing the completion of the job or project.

That part of the job will remain the same. However, in many parts of the country plumbing contractors do not participate in much of the showroom transaction. If the current trend continues, plumbers may lose the high-end plumbing orders. The consumer and builder will not only be selecting the product, but writing the checks. Predictions are that within a few years all plumbing wholesalers with showrooms will be opening up their doors to all customer categories.)

Successful showrooms operate and account for their business as retailers

To take advantage of the growing retail opportunities described above, distributor showrooms need to:

- **Build an operating model that appeals to consumers in terms of things like locations, hours, and sales practice.**
- **Treat the showroom as a separate retail profit center that accounts for the different cost and margin structures appropriate to a retail business.** ✓

Showrooms build a retail operating model by following best practices

Successful showrooms must meet the demands of busy customers. Today's customers want to work with showrooms that can save them time, enhance their lifestyle by providing higher-end products and give them a special experience they cannot find in a typical home improvement center.



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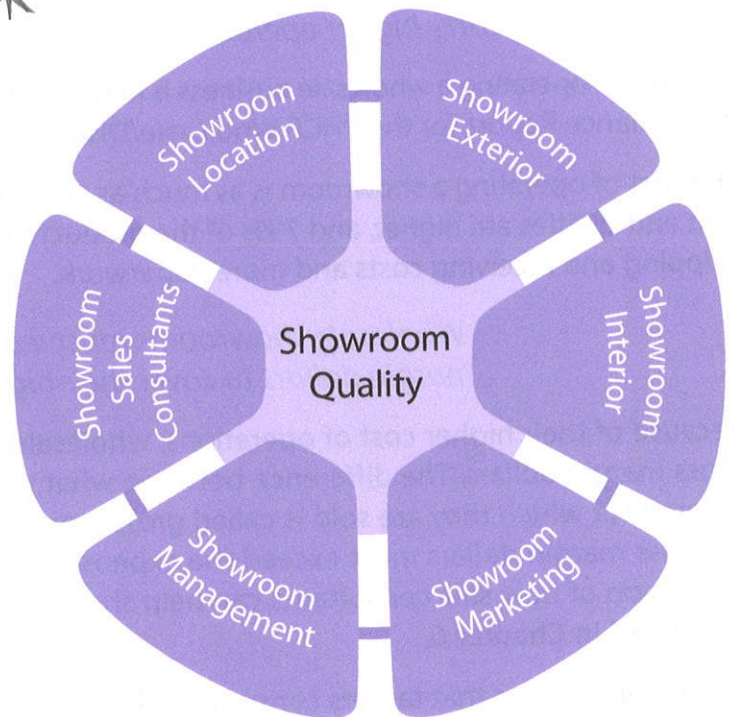
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From an operational standpoint, the very best showrooms excel in six areas:

- **Showroom Location**
- **Showroom Exterior**
- **Showroom Interior**
- **Showroom Marketing**
- **Showroom Management**
- **Showroom Sales Consultants**

In Chapter 2 this course provides a checklist of 102 showroom best practices that can be used to evaluate and improve showroom operations.

While many of the criteria may not be within the control of showroom sales consultants, an awareness of these best practices will strengthen their ability to contribute to the showroom's overall success.



Treat the Showroom as a Separate Retail Profit Center

Historically, showroom sales, expenses, profits and/or losses were included in wholesalers' financial reporting. Showrooms were not treated as stand-alone profit centers. Wholesale showrooms managed inventories, receivables, expenses, and people. They did the best job possible servicing contractors and tradespeople and let the wholesale distribution area operate in its own way.

A "profit center" is treated as a separate entity for purposes of revenue generation and cost collection.

Because retail and wholesale distribution are so very different from one another, it's imperative that owners, managers and the entire showroom team make a commitment to learn an all-new business: **RETAIL!** Wholesaling requires very little merchandising and marketing. Retail demands a lot of this! Think of your favorite mid to high-end retail store and try to envision what its stores look like. How do the sales consultants dress? How do they act toward customers? How do they display and merchandise their products? How convenient is the store location and the hours of operation?



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Showrooms carry higher operating costs than other parts of the wholesale business.

The cost of operating a wholesale business is in the 22%+/- range according to ASA's 2015 Operating Performance Report for the PHCP Wholesale/Distribution Industry/PVF Distributing Industry.

The cost of operating a showroom is as much as 10% higher. There are smaller sales per employee, rent and utilities are higher, and 75% of the products sold are special orders that create higher shipping and receiving costs and more paperwork.

Wholesale showrooms must learn to grow their gross margin dollars to cover their higher cost of operations.

Because of their higher cost of operations, wholesale showrooms must learn to increase their gross margin dollars. The difference between what the showroom pays for goods and the amount for which they are sold is called gross margin dollars. For a showroom to be profitable, its gross margin dollars must exceed the expense of making and servicing its sales. A detailed discussion of how sales consultants can help showrooms grow their gross margin dollars is presented in Chapter 6.

As a retail business that targets consumers, showrooms require marketing (advertising, promotions and public relations). They require a whole lot of customer-friendly actions: good location, extended hours, attractive showrooms, a variety of products, well-trained and knowledgeable sales consultants, and incredible customer service.

Putting this all together cannot be done haphazardly but using some solid basic business tools significantly increases a showroom's chance of success.

Showroom Managers Use Eight Important Management Tools

Every showroom manager should develop and implement a plan to ensure an effective operation. By understanding the role and use of seven important management tools, showroom consultants will be able to sell more effectively. If your showroom is already using the following eight tools, you can give testimony to how important they are. These management tools include:

1. **A showroom business plan.**
2. **Monthly and annual budgets.**
3. **A policy and procedures manual.**
4. **Monthly and annual financial statements which include sales and margin goals.**



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5. Job descriptions.
6. Performance evaluations.
7. Formal written training program. *
8. Detailed list of "Showroom Best Practices." *

We'll look at each of these management tools in the following sections.

The business plan provides directions for getting to your destination

Have you ever found yourself driving around aimlessly in a strange town because you followed your sense of direction instead of consulting a map or GPS? Well, it's the same thing in running a business. Businesses can be run "by the seat of their pants" or they can follow a well-thought-out, detailed plan. A business plan is a proposal that lays out the future strategy and financial development of a business, usually covering a period of several years.

When a manager develops a plan, it should include:

- An executive summary that provides a condensed version of the content of the plan
- The company's mission statement that is brief description of its fundamental purpose and answers the question: "Why do we exist?"
- An overview of the business that describes the products and services it offers
- A physical plant description of the area in which goods for sale, especially high-end products, are displayed
- Financial projections (sales, cost of goods sold, gross profit, expenses, and operating profit) that show how many dollars will be available to run the showroom
- A marketing plan that outlines the specific actions the company intends to carry out to interest potential customers and clients in its products and services—and persuades them to purchase those products and services
- A human resource plan that outlines staffing, performance appraisals, compensation and benefits, training and development, employee and labor relations, safety and health, and human resource research
- An inventory plan that describes how finished products that are ready for sale, but haven't yet been sold are managed



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Each of these sections should include elaborate details and information. The first time a manager writes a plan it will take some research and time. But the process becomes easier with each annual revision or update.

Many businesses operating today do not have a written business plan. Various sources project that more than half of the small businesses operating today will either be out of business or merged into another business within the next 10 years. By developing a business plan, showrooms can avoid being part of that frightening statistic. A business plan can help a showroom:

- **Determine the direction in which it needs to go**
- **Visualize possible roadblocks along the way**
- **Formulate responses to contingencies**
- **Stay on track to reach its planned goals**

A well-developed business plan will help showroom management and staff understand the showroom's competitive advantage. Your competitive advantage is what you do best that draws customers to buy your products and services instead of your competitors'.

Yearly and monthly budgets provide objectives against which to measure results

Budgets are detailed plans that represent set objectives against which to measure results. They are a valuable management tool—a blueprint that enables sales consultants to focus on specific objectives, and chart the right course to attain those objectives.

By monitoring results as you pass through the budget period, showroom businesses are able to make necessary adjustments that will keep the plan on target. It helps showroom managers determine when to hire or lay off people, expand or cut back on advertising, make capital investments, borrow or pay back money. Most of all, a budget eliminates surprises.

A policy and procedures manual outlines the showroom's operation

A policy and procedures manual is a written document that outlines everything about how a business is to be operated. It is part of the employee handbook detailing everything the employee needs to know about the company's people policies. And this very important management tool outlines everything from opening the doors to turning on the lights to making and serving coffee. It spells out every detail on how your business is to be run. It's a valuable tool for management, employees, and potential buyers of the business.



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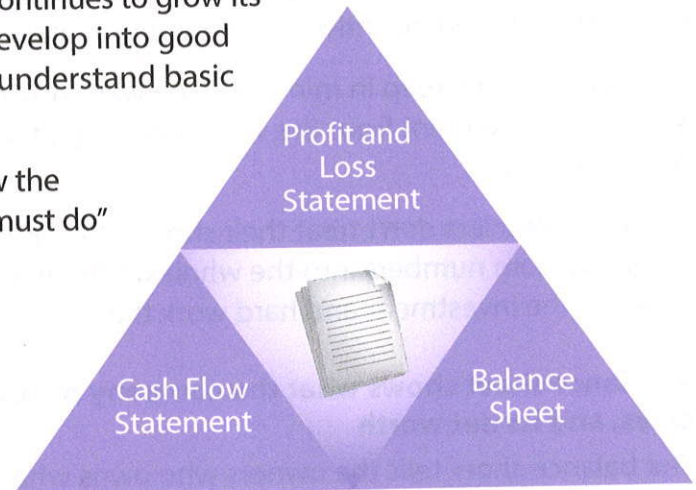
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Monthly financial statements report how the business is doing

For many showrooms, increasing competition, shrinking margins, and economic slowdowns are forcing changes in thinking and the way they do business. One of the best ways to ensure that a company maintains its profitability and continues to grow its profit margin dollars is to help employees to develop into good businesspeople by training them to read and understand basic financial statements.

Financial statements are the report cards of how the company and showroom are doing. The three “must do” financials are:

- **Profit and Loss Statement**
- **Balance Sheet**
- **Cash Flow Statement**



A profit and loss (P&L) statement shows the “bottom line”

The profit and loss (P&L), or income statement, is a picture of the sales, expenses, and profit (or loss) standing of the business over a given time period such as a month or year. It indicates how much the company earned or lost over the period and the costs associated with those earnings or losses. When all the expenses are deducted from gross profit dollars earned on sales, the number left over is net income. A simplified income (P&L) statement would follow this format.

**Sample Showroom Income Statement
for the month ended September 30**

Sales Revenue	\$100,000
Cost of Goods Sold	\$65,000
Gross Profit Dollars	\$35,000
Total Operating Expense	\$27,000
Operating Income (Before Taxes)	\$8,000
Income Tax Expense	\$2,400
Net Income	\$5,600



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If a wholesaler has more than one showroom, profit and loss statements should be generated for each location. This report card tells management that investing in showrooms was a good thing to do—or not. Plus, by isolating showroom sales and expenses, you will be able to determine individual salesperson sales and gross margin productivity. This will also allow management to develop goals and incentives for showroom managers and sales consultants.

It is important to keep in mind that the way showroom sales are generated and serviced is significantly different from the way sales are generated and serviced in the warehouse section of the operation.

When wholesalers don't treat their showrooms as separate profit centers and instead combine the showroom numbers into the wholesale branch or company, it is very difficult to determine whether the investment and hard work that goes into a showroom is worth it.

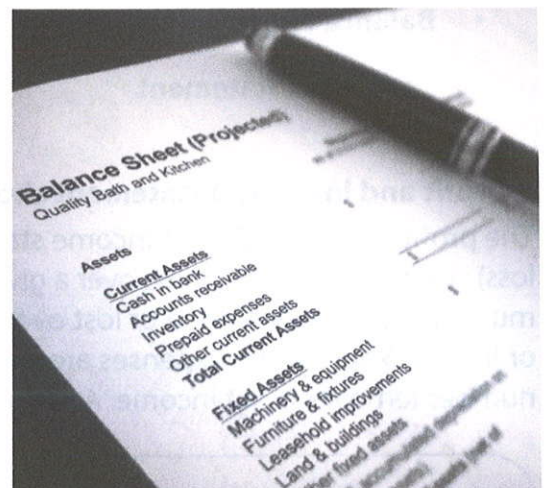
A balance sheet shows what the company owns, owes, and its net worth

The balance sheet tells the owners who owns what. It lists all the assets, liabilities and owners' capital at a given point in time. Do they own more than the bank and suppliers are owed? Is the picture getting better or worse? These are questions owners need answers to on at least a monthly basis.

A cash flow statement shows the available cash situation at a given point in time

While an income statement tells whether a company made a profit, a cash flow statement shows the net increase or decrease in the cash for the period. The cash flow statement tells you where the money came from and where it went. It tells you if there will be money in the bank to make Friday's payroll and to pay the vendors' invoices—information that's very important to both management and employees.

By getting monthly report cards in each of these areas, management can react, respond, adjust, and make decisions on how to run the business. A carpenter wouldn't get much accomplished without a hammer, saw, and the other tools of their trade; and the showroom won't achieve much without good financial reports.



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Showrooms Must Develop a Marketing Plan

Showrooms, like other businesses, need to develop a marketing plan to identify and meet specific goals, improve performance, make better decisions, and improve teamwork. The products being displayed and the way showrooms are marketed are changing so rapidly that it's imperative management develop a formal marketing plan that will guide it in growing their showroom business.

Everything in business starts with the sale

Everything in business starts with the sale. Profitable sales pay our expenses. We also know that no sale will be made without customers. That is what marketing is all about—finding customers, enticing them to look at and then buy your products and services.

For the purposes of this course, we will define “marketing” as:

- A process you can create to attract and keep customers
- A match between what your business sells and what your customers buy
- All the steps involved in tailoring your products, messages, distribution, customer services, and all other business actions to meet the desires of your most important business asset—your customers
- A win-win partnership between your business and its market
- A two-way conversation between seller and buyer

*Selling is not a substitute for marketing.
Selling is part of marketing.*

Marketing and sales are not the same

Too many people, including those who operate showrooms, confuse the terms “marketing” and “sales.” They believe that “marketing” is a high-powered or more sophisticated way of saying “sales.” Selling is not a substitute for marketing, even though the sales function is one of the ways to communicate your marketing message.

A sale is the point at which the product is offered, the case is made, the purchasing decision occurs, and the business-to-customer exchange takes place. Selling is an important part of the marketing process, but it is not—and never can be—a replacement for the marketing process.



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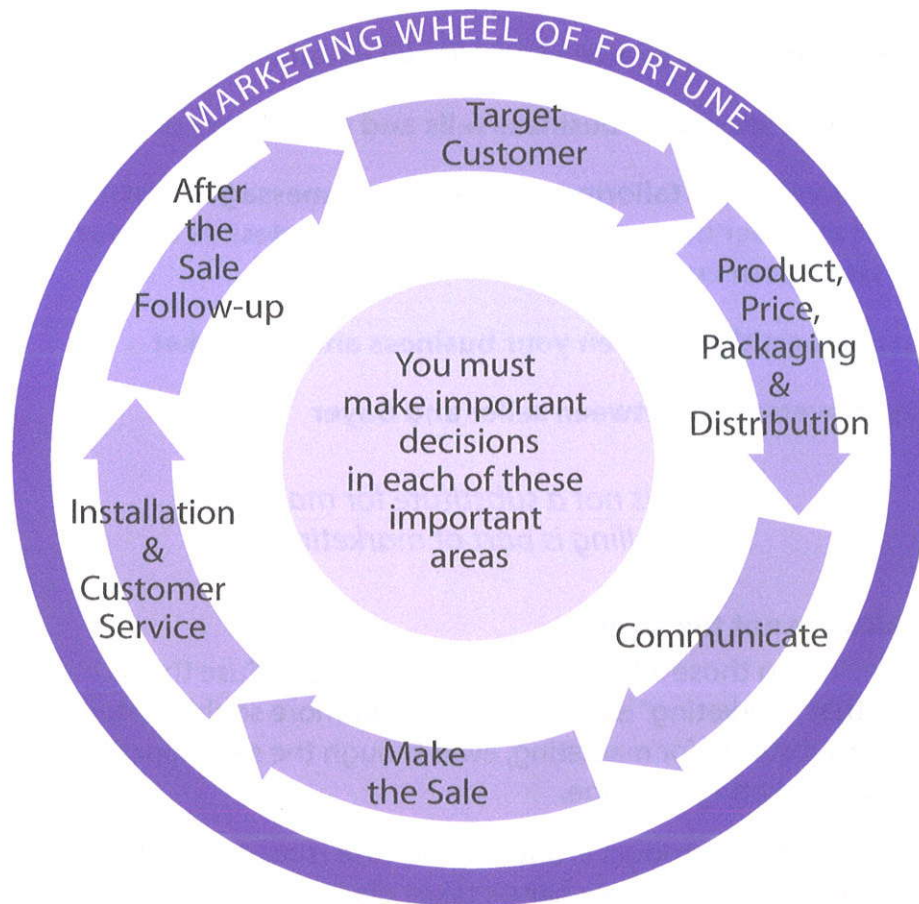
The marketing program is the strategic plan for the showroom's business

Most people would agree there are three main pieces to the marketing puzzle. If each of the pieces fit together, the puzzle will be solved. These pieces are:

1. The plan must be a written, detailed strategy that includes a budget—together with co-op dollars from your vendors.
2. The goals must be measurable and achievable.
3. The plan typically includes three areas: advertising, promotions, and public relations.

The marketing process begins and ends with the target customer

Let's look at the big picture—something we'll call the "marketing wheel of fortune."



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Every successful marketing program, whether it is for a billion-dollar company or a small showroom plumbing operation, follows the same marketing cycle. If you took an aerial picture of the marketing process, it would look like the graph on the previous page. Follow the “wheel of fortune” and go around the cycle, starting at the top with “Target Customer” and circling clockwise.

Marketing is a continuous circle. It begins with knowing who your customer audience is and cycles around to customer service and after-the-sale follow-up. It is the strategic plan for your showroom business.

Showroom Sales are Scored by a Showroom Team

While business, sales, and marketing plans are central to a successful operation, these plans are just that—plans. They need to be put into action by people—the showroom sales team. Many wholesalers operate showrooms as part of a branch location. In most of these cases, the branch manager is responsible for the showroom. This is acceptable—if the Branch Manager knows, likes, and understands the showroom business. In addition, the Branch Manager must be able to devote quality time to managing the showroom if it’s going to be successful.

The Branch Manager should know, like, and understand the showroom business.

Depending on the size of your company and your showroom, your team may be just one or two people or it may be 100 or more. Showrooms in larger marketing areas may have anywhere from two to ten sales consultants who report to a Showroom Manager. In small marketplaces, showrooms typically have one or two sales consultants who report to the Branch Manager. Many large wholesalers have multiple showrooms with a showroom manager responsible for all the locations.

The best run showrooms operate as a team in which all the members help one another. Managers sell products while also managing their employees. Managers and supervisors have a responsibility to mentor and coach employees to improve their performance. (You’ll learn more about operations later in Chapter 2 in a section called “Showroom Best Practices.”)

Like any other team, the showroom’s chance for a winning season will be improved by solid plans for the team itself. These include:

- **Job descriptions**
- **Performance goals and evaluations**
- **Continuous training**



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Job descriptions define job outcomes, functions, and requirements

The showroom job description for showroom sales consultants provides a written outline of what constitutes their job expectations. It tells them what is expected of them, what they need to accomplish, how they will accomplish it, and what is required to do the job. When written properly, the performance expectation will focus on the results of the employee's activities—not on the activity itself. All employees deserve to know what is expected of them. And the last thing a boss wants to hear from an employee is, "I didn't know I was supposed to do that." Every employee should help write his or her own performance expectation. This way, everyone will be aware of and agree upon the expected results. A sample job description for showroom sales consultants is provided on page 19 of this course.

Performance evaluations measure an employee's performance and establish goals for the future

Employees need a job description to know what's expected of them, but they also need and deserve to know how well they are performing their jobs. At least once a year (twice a year is better) each employee should sit down with his or her supervisor and review in detail the results of the employee's performance. Performance evaluations allow employees and supervisors to establish performance expectations, set goals for the future, and review previously communicated performance expectations and development plans. The process also establishes the link between performance and suggested merit increases. If done properly, productivity and efficiency will improve. When morale improves, overall results improve. It's a winning situation for everyone.

Training is critical for a showroom's success

A formal written training program will help employees achieve their maximum level of efficient productivity in the shortest period of time. The old method of "on-the-job training" (OJT) just isn't enough in this highly competitive marketplace. A commitment to learning prepares workers to adapt quickly to changing skills requirements and creates a flexible workforce that can respond quickly to changes in corporate direction and customer demands. Training will help improve productivity, upgrade skills and knowledge, reduce supervision, requirements, improve job satisfaction and morale, and reduce employee turnover.



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Other human resource activities leverage the team's efforts

In addition to developing solid job descriptions, conducting performance evaluations and establishing continuous training programs, winning showroom businesses will also set up employee recruitment activities to attract the best team players to the showroom. It will also help ensure new employees success, maintain their initial enthusiasm and get them up to speed faster with a new employee orientation. The American Supply Association (ASA) has developed a comprehensive manual called the *Employee Performance Improvement Tool Kit*, which is designed to help distributors find, hire, develop, and retain the type of staff they need to continuously improve their performance in line with their business goals. A section on job descriptions explains the benefits and uses of good job descriptions, how to analyze a job, and develop the descriptions. In addition, the manual includes sections on how to start a training program, how to recruit and retain employees, how to evaluate employee performance, and how to develop a new employee orientation program.

If a showroom does not currently have solid plans to leverage the team's efforts, developing those plans should become a priority.

SHOWROOM SALES – CONSUMER FOCUS

The Showroom Sales consultant increases sales, market share, company profitability and customer satisfaction by working with consumers in choosing plumbing fixtures and related items for kitchens, baths and recreational areas. Showroom Sales consultants provide expert product selection assistance, expediting orders from vendors and conducting customer visits as needed.

Job Duties:

Sales Ability/ Persuasiveness

- **Educates consumer** on the process of project management and supply chain.
- **Qualifies** customer as to their project size, budget, & taste.
- Demonstrates effective Presentation Skills to successfully influence and communicate with various audience types and sizes.
- **Demonstrates ability** to integrate industry partners into sales opportunities.
- **Demonstrates** leadership in regional industry associations.
- **Learns** and demonstrates understanding of basic analytic skills and their application to customers' requirements.

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The Role of Showrooms

in Wholesale Distribution

<p><i>Sales Ability/ Persuasiveness Cont.</i></p>	<ul style="list-style-type: none"> • Articulates the organization's value proposition. • Incorporates the selling process within proposal writing and pricing models to match company expectations. • Educates customers on how to differentiate from competitors. • Builds relationships – Learns the value of relationships and views building relationships as a critical success tool. • Sell what we have in stock - provide as alternatives. • Greet customers with a smile and positive attitude. • Learn the customers' wants and desires. • Confidence - Always be closing. Ask for the sale.
<p><i>Customer Focus</i></p>	<ul style="list-style-type: none"> • Recognizes different consumer types and adjusts approach with each for optimal results. • Establishes "trusted advisor" status to become a liaison between the showroom customer and the installing contractor. • Serves as a resource for the consumer and all parties involved in the project. • Adds value to customer and internal interactions by understanding customer needs. • Plans for upcoming customer meetings with a defined time management process. • Demonstrates active listening skills to add value to consumer and internal interactions.
<p><i>Managing Work</i></p>	<ul style="list-style-type: none"> • Adept at managing multiple priorities and able to shift quickly based on competing consumer and company demands. • Learns and demonstrates effective time management practices involving planning and scheduling daily, monthly, and annual activities and priorities. • Demonstrates the ability to organize electronic and paper-based information. • Meet obligations and customer expectations. • Creates customer bids in line with customer expectations and completes sales order follow up activities in a timely fashion.

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The Role of Showrooms

in Wholesale Distribution

<p><i>Navigating Within the Organization</i></p>	<ul style="list-style-type: none"> • Learns and respects the internal chain of command. • Expands immediate problem-resolution network to include additional internal contacts and use them to get things done. • Demonstrates company value proposition—as well as that of the competition—and can articulate to the consumer.
<p><i>Contributing to Team Success</i></p>	<ul style="list-style-type: none"> • Contributes to the professional image of the showroom by ensuring displays are clean and in working order, and pricing & binders are up to date. • Operates effectively within vertical and horizontal teams. • Demonstrates effective delegation and limited-scope management of others on direct tasks. • Assumes responsibility for team outcomes (achievements and shortcomings). • Leverages team interactions for improved individual effectiveness and actively participates in team activities to share best practices. • Exhibits positive outlook, camaraderie, and passion for the job, business, customers, and team. • Identifies showroom customer buying habit changes and relays that information to appropriate people within the organization. • Know your branch, department, and individual budget. • Establishes S.M.A.R.T. goals in line with company goals and values. Implements action plans with timelines with deliverables and measure results.
<p><i>Technical / Professional Knowledge & Skills</i></p>	<ul style="list-style-type: none"> • Understands the basics of the construction process and when the various showroom products fit within the construction cycle. • Learns and demonstrates competence in features and functionality of all product lines, as well as their application. • Adds value to consumers and internal interactions by understanding the market, customers, suppliers, and competitors. • Understands the nuances of competitor product offerings as well as their target audience and strategies on how they reach that audience.



The Role of Showrooms

in Wholesale Distribution

<p>Technical / Professional Knowledge & Skills Cont.</p>	<ul style="list-style-type: none"> • Conveys accurate messages, ideas, and decisions through clear verbal and written communication. • Demonstrates proficiency with related computer systems and applications (e.g. Microsoft Outlook, Word, Excel, PowerPoint, email, etc.). • Understands own organization's profit model and makes sound decisions and recommendations to maximize profit. • Commits to continuous learning on all products.
<p>Leading through Vision & Values</p>	<ul style="list-style-type: none"> • Leads branch and corporate initiatives and mentoring activities. • Balances the role of strong customer advocate with the role of good company steward with resources and time.
<p>Quality Orientation</p>	<ul style="list-style-type: none"> • Follows procedures - Accurately and carefully follows established procedures for completing work tasks. • Ensures high-quality output – Oversees personal and team job processes, tasks, and work products to ensure freedom from errors, omissions, or defects. • Takes action - Initiates action to correct quality problems and notifies others of quality issues as appropriate.

Perform other duties as assigned. Adhere to the rules and regulations as set forth in the Employee Handbook.

Job Requirements:

- Education: High school diploma/GED required
(Associate degree preferred)
- Experience: Minimum 2 years in similar position preferred
Minimum 1 year in progressive position
(2 years preferred)
Product/applications experience preferred
Wholesale distribution experience preferred



The Role of Showrooms

in Wholesale Distribution

In this chapter, you learned about the important role of showrooms in wholesale-distribution, their tremendous potential for significant sales growth and the need for an organized disciplined approach to showroom implementation and operation. You learned why showrooms need to be organized, managed and evaluated as separate retail profit centers and a few of the basics of showroom financials. You also learned how important the showroom team is to the success of the operation and how job descriptions, performance evaluations, and other human resource activities contribute to the team's success.

Your journey through the rest of the course will introduce you to the "Best Practices" of successful showrooms. You'll learn the skills that help showroom sales consultants provide superb customer service and help to make a showroom successful. You'll also learn some good business strategies that will help the showroom succeed. Finally, you'll learn key strategies that will help you empower yourself to become the ultimate showroom consultant.



Quiz

The Role of Showrooms in Wholesale Distribution

1. **The MAIN reason that wholesale distributors should have a showroom is to**
 - A. show products that their vendors want them to sell.
 - B. have a place that plumbing contractors can send homeowners to select products.
 - C. grow sales and profits for the company.
 - D. compete with other wholesalers that have showrooms in the marketplace.

2. **Why are many wholesale distributor showrooms starting to sell direct to homeowners and builders?**
 - A. Big boxes leave an opportunity to sell higher-end products to upscale clients.
 - B. The homeowner is willing to pay more than other clients.
 - C. The plumber's role in showroom-type sales is increasing.
 - D. Showrooms cost less to maintain than other types of retail stores.

3. **Having a formal, written business plan for the showroom is important for wholesale distributors because**
 - A. your vendor partners want you to have one.
 - B. plans provide directions to achieve financial goals.
 - C. federal law and most state laws mandate it.
 - D. customers usually ask to see a formal plan before ordering high-end products.

4. **Showrooms should be treated as a separate profit center because**
 - A. the bank that loans money to the operation wants to be sure the showrooms don't lose money.
 - B. vendors don't want to display products unless the showroom is profitable.
 - C. plumbers who do business with the showroom expect a share of the profits.
 - D. owners need to know whether they are making or losing money with their showroom operation.



Quiz

The Role of Showrooms in Wholesale Distribution

- 5. The cost of operating a showroom is more than the wholesale side of the business because**
- A. Showroom sales consultants are generally paid higher salaries than outside sales representatives.
 - B. The build-outs, displays, utilities, and personnel costs are higher.
 - C. Showroom products cost more than products available in big-box stores.
 - D. Training showroom personnel costs more because they must be familiar with higher-end products.
- 6. Successful showrooms must be superior to big-box stores and other discount stores in all the following areas EXCEPT**
- A. Location
 - B. Management
 - C. Pricing
 - D. Service
- 7. Showrooms must look like and be operated like retail businesses because**
- A. plumbers don't like shopping in warehouse-type environments.
 - B. the wholesale side of the business is very similar.
 - C. big-box stores that sell retail have forced wholesalers to copy them.
 - D. homeowners are more comfortable in a retail environment.
- 8. It is important for sales consultants to learn as much as they can about showroom operations for all the following reasons EXCEPT**
- A. The showroom is an important part of the overall business.
 - B. The showroom needs to add revenues and profits to the branch.
 - C. There is incredible growth potential with showroom operations.
 - D. The showroom reduces the overall cost of doing business.



Quiz

The Role of Showrooms in Wholesale Distribution

- 9. What is the MAIN reason every employee should have a written job description?**
- A. A job description clearly defines what the job is about and what is expected from the employee.
 - B. Plumbers need to know exactly what they can expect the showroom employees to be doing for them.
 - C. Most state wage and hour laws require that an employer provide a written job description to employees.
 - D. Manufacturers will extend better discounts to companies that have written job descriptions.
- 10. Regularly scheduled employee performance evaluations are beneficial for both employees and the company for all the following reasons EXCEPT**
- A. Evaluations provide an opportunity for the supervisor to coach and mentor the employee.
 - B. Employees are told how they are performing in their jobs and given an opportunity to improve.
 - C. The supervisor and the employee can communicate openly about job-related issues.
 - D. Employees who are especially friendly toward the supervisor are rewarded.

(Answers below)

Answers: 1-C; 2-A; 3-B; 4-D; 5-B; 6-C; 7-D; 8-D; 9-A; 10-D



CHAPTER 2

The Characteristics of Successful Showrooms

The key to operating a successful showroom is having a set of criteria or "Best Practices" that everyone follows.

After reading and studying the material in this chapter you will be able to:

- 1. List and explain the seven rules for operating a successful showroom.**
- 2. Explain how a well-thought-out set of "best practices" is the key to showroom success.**
- 3. Describe how incorporating good business strategies for running the showroom will help the showroom succeed.**
- 4. Identify which demographic groups will comprise a showroom's main client base for the next decade and beyond.**
- 5. List the natural advantages of successful showrooms over suppliers.**



The Characteristics of Successful Showrooms

An effective showroom is one of the most profitable tools a distributor can rely on. Not only does it set the stage for the products you sell, it also helps establish your store's reputation for professionalism. What makes a showroom effective and successful?



The most successful showrooms tend to follow seven time-tested rules for success. They develop and build into their culture a detailed set of best practices, follow effective business strategies, and target their message to the demographic groups that comprise their customer base. And, they capitalize on the advantages they have over other providers. In this chapter, we will examine each of these success factors.

Follow Seven Rules for a Successful Showroom

With more distributors building showrooms, along with big-box stores, independent dealers, and internet shopping, competition is becoming especially fierce. Successful showrooms that race ahead of the also-rans commit to and tirelessly practice seven rules for showroom excellence.



The Characteristics

of Successful Showrooms

1. **Become passionate about exceeding customer needs and expectations—not just once, but all the time.**
2. **Aggressively recruit customers to come to the showroom through advertising, promotion, and customer referrals.**
3. **Offer and extend superior service at a reasonable price to differentiate the showroom from competitors who charge less.**
4. **Dare to be different. Offer programs on do-it-yourself projects, what's hot and what's not, color trends, and so on.**
5. **Offer delivery service and expertise (work with interior designers who are Certified Kitchen Designers (CKDs) or Certified Bathroom Designers (CBDs).**
6. **Remove under-achieving employees and unprofitable product lines.**
7. **Work smarter, not harder. Spend time on the important tasks before addressing those of lower priority.**

Stating these rules is relatively easy. Implementing them into the showroom operation can be time-consuming and somewhat difficult. One strategy showrooms can use to help implement the rules is to develop and follow a set of best practices.

Develop and Follow a List of Best Practices

Every wholesaler that operates a showroom business needs a system of best practices. The term “best practices” means that a specific technique, method, process, or reward is more effective at delivering a specific outcome than any other technique, method, process, etc. The idea is that with proper processes and checks a desired outcome can be delivered with fewer problems and unforeseen complications.

Best practices can also be defined as the most efficient (least amount of effort) and effective (best results) way of accomplishing a task, based on repeatable procedures that have proven themselves over time for large numbers of people.

Showroom best practices may vary from showroom to showroom but serve the same goal: to establish a relationship and keep the customers coming back while differentiating your showroom from that of your competitors. Best practices are only limited by the showroom's creativity and the discipline to develop and implement those systems that ultimately exceed customer needs and expectations.



The Characteristics

of Successful Showrooms

Showroom Quality Varies Widely

Between wholesale distributors and independent dealers there are approximately 3,700 decorative plumbing (and hardware) showrooms in the United States. Some are very attractively built-out and well-run businesses; others are mediocre in all areas; a number are inferior; and a majority fall somewhere in between.

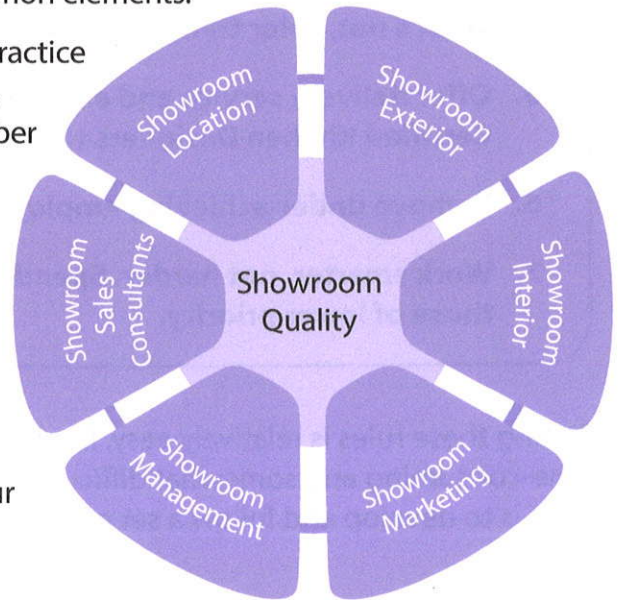
Build or customize your showroom's list of best practices

While the strategies of showrooms and their best practices can vary widely, evaluations of the best of the best have uncovered numerous remarkably common elements.

Those common elements usually fall into several best practice categories. These elements include showroom location, exterior, interior, marketing, and management. Remember that your prospects' first impressions are lasting.

Showrooms can use the list of those common elements to develop, revise or customize their own best practices to more effectively emulate the characteristics of the showroom leaders.

Read the following questions and answer either "yes," "no," or "somewhat" to each of them. Then use the rating scale at the end of the questionnaire to rate your showroom's best practices.



BEST PRACTICES QUESTIONNAIRE			
Questions	Yes	No	Somewhat
<p>Showroom Location: <i>The location choice for many showrooms is unfortunate. Is your showroom in an industrial area away from other high-end building product companies or higher-end retail stores? Or is it conveniently located and easy to find?</i></p>			
<ul style="list-style-type: none"> • Is the showroom easily accessible? 			
<ul style="list-style-type: none"> • Is the showroom easy to find and an easy drive for your target customers? 			

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The Characteristics

of Successful Showrooms

Questions	Yes	No	Somewhat
• Is it located close to other high-end building product companies?			
• Is it in a retail area rather than a more industrial-oriented area?			
• Is it located close to higher-end building projects?			
• Is it close to higher-end remodel opportunities?			
• Is it close to your best competition and big-box stores?			
• Is it close to the nicer neighborhoods in your geographic area?			
Showroom Exterior:			
<i>Customers see the outside of the showroom first. What does your showroom do to draw customers in? Does it have curb appeal?</i>			
• Is the "drive up" inviting?			
• Are the building and landscaping attractive?			
• Is there enough dedicated showroom parking?			
• Is the parking area close to the showroom entrance?			
• Is the parking area well lit (especially during the winter months)?			
• Does the showroom have good visibility from the street?			
• Are there front window displays?			
• Are the windows clean?			
• Are the window displays attractive?			
• Is the showroom entrance well-marked?			
• Is there a roof or awning over the entrance for rainy days?			
• Is the front entrance attractive and clean?			
• Is there a cigarette/trash receptacle by the front door?			
• Are the showroom hours the only signage on the front door?			

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The Characteristics

of Successful Showrooms

Questions	Yes	No	Somewhat
Showroom Interior: <i>Properly planned focal points captivate customers' attention and encourage them to buy. Professional displays are an attractive, compelling marketing device.</i>			
• Is the first step inside the showroom impressive?			
• Is there a sign-in/registration area near the front door?			
• Is the first impression "feel" of the showroom consistent with the products on display and the image of the showroom?			
• Are sales consultant work areas conveniently located?			
• Are the work areas clean, neat, well-organized, and free of boxes?			
• Is there a mix of traditional wholesaler products and other manufacturer partners on display?			
• Is there is a diverse selection of products on display?			
• Does the showroom have a pleasant, easy flow?			
• Is the showroom ADA compliant?			
• Is the floor covering consistent with the overall look of the showroom?			
• Is the floor clean—all the time?			
• Are the displays clean—all the time?			
• Have all the manufacturer tags been removed from products on display?			
• Are faucets and accessories all mounted on similar boxes and boards?			
• Is the color theme of the showroom up-to-date and attractive?			
• Are the displays well-accessorized (towels on towel bars, soap in dishes, etc.)?			
• Are all the displays well lit?			
• Has tract lighting been used where needed?			
• Are there any working displays?			
• Are like products grouped together?			

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The Characteristics

of Successful Showrooms

Questions	Yes	No	Somewhat
• Are model numbers removed from display products?			
• Are only your showroom's prices and numbers (not the manufacturers' model numbers and prices) shown?			
• Are the price and number tags professionally done?			
• Are products displayed in vignettes?			
• Are there any "holes" (missing products, drains, etc.)?			
• Is there a children's area?			
• Does the children's area have CDs, DVDs, and players?			
• Is all the signage professionally done and consistent?			
• Are all the displays and products up-to-date (style, color, finishes, etc.)?			
• Is the showroom the correct size based on the demographics of your marketplace?			
• Are other high-end building products sold (tile, lighting, kitchen cabinets, appliances, countertops, door hardware, etc.)?			
• Are there any "WOW" displays or "really knock your socks off" — displays?			
<i>Designated for a building only</i>			
<p>Showroom Marketing: <i>Marketing is more than a slick brochure or professional website. It's a process that can keep your products in front of your customers and generate prospects for your sales force. However, making marketing work for you requires a well-thought-out marketing plan that considers your market, competition, and business objectives.</i></p>			
• Have you opened the doors and sell directly to all clientele? (Builders, designers, architects, remodelers, homeowners)			
• Do plumbers receive a different discount off the list price on showroom orders versus warehouse and counter orders?			
• Is the computer software both employee- and customer-friendly?			
• Are all quotes computer-generated?			

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The Characteristics

of Successful Showrooms

Questions	Yes	No	Somewhat
• Is there a place to lay out plans and close sales?			
• Do you serve refreshments (coffee, tea, water, etc.)?			
• Do you serve refreshments in china cups and offer a napkin with your company logo?			
• Do you have the best website in your marketplace?			
• Do you carry inventory on popular displayed products?			
• Do you have an inventory of rough valves for the more popular faucet lines?			
• Does the selling price generate a good gross profit?			
• Is the selling price built into the computer? Does it allow flexibility?			
• Does the showroom offer job site delivery?			
• Do you charge a delivery fee to homeowner clients?			
• Do you cover all incoming freight charges and make a little profit?			
• Do you place orders with vendors in phases, (i.e., rough and finish)?			
• Does the company offer "tag and hold" on sold products (i.e., warehouse products) for a short time period?			
• Do all sold products have a tag on them that identifies in what room the product is to be installed?			
• Do you inspect special order products for correctness and/or damage?			
• On homeowner sales, do you charge at least a 50% deposit when writing the order with the balance due on delivery?			
• Are the public restrooms nicely appointed?			
• Are the public restrooms clean—all the time?			
• Is there a marketing plan that includes advertising, promotions, and public relations for the showroom?			
• Do you budget at least 3% of showroom sales for marketing?			
• Are you open at least six hours on Saturdays?			
• Are you open any evenings?			
• Do you request appointments for larger projects?			

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The Characteristics

of Successful Showrooms

Questions	Yes	No	Somewhat
Showroom Management: <i>Good management starts with good planning. Without a plan the showroom will never succeed.</i>			
• Do you develop an annual showroom budget?			
• Is there at least a three-year business plan for the showroom?			
• Is the showroom treated as a separate profit center?			
• Are monthly financial statements generated?			
• Do sales consultants have monthly sales and gross profit goals?			
• Do sales consultants get a monthly "report card"?			
• Are sales consultants paid competitively in your marketplace?			
• Do sales consultants have incentives (commissions, bonuses, spiffs, etc.) for achieving sales and margin goals?			
• Does the showroom accept credit cards?			
• Are Return Goods Authorizations (RGAs) handled in a timely manner?			
• Is the telephone system customer-friendly?			
• Is there a written formal training program for showroom sales consultants?			
• Does the showroom provide selling skills training?			
• Does the showroom provide regularly scheduled product training?			
• Does the showroom provide computer training?			
• Is there a written policy and procedures manual for the showroom?			
• Are there written, detailed job descriptions for showroom personnel?			
• Are regularly scheduled job performance evaluations done with all showroom personnel?			
• Is there a good relationship between the showroom side of the business and the wholesale side?			
• Has top management taken a real interest in the showroom business?			
• Has management learned what it takes to operate a retail-oriented showroom?			
• Do you have strong vendor partners for the products being displayed and sold in the showroom?			

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The Characteristics

of Successful Showrooms

Questions	Yes	No	Somewhat
Showroom Personnel			
Are showroom personnel well trained in selling skills, product knowledge, technology and company policies and procedures?			
• Is there a dress code for showroom personnel?			
• Are sales consultants "people oriented"?			
• Do sales consultants use digital devices to help them with their selling activities?			
• Are the sales consultants good time managers?			
• Are sales consultants well organized?			
• Are sales consultants good communicators?			
• Are sales consultants detail oriented?			
• Are sales consultants good problem solvers?			
• Are sales consultants good team players?			
• Do the sales consultants project confidence and style?			

There are not 112 questions to score. I think the scoring table should change.

Give yourself one point for each "yes" answer. Then compare your showroom's best practices to the following scale on the right.

Score	Rating
95 - 112	You are great!
78 - 94	You are good.
60 - 77	You are average.
50 - 59	You are below average.
49 or less	You have a lot of work to do.

From this list of 112 items, a showroom can develop or revise its own list of best practices. Everyone should know the showroom's best practices and follow them every day. Consistency in how your showroom is operated is key to its success.



The Characteristics

of Successful Showrooms

Targeting Your Customer Base

Do you sell to the plumbing trade only or do you actively pursue business from custom home builders, higher-end remodeling contractors, interior designers, and architects? Do you sell to high-end commercial customers such as hotels and restaurants that use luxurious decorative plumbing products? Targeting these customers is an excellent way to grow your gross margin dollars.



And then there's the all-important homeowner market. As mentioned in Chapter 1, this may be the fastest-growing and most potentially lucrative customer base. The trend across America is that more and more homeowners are not only making the buying decisions on what products will go into their homes, they are also indicating they want to buy luxury products direct from showrooms like yours.

Successful showrooms know and understand their customers

Successful showroom operations depend on knowing and understanding their customers and customers' expectations. This understanding is just as important as product knowledge. When a showroom knows the types of customers and clients who are coming through its doors, it will know what brands and products to display and stock. In addition, this knowledge helps sales consultants guide customers to the products that are precisely right for them.

Four generations make up a showroom's homeowner customer base

Homeowners can be roughly grouped by age. The following analysis compares the four existing adult generations that make up a showroom's homeowner customer base. The generational breaks that follow are somewhat arbitrary but are roughly comparable to those used by other scholars and researchers.

Generally, members of the same cohort or peer group usually share a similar coming-of-age period in their lives in which tastes and preferences, values and beliefs are shaped by important historical, social, economic, and cultural events or experiences. The information that follows is primarily based on information from the U.S. Census Bureau. Let's look at some facts about these four customer groups.



The Characteristics

of Successful Showrooms



Older Population (Born Before 1935)

The U.S. Census Bureau uses the term “Older Population” for people born prior to 1935. Some other studies call this group “Seniors” and add another group called “Matures” to describe those born between 1935 and 1944. Those born in 1944 and earlier share similar experiences, such as living through the Great Depression, the New Deal, and World War II, which influences their buying behavior. Many people faced high levels of unemployment, poverty, lack of creature comforts, and financial uncertainty during those times. These people tend to be disciplined, risk averse, and like consistency. As a result, they are not comfortable with (and are often resistant to) change. This group of people is retired, semi-retired, or thinking about retiring soon.

The older population tends to be frugal in their purchases. At the same time, they feel they worked hard all their lives and deserve some reward. They may strive for the comfort they did not have in their younger years. But because many are living on a fixed income for the very first time, this may mean downsizing, selling their home, and moving to a retirement community. For others, this means keeping their current house but remodeling to meet their changing needs. Modifications can make it easier for older people to stay in their homes longer.

Older populations tend to be uncomfortable with technology.

This group tends to locate remodeling suppliers through traditional means such as ads in newspapers, magazines, yellow pages, direct mail, etc. Many are not comfortable with technology like the internet. Partly, this is due to the language used to explain technologies or how much computers cost. Older people are also especially irritated with devices and technologies that are awkward to use, a problem shared with disabled people.

Two factors differentiate seniors from other remodeling markets: savings and timing.

Tapping the lucrative mature market requires an understanding of the two factors that differentiate seniors from other niche remodeling markets: savings and timing. Older people who have substantial savings make desirable clients; however, timing issues such as needing immediate assistance can make them seem difficult. Considering these factors helps determine whether to pursue this work. How will the work fit, augment, or frustrate your sales?

Although older people might have relatively low incomes, their net assets can be considerable. Many of them bought their homes in the 1950s and 1960s for less than the price of a pickup truck today.



The Characteristics

of Successful Showrooms

Their houses have greatly appreciated in value. Encouraging the older population to use some of that equity to upgrade and increase the value for their homes might turn some of their wealth into your profits. In a recent AARP housing survey, 83% of respondents say they want to stay in their current home for the rest of their lives. It's important for people to remember that the way they are functioning today is not necessarily the way they will be functioning as they age.

Modifications can make it easier for older people to stay in their homes longer

One segment of the senior niche will be in a hurry to remodel because they recognize the onset of physical limitations or may be returning home from an accident or illness. They need to make changes to their homes because they cannot care for themselves or be safely cared for at home any longer. Without home modifications, they will be forced to move.

A complete overhaul at once is usually unnecessary. Preparation can be gradual and simple, such as choosing a side-by-side refrigerator to increase storage that is available with a limited reach, installing easier-to-turn faucets and door handles, or replacing a standard-height toilet with a taller model.

Independent older people may not see a need for modifications

Another segment are the clients who have no sense of urgency. Retirees in good health may not recognize that their abilities are diminishing. And most people don't like to admit they are getting older. For them, planning is never a high priority. Without time constraints, these seniors travel and cultivate hobbies to enjoy their retirement. This segment can be a tough and frustrating sale.

However, there are some 30 million seniors and, for the next 10 years or so, they will be a significant base of potential clients. Learn more about them to find ways to attract them. Home remodeling for seniors presents unique and specific challenges to builders, contractors, and showroom sales consultants.



Baby Boomers (Born Between 1946 and 1964)

There is some disagreement as to the exact beginning and ending dates of the baby boom, but the range most commonly accepted is as starting in 1946 and ending in 1964. As a group, Baby Boomers tend to be experimental, free-spirited, and social-cause oriented. There are 78 million Baby Boomers, the largest consumer group in the nation.



The Characteristics of Successful Showrooms

They are the best-educated group to ever live in our society. Good education equates to good jobs, which in turn, equates to earning more money—meaning this groups has more disposable income.

Life events common to the 50-plus population—impending retirement, the birth of a grandchild, caring for an elderly parent, an adult child moving home—often are triggers for projects to improve home comfort and functionality. They anticipate spending more time there enjoying hobbies and entertaining friends and family. The Baby Boomers will be upsizing, moving walls, and remodeling bathrooms and kitchens. They'll be taking trips, buying second homes, and driving expensive cars. For the next 20 years this will be your main customer base.

The more you know about how they shop and what drives them, the better your chances of selling to them.

Many Baby Boomers have large amounts of disposable income.

Baby Boomers have been busy most of their lives and do things in a hurry. Rather than go from store to store, they want to see all the products that go into a new luxury kitchen or bath in one showroom. The more products you show and sell, the happier these people are.

Baby Boomers want new home and remodeling designs

Baby Boomers, the wealthiest generation to date, are responsible for most of the remodeling projects in the market today. This group is very knowledge empowered. They will be on the internet to research the products that are available and where they can find them.

Aging Baby Boomers are not afraid to move into a better home at any stage in their lives. Many will be excited about the prospects and challenges of home remodeling and will want to buy high-efficiency homes and appliances. Because they are energy conscious, Baby Boomers will look for home designs that include green thinking, without sacrificing convenience and beauty.

More than any other buying group in history, they will want to know details about the products you sell. Therefore, product knowledge is more important than ever before. The more facts you can relate and questions you can answer the better chance you'll have of being a successful showroom sales consultant.

Pricing will be part of this exercise but it won't be the most important. It is the sales consultant's product knowledge, services, and ability to articulate value that are the keys to selling this group.



The Characteristics

of Successful Showrooms

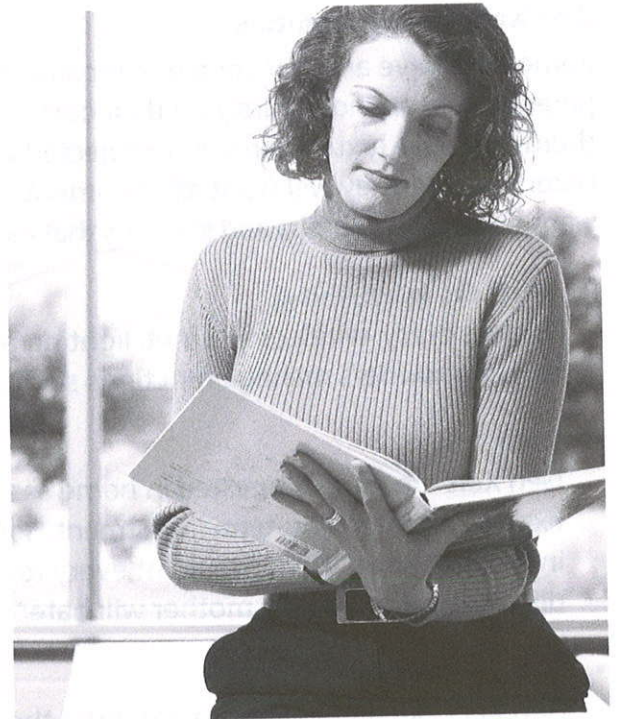
Generation X (Born Between 1965 and 1976)

The U.S. Census Bureau has reported that the 44 million Generation X children born to Baby Boomers make it the third largest of today's generational groups. As they reach their peak earning years between 2006 and 2026, they will become very important customers.

The members of Generation X grew up in a very different world than previous generations. When Generation Xers were toddlers, the United States was riding high. By the time they were adolescents, national confidence had weakened and community and community life had splintered. Their Baby Boomer parents were the first generation to have two-income households, multiple careers, and a 50% divorce rate. Divorce and working moms created "latchkey kids" in this generation, which led to traits of independence, resilience, and adaptability. Generation X is one of the most highly educated generations, but not since the Great Depression have more young adults had to experience a migration back to their parents' nests to make ends meet. Despite that, they have emerged with robust visions of society and self.

Generation X is characterized by a propensity for technology, skepticism to advertising claims, and attraction to personal style rather than designer price tags. They spend a lot of time in front of the computer and are comfortable with e-commerce and high-impact internet marketing techniques that compel them to purchase online.

Like the generations before them, an important rite of passage for Generation Xers is becoming a homeowner. The Census Bureau statistics show the increase in real income and a high participation of Gen X women in the workforce is fueling the home-buying market. Unlike previous generations, they aren't waiting until they are married to buy a house. Single Xers, especially women, are much more likely to buy homes than single Baby Boomers. Dual incomes have allowed married Gen Xers to purchase homes earlier. That all leads to higher homeownership rates for all Generation Xers.



The Characteristics

of Successful Showrooms

Gen Xers want amenities

Some Xers have another source of income: Mom and Dad. Because Gen Xers have Baby Boomer parents, they are not entirely on their own. Many are benefiting from wealth transfers that help them purchase luxury items. It is projected that Generation X won't want homes as large as their parents'—but they will want all the amenities that their pocketbooks will allow. For example, they want huge master baths and kitchens that include as many extras as possible such as:

- **Wireless everything**

Keyless entry, wireless internet, lighting and music controls, as well as integrated systems that let homeowners manage functions such as security, HVAC, and cable TV remotely.

- **Bold colors**

Gen Xers are more interested in home as a self-expression than long-term investment. Some said in focus groups: "I want to paint every room in a different color that my mother will hate."

- **Mood controls**

Gen Xers like technology that reflects their mood, from controllable lighting and music to wall-mounted plasma TV screens that display downloadable art.

- **High-tech appliances**

The Gen X preference is for appliances that are professional-grade but energy-efficient.

- **Health-promoting technologies**

Many want whole-house water filtration systems; hands-free faucets, toilets, doors, and lighting.

- **Casual spaces**

Gen Xers want larger kitchens with eat-in breakfast bars instead of dining rooms.



For Generation Xers, there is a resistance to being sold because they've grown up with cable television, and they've seen all the traditional advertising. Xers are much less likely to be motivated by a "buy now" or limited-time offer. The biggest things Xers are looking for in a purchase are value and quality. This emphasis on quality leads many Generation Xers to become very brand loyal. Studies have shown that they are much more likely to find a brand and stick with it when it comes to everything from soap to cars. There's no reason to think that will change when it comes to a big investment like remodeling or new construction.



The Characteristics

of Successful Showrooms

Generation Y (Born Between 1977 and 1994)

Generation Y is one of several terms (including Generation Next, the Millennials, and the internet Generation) that are used to describe the group of people born after Generation X.

Generation Y is a large group—some 74 million strong. These young people have grown up with personal computers, cell phones, and the internet and are now taking their place in a world where the only constant is rapid change. Generation Y has developed work characteristics and tendencies from doting parents, structured lives, and contact with diverse people.



To get a better feel for Gen Y, here are some quick facts:

- **They're diverse**
According to a RMG Connect 2005 study, an international specialist in relationship marketing, one in three Gen Yers is non-Caucasian, one in four is from a single-parent home, and three in four have working mothers.
- **The Web is their playground**
They track down their friends on Facebook, download their songs from iTunes, and send e-mails from their cell phones, while waiting in line at Starbucks. And you had better pay attention to their e-mails, because they expect a fast response.
- **They buy young**
A 2006 Century 21 Real Estate study reported that Gen Yers will buy homes at age 26, three years earlier than most Generation Xers.
- **They have hectic schedules**
They are busier than their parents were at their age and they are always moving.
- **They do their research**
Sales consultants must know what they talking about, because Gen Yers will have done the research before they come to the showroom.



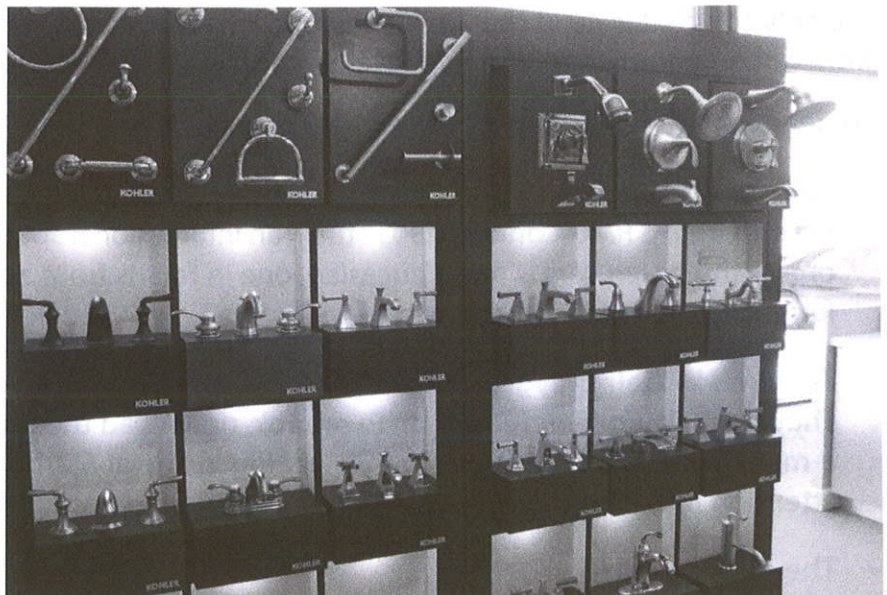
The Characteristics of Successful Showrooms

Generation Y wants a home design that reflects success

Surveys indicate that the Generation Y group thinks it is important for both the outside and the inside of their home to be a symbol of their success. They want a home that reflects their personality and style, shows their success in life, can be tailored to their personal tastes, doesn't require any maintenance or work, and features the latest amenities and appliances. Nearly 50% would like a home that is custom built for them. Their typical priorities include a whirlpool bath, sauna/steam room, entertainment center, and theater room. All these things are about fun.

The Typical "Dream Home" Changes Over Time

Each one of these important target groups we've discussed requires a different marketing approach. The showroom business dictates a new and different type of marketing effort than the traditional wholesale business. The type of ads, promotions, and public relations you do will vary by customer group. Some full-service showrooms offer a multi-line collection of cabinets, appliances, tile, lighting, and accessory lines. They cultivate relationships with designers, architects, and manufacturers. These showrooms may expect their sales consultants to call on architects, contractors, and designers. Knowledge of the building products industry, its products, and its competitors is required.



Every few years, home trends change. Different things matter to home buyers whether they're looking at older homes or building a brand new one. The National Association of Home Builders recently conducted a study of more than 4,300 recent and prospective home buyers that revealed the difference in "essential" and "desirable" features in home by generation. Here is what the survey shows:



The Characteristics

of Successful Showrooms

Dream Home Amenities Vary in Importance by Generation

Millennials	Gen X	Baby Boomers	Seniors
Laundry room	Laundry room	ENERGY STAR rated appliances	Laundry room
Exterior lighting	ENERGY STAR rated appliances	ENERGY STAR rating for whole home	ENERGY STAR rated appliances
Living room	Exterior lighting	Laundry room	Exterior lighting
Patio	ENERGY STAR rating for whole home	ENERGY STAR rated windows	ENERGY STAR rating for whole home
Front porch	ENERGY STAR rated windows	Exterior lighting	A full bath on main level
Both shower stall & tub in master bath	Ceiling fan	A full bath on main level	Table space for eating in kitchen
Ceiling fan	Front porch	Ceiling fan	Ceiling fan
Hardwood on main floor	Hardwood on main floor	Insulation higher than required by code	Double kitchen sink (side-by-side)
Deck	Patio	Patio	ENERGY STAR rated windows
ENERGY STAR rated appliances/dining room	Living room	Hardwood on main floor	Insulation higher than required by code

Source: National Association of Home Builders



You may have to make outside sales calls to tell your story. The more you know about each group and what will attract them to you, the greater your chances of success will be. Be aware that the selling skills needed to be successful in the showroom vary dramatically from the selling skills needed to be successful on the wholesale side.



The Characteristics

of Successful Showrooms

A Successful Showroom is More Customer Friendly

Why should a customer choose your showroom rather than buying direct over the internet or from independent dealers, home improvement centers, or big-box stores? The answer is simple: the shopping experience in your showroom is entirely different.

Following is a list of key elements that make showroom shopping a more customer-friendly experience. Successful showrooms have:

- **A warm, friendly atmosphere, for example, carpets on the floor, professionally dressed sales people, well-appointed displays**
- **A pleasant store environment that is soothing and inviting to the customer's senses**
- **Knowledgeable sales staff, including CKDs and CBDs who can articulate value, features, benefits, and technical knowledge to clients**
- **Showroom sales consultants who will take all the time necessary to help clients make their selection rather than just pointing to where the product is located**
- **Showroom sales consultants who make sure that every part and piece will be included in the quote/order, and guarantee the product will be at the job site on time**
- **Sales consultants who will do everything possible to ensure customer satisfaction**
- **Showroom sales consultants who provide quotes within 72 hours as part of the showroom's high-quality service**
- **Higher-end selections of decorative plumbing products and related kitchen and bath products**
- **Creative and irresistible in-store displays that attract the clients**
- **Specialized bath and kitchen products that are not part of a big box store**
- **"Touch and feel" products on display**
- **Special order opportunities and great selection opportunities from their vast array of vendor partners**
- **Warranties and guarantees that leave no doubt in the customer's mind that is the place to do business**
- **Greater total value packages than other suppliers can offer**



The Characteristics

of Successful Showrooms

In summary, by following the rules for a successful operation, developing and rigorously following a comprehensive set of best practices, learning about the different demographic groups and the opportunities they provide, and taking advantage of the showroom's natural advantages, you can outsell the big-box stores and other suppliers every time. Successful showroom sales consultants are highly proficient in articulating the total value package to clients so they will know why doing business with you is the smart way to go. The focus is on service and quality, not price.

In Chapter 3, we'll explain why selling is a learned skill and describe how this skill can be taught and learned. We'll also look at a formula for success that can make you a more professional showroom sales consultant.



Quiz

The Characteristics of Successful Showrooms

1. **It is important for a showroom to have a list of best practices that its sales team follows because**
 - A. a customer code of ethics requires it.
 - B. it can operate in the most efficient manner.
 - C. state and federal laws require written guidelines for showrooms.
 - D. homeowners need help with their buying decisions.

2. **The MOST important reason a showroom's exterior should be attractive is because**
 - A. prospective clients won't come in unless the building and landscape are appealing.
 - B. clients will get the impression that prices will be lower.
 - C. expensive landscaping helps justify higher prices that are inherent with showrooms.
 - D. first impressions begin before the client enters the showroom.

3. **Showroom sales consultant work areas should be neat and clean all the time because**
 - A. the cleaning person may throw out important papers if the area isn't clean and neat.
 - B. manufacturer reps refuse to deal with sales consultants whose work area is messy and unprofessional looking.
 - C. clients often judge sales consultants on how their work area looks.
 - D. a chaotic work area shows others that the consultant is busy and successful.

4. **Selling direct to homeowners is becoming more important for showrooms because**
 - A. the big-box stores sell high-end products directly to homeowners.
 - B. plumbers and plumbing contractors make less money when selling to homeowners.
 - C. homeowners want to make the buying decisions and control the sale.
 - D. manufacturers are putting pressure on wholesalers to sell direct to the homeowner.



Quiz

The Characteristics of Successful Showrooms

- 5. It is important for sales consultants to get all quotes out in 72 hours or less because**
- A. it is easy to forget what was specified if the quote isn't quickly completed.
 - B. it shows clients that the showroom gives both fast and high-quality service.
 - C. prices may change if quotes aren't done quickly.
 - D. clients may become impatient if quotes take too long and will go to a competitor.
- 6. All the following are attributes of a successful, customer-friendly showroom EXCEPT**
- A. Showroom sales consultants who guarantee the product will be at the job site on time
 - B. Higher-end selections of decorative plumbing products and related kitchen and bath products
 - C. Bath and kitchen products that are less expensive than those found in hardware stores
 - D. Special order opportunities from a vast array of vendor partners
- 7. All the following common elements usually fall into several best practice categories EXCEPT**
- A. Showroom customers
 - B. Showroom exterior
 - C. Showroom interior
 - D. Showroom marketing
- 8. Which generational group will be the showroom's main customer base for the next 20 years?**
- A. Seniors
 - B. Baby Boomers
 - C. Generation X
 - D. Generation Y



Quiz

The Characteristics of Successful Showrooms

9. **The biggest potential for growth in showroom sales over the next 20 years will be with which one of these groups?**
- A. Plumbers
 - B. Builders
 - C. Interior designers
 - D. Homeowners
10. **Wholesale showrooms can outsell and out service the big-box stores because**
- A. showroom sales consultants usually are more educated than other sales consultants.
 - B. the showroom shopping experience is much more conducive to selling higher-end products.
 - C. showroom sales consultants need to spend less time helping clients make their product selections.
 - D. showroom clients primarily care about the price of products and less about customer service.

(Answers below)

Answers: 1-B; 2-D; 3-C; 4-C; 5-B; 6-C; 7-A; 8-B; 9-D; 10-B



CHAPTER 3

Learning to be a Successful Sales Consultant

Nothing happens until a sale is made.

After reading and studying the material in this chapter you will be able to:

- 1. Explain why sales is a profession and not just a job.**
- 2. Explain the three main parts of successful selling**
- 3. Assess your personal selling talents by taking an audit of your own characteristics.**
- 4. List five areas for self improvement that will help you become a more professional showroom sales consultant.**
- 5. List 10 reasons people buy from sales consultants**
- 6. List 13 sales behaviors of great sales consultants.**
- 7. Explain how attitude, humor, and action are part of the sales success formula.**
- 8. Define and explain the three main components of sales success.**
- 9. Develop a five-point value package for you and your company**
- 10. Discuss why honesty and integrity are critical components of sales success.**



Learning to be a

Successful Sales Consultant

The goals of this chapter are to: (1) open your mind to some new ideas; (2) introduce selling techniques; (3) get you excited about your role in selling; (4) encourage you to set a goal to be the very best possible sales consultant; (5) set you on the path to sales professionalism; and (6) show you how to have fun doing it.

Showroom Sales is a Profession

Before venturing into the various techniques that define a true professional showroom sales consultant, we need to explore some of the keys of sales success. There are several pieces to the puzzle of selling success. This chapter covers the broad picture of sales skills and success factors; in the next chapter, we will get more specific about the selling process.

Selling is truly a great profession.

Although some people won't agree with this statement, selling truly is a great profession. The word "selling" sometimes conjures up negative images of used car salespeople, door-to-door salespeople, and telemarketers. These images aren't an accurate representation of the profession. On the flip side, there are hundreds of thousands of truly professional salespeople. The majority of showroom sales consultants fall into the professional category.

Selling is an art, a skill, a science; and it is much easier to learn than many other technical professions.

Distribution is a Sales-driven Profession

Sales consultants are some of the most important employees in business today. Think of it this way:

NOTHING HAPPENS UNTIL A SALE IS MADE.

That's right—until a sale is generated, there is no need for accounting, warehousing, delivery, or management. Everything starts with the sale.

Selling might be defined as "the art of using various means of persuasion to move a product or service from one point to another." That means manufacturers use advertising, websites, and other means of persuasion to move products from their factories and warehouses to a wholesaler's location. Then the wholesaler does the same thing to move its products and services to plumbers and other key customers. Plumbers and builders do the same thing and finally the products end up in a home or other end-user location.



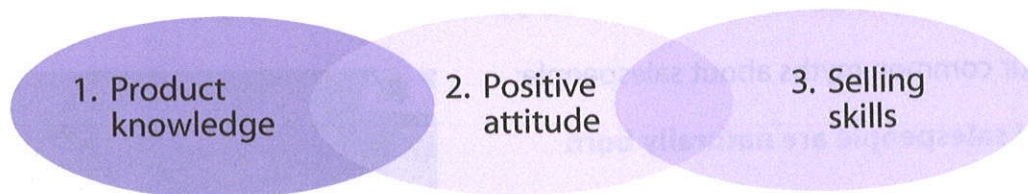
Learning to be a

Successful Sales Consultant

Showroom products and services tend to be high-end and offer more value than commodity products that are offered through lower-end retailers, catalogs, or big-box stores. Customers generally do not know they need (or want) such products, until after they discover that they have a problem or decide to embark on a remodel or new construction project. The sales process can take minutes, days, or weeks depending on the nature of the problem, the project, or the customer. Customers get motivated to work with sales consultants who help them solve their problems better than anyone else does.

Successful selling is made up of product knowledge, positive attitude, and selling skills

Although there are many parts to sales, selling is primarily made up of three main parts:



All three parts have to be very strong to hone a truly well-rounded, experienced, professional sales consultant.

Product knowledge can create positive images in the prospect's mind

Customers need to be able to trust the sales consultant. It's difficult for customers to give their trust and business to someone who isn't knowledgeable about the product in which they are interested. Having someone answer every question about a product efficiently, accurately, and enthusiastically certainly makes a difference to clients who are buying a product.

Positive attitudes improve relationships and build sales

Customers respond well to a sales consultant whose positive attitude is reflected in:

- Always being prepared, upbeat, and enthusiastic
- Having a definite plan of action
- Smiling in a friendly way
- A confident manner
- Relevant questions and answers—accurate note taking
- A friendly response to a call or visit to the showroom



Learning to be a

Successful Sales Consultant

All these actions let your customers know that you are confident, knowledgeable, and that you care about their buying experience. Product knowledge is more important today than ever before in the selling process. If you know more than your competitors, you position yourself to be the winner.

In general, people like to be around positive people. In sales, customers are most likely to buy from sales personnel who enjoy the selling and buying process. For showroom sales consultants, a positive attitude will improve relationships, make them—and their customers—happier, and lead to success. Over the long term, the rewards of a positive attitude are enormous.

Remember:

People do not like to be sold, but they love to buy and own.

There are four common myths about salespeople:

1. **Good salespeople are naturally born that way.**
2. **Good salespeople have the gift of gab.**
3. **Extroverts make the best salespeople.**
4. **Great salespeople have flair and panache.**

We might all agree that some people have certain innate talents but, for the most part, the most successful sales consultants learned their skills.

Selling techniques can be readily learned

If you were taught to swim or ride a bike, you probably remember learning the techniques one step at a time. When you first started you likely wore a helmet and perhaps skaters' knee and elbow pads. Someone adjusted the bicycle so you could reach the pedals, bars, and brakes comfortably. Then someone showed you how to stop the bike and held you as you practiced. Finally, someone ran alongside the bike, holding it up by the seat with one hand on the handlebars to show how you turn them to keep the bike upright. And then you practiced until you could ride on your own.

Like any other skill, selling includes various techniques that must be learned; that's what this course is all about. Once learned, these techniques must be practiced over and over and over again.



Learning to be a

Successful Sales Consultant

Selling skills can readily be learned.

Many entrepreneurs say there is no magic to selling and little natural talent is needed. What is needed is a disciplined, organized approach to selling. With that approach, a well-organized sales consultant will outperform other people who don't understand that a simple process should be followed every time. So, there it is—learning selling skills isn't brain surgery or rocket science. The skills can be learned, and people can experience success by learning the techniques and practicing them.

Sales consultants must love what they do

Jeffrey Gitomer is an American businessperson, author, and business coach who has written several books, including *The Little Red Book of Selling*. Gitomer suggests that sales consultants implement something he calls "The Rules of the More the More." According to Gitomer:

- The more you believe in your company, your product, and yourself, the more you will sell.
- The more value you provide to others, the more people will come to know, respect you, and buy from you.
- The more follow-up, the more sales you will make.
- The more you study sales, the more you will know how to react to any sales situation.



In essence, Gitomer believes that sales consultants must love their jobs. If you aren't happy in your current selling position, do yourself and your company a favor and change jobs, or in other words, "love it or leave it!"

Start by rating your sales skills

Before we discuss the various techniques that will help you become a better sales consultant, it is important to assess where your strengths and weaknesses lie.

The following *self-assessment questionnaire* will point out the areas in which you rate yourself on the weak side. By identifying these areas, you can then go to work strengthening them.

Rate each of the following from 1 (low) to 10 (high). When you have filled in each blank, total your score. Then look at the scoring scale to determine your results. Be absolutely honest; it's for your benefit.



Learning to be a

Successful Sales Consultant

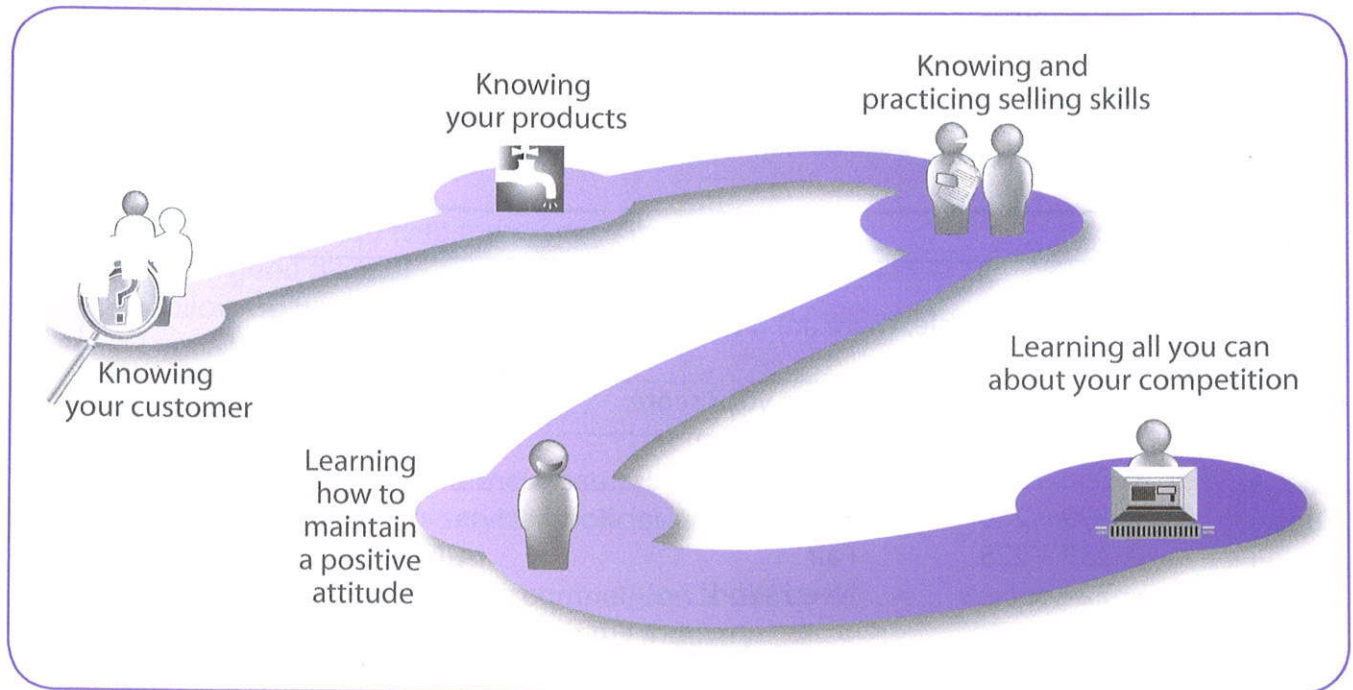
Then Set a Path and Commitment to Self-improvement

Only you can make a commitment to improve yourself. The company can encourage you—even make books, CDs, DVDs, and training available—but you are the key to self-improvement. Taking this course and other association courses, attending seminars, reading trade journals and books, watching video programs, participating in webinars, studying your competitors' websites, and practicing selling skills are all ways to improve your skills.

Commit to at least 15 minutes per day

Spending just 15 minutes a day, five days a week (taking off weekends, holidays, and vacation days), means spending 3,300 minutes a year—55 hours—a year on some form of self-improvement. Think of how much better you could do your job and how much better you would feel!

Five areas that a sales consultant can and should work on are:



Why people buy is more important than how you sell them

As a sales consultant, it's important to sell yourself as well as your product or service. Strong sales skills mean more than people skills. Developing good sales habits and mastering a few creative closing techniques will not only help you increase profits, it will boost your confidence and make selling more fun.



Learning to be a Successful Sales Consultant

✦ Here are 11 reasons clients will want to buy from you: ✦

1. They like you personally.
2. You help them understand what they are buying.
3. They perceive a difference in you and your company.
4. They perceive a value in the products and services you are selling.
5. They believe in you and trust you.
6. They are comfortable with and have confidence in you.
7. They feel there is a “fit” between what they need and want and the products and services you offer.
8. Your price seems fair—even though it may not be the lowest.
9. They perceive that your products and services will meet their needs and improve their lives.
10. They perceive that you are focusing on their needs and not on your own.
11. The most important word in selling is YOU. It all begins with YOU. Clients must believe and like the messenger—or the message has no credibility.



How's YOUR personal product? How's your “YOU”? Is it saleable—or does it need some work?

*If you want to eliminate sales resistance,
treat your clients the way you'd like to be treated.*

No rapport means no sale

You must be able to build rapport with your clients if you hope to be successful. If you can find common subjects or interests with a prospect, you can establish a business friendship; and people are more likely to buy from a friend than a salesperson.



Learning to be a

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Here are three very important definitions:

- **Rapport:**
Matching the pace, tone, behavior, and actions of prospects so they are comfortable that both of you see the world in the same way.
- **Trust:**
Your prospect's level of belief in you, your organization, products, and services are credible and you will deliver on every promise or commitment you make.
- **Integrity:**
Ensuring that whatever you say, believe, or commit to do will be consistent with your highest beliefs. Your promises and your actions are totally congruent. Keep your word and your promises.

Great sales consultants practice a baker's dozen of positive sales behaviors. They:

1. Ask questions and listen to everything the prospect says.
2. Make mistakes because they are not afraid to take risks.
3. Avoid serious blunders because they do their homework.
4. Uncover and provide solutions to problems.
5. Understand their businesses from the perspective of their customer
6. Know which products meet their customer's needs.
7. Use words wisely to develop rapport quickly and communicate what they truly mean.
8. Seek help from their managers to be more successful. They are always looking for new and various ideas from different areas of the company.
9. Practice their skills and craft perfectly.
10. Understand and analyze their critical numbers and ratios and work them to succeed.
11. See sales in the long term as caring more about the welfare of their customers than their immediate commission checks.
12. Live and breathe their products.
13. Ask for the sale, take action, and seize the sale opportunity.



Learning to be a

Successful Sales Consultant

Make a commitment to your customers' rights

Many companies are committed to providing superb service to their customers and have created various forms of a "Customer Bill of Rights" to remind owners and employees that the customer is the reason the company is in business.

The following is a sample that can be studied, customized for your showroom, copied, and framed.

CUSTOMER BILL OF RIGHTS

- 1. Customers are stakeholders in our organization. They are the most important of the following three: owners, staff, and customers.**
- 2. Customers are different and unique. Each customer needs to be treated individually.**
- 3. Customers are not dependent on us; we are dependent on them.**
- 4. Customers deserve value. Every process in our organization must have a direct or indirect value to our customers, be they internal or external. Processes that don't add value should be eliminated or reduced.**
- 5. Customers have needs and wants. Our job is to find out what they are and fulfill them.**
- 6. Customers should expect to get our individual attention.**
- 7. Customers are not an interruption to our work, but the reason for the work.**
- 8. Customers pay our bills.**
- 9. Customers want someone who is loyal—a trusted and respected partner.**
- 10. Customers reign supreme.**



Learning to be a

Successful Sales Consultant

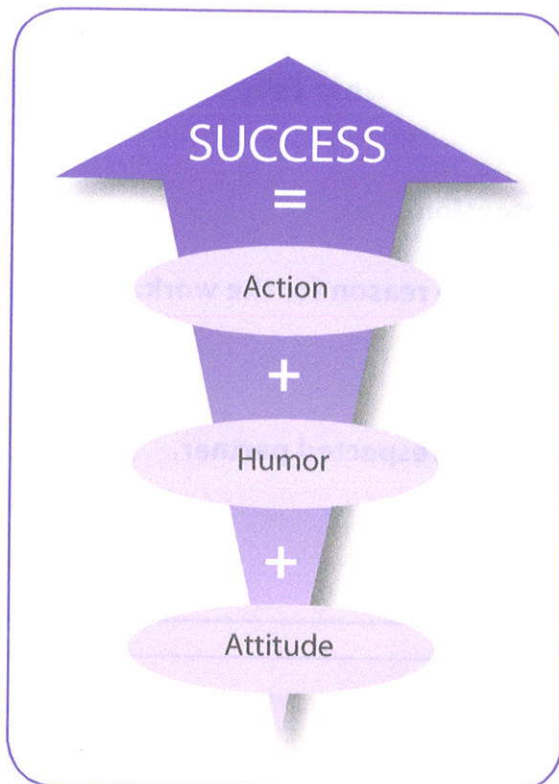
Remember that customers talk to other clients

All good distributors want to hear about every complaint their customers have. Only when a complaint has been expressed can the appropriate corrective action be taken. Without customer complaints, management often mistakenly assumes that everything is okay.

Studies indicate that for every customer complaint received, there are at least twenty-six complaints that are never expressed. (see: Albrecht, Karl, *At America's Service: How Your Company Can Join the Customer Service Revolution*, Warner Books, May 1995.) And, although they might not tell you, customers with complaints are more likely to share their dissatisfaction with your other customers and potential customers. Conversely, when a complaint is handled well, it can strengthen the relationship and make the customer more loyal than before the problem generating the complaint occurred.

Use a Three-part Formula for Sales Success

There is no "best way" to make the sale. But there are elements, mostly personal, that when mastered create an atmosphere in which people are compelled to buy. Here is one simple formula for sales success: **Attitude + Humor + Action = Success**



Let's look more closely at each of these elements.

- **Attitude:**
Positive mental attitude is a driving force to success in every endeavor. It's not just a thought process; it's a discipline and a commitment.
- **Humor:**
Humor is not just being funny. It's how you see things. Humor is making others laugh and feel good. It's making people smile.
- **Action:**
Action is "walking your talk." Wake up in the morning with a clearly defined set of goals. Have a daily agenda and prepare. Do more than anyone else you know. Say what you mean and mean what you say.



Learning to be a

Successful Sales Consultant

Learn to “brag” about yourself, your company, and your products

Successful sales consultants have learned to sell three things in this order: (1) themselves; (2) their company; and (3) their products. To do this, you must immediately start building rapport and show clients why they were lucky to get you as a sales consultant.

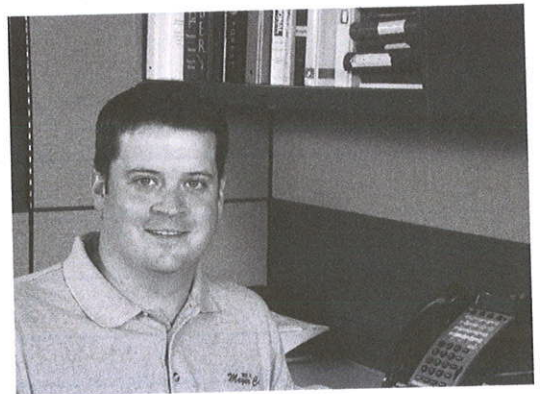
The first thing you must sell is yourself

A sales consultant must be immediately available, knowledgeable, and personable when dealing with customers. Everything a customer experiences in the showroom feeds into that sense of rapport. Naturally, the relationship with the sales consultant is a major factor in how the customer responds. Good sales consultants want their customers to feel confident about buying.

The second thing sales consultants sell is their company

They should answer any questions the prospect has about available service plans, payment options, and company guarantees. Customers should feel confident that the company stands behind its products and won't forget their commitments the second they agree to purchase a product.

Sales consultants must articulate several value points about their company: good reputation, well-trained staff, great products, years in business, family-owned, community involvement, well-managed, after the sale service, involved in the industry, owner's commitment to excellence, here for the long haul, innovative, job site delivery, convenient location and hours, team support, great inventories, commitment to continuing education, etc. When sales consultants state one of these value points about their company, they've added value and made price a little less important. In other words, they've made value—not price—the focal point.



The third thing you must sell is your products

People will buy, and continue to buy, if they believe that value has been received through the transaction. In addition to price, there are other benefits, both tangible and intangible, that must be present for buyers to feel they have received value. The level of total benefits must be appropriate to satisfy the needs that drove the purchase in the first place.

Develop your personal value package

Learning to articulate and sell your personal value package can be difficult. But it's easier if you have done this ahead of client meetings as part of your preparation and continuous improvement.



Learning to be a Successful Sales Consultant

Developing your personal value package involves two simple steps:

1. **Make a list of the reasons a client would want to buy from you.**
2. **Think of ways to communicate it in a tactful, thoughtful way.**

To get started write down five reasons a client would want to buy from you as an individual. Why are you the best sales consultant to meet the client's needs?

Your Personal Value Package

List five good reasons why a client would want to buy from you (not your company):

1.

2.

3.

4.

5.

Now, look at your answers and think about how many more value points you could add to your list. Your skills might include: experience, good listener, good rapport builder, creative, good product knowledge, good communicator, humorous, passionate about your company and products, committed, professional, able to visualize, charismatic, great attitude, well-organized, good follow through, able to focus on the client, good problem-solver, sensitive to budget issues, honest, experienced, compassionate, reliable.

Now that you have your value points, tell people that you have these attributes. When you do, you add value to the sale—and when you add value, price becomes less important. Being able to subtly brag about yourself is a major key to selling success. (You might consider reading *Brag! The Art of Tooting Your Own Horn without Blowing It* by Peggy Klaus for some important tips.)

Now, do the same exercise for your company. List at least five value points about your company.



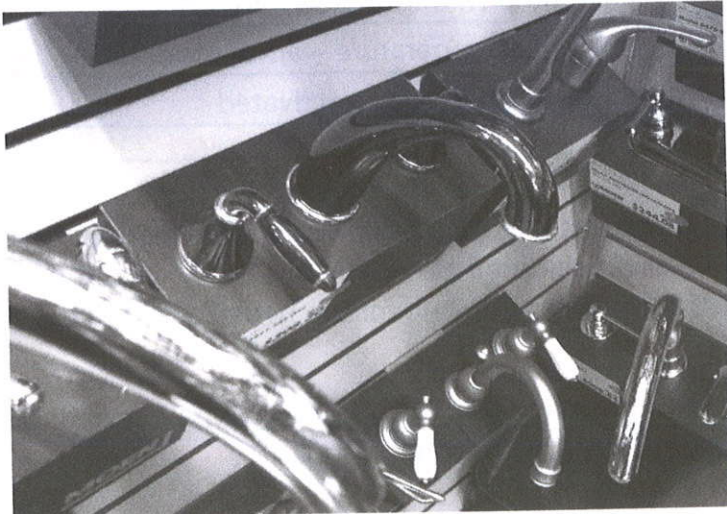
Learning to be a Successful Sales Consultant

Your Company's Value Package

List five good reasons why a client would want to buy from your company:

1.	
2.	
3.	
4.	
5.	

Now, look at these and see how many more you could add to your company's value package: great reputation, length of time in business, family-owned business (if applicable), well-trained staff, largest selection of products, large inventory, quality products, great diversity of products, well managed, growing company, great team, community involvement, industry involvement, owner's commitment to excellence, innovative, numerous awards/testimonials, after the sale service, beautiful showroom, delivery to job site.



Learning to articulate (sell) these important value points is one of the hardest things to learn in the selling process. It takes a lot of practice! But, when you master these skills, you will see your sales increase dramatically.

And when you articulate a value point, what happens to the price? It becomes less important.



Learning to be a

Successful Sales Consultant

Selling Your Products: Features Tell, Benefits Sell

The extensive product knowledge mentioned earlier in this chapter is very important. However, communicating the benefit of the product and its features to the customers is what closes the sale.

Most sales professionals are good at describing their products' features. Unfortunately, many are poor at explaining the benefits that result from those features. Exceptional sales consultants have prepared themselves to present the clients with the various features of their products and how the related benefits can provide value to them. Here are a few examples:

FEATURES AND BENEFITS	
Feature	Benefit to the Client
• Faucets have a PVD finish	• Finish will always stay the same, lifetime warranty
• Pressure balance shower valves	• No scalding or freezing; constant temperature
• 1 1/2 gallons per flush water closets	• Saves water
• Ceramic disc 1/4 turn valves	• Lifetime warranty, stop handles
• Temperature control valves	• Set the temperature—always the same
• Sensor valves in faucets, urinals	• Hands free, motion activated

Remember: Features tell, benefits sell. In other words, reciting information about the features isn't enough. The best sales consultants articulate, in as much detail as necessary, exactly what the features and related benefits mean to clients. If a client has no need for the benefits, listing the features is meaningless.

Product features and benefits are like personal and company value points. Every time a benefit is sold, value is added. And when value is added, price becomes less important.

Selling Value Avoids the Price Trap

One final point: Price becomes the main issue only when clients haven't been convinced of your value, your company's value and the benefit value of your products. When sales professionals fail to do that, they are back in competition with the low price, and low service, of the low-end provider. That kills sales and profits.

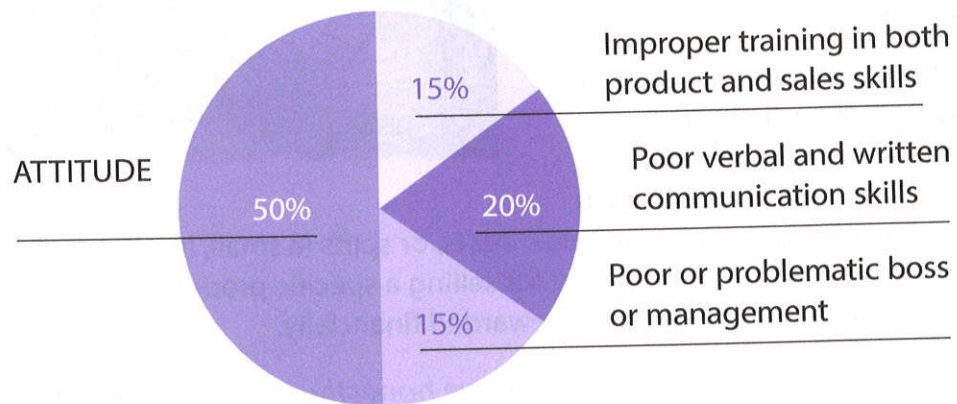


Learning to be a

Successful Sales Consultant

Why Some Salespeople Fail

Selling is about understanding other people and their needs. Prospects and customers have different motives to buy, and it's the sales consultant's job to uncover them. So why do some salespeople fail? Roy Hartmann, who has had 40 years of sales experience and is the author of *Why Salespeople Fail*, said salespeople fail for the following reasons listed below:



Live by the eight principles of showroom sales

A superb professional showroom sales consultant believes in the following eight principles:

1. My purpose is to help my clients identify their biggest problem and to provide the answers they need.
2. I generate value for my clients.
3. I am a capable and confident sales consultant.
4. My organization promises exceptional products and services and delivers even more than it promises. My job is to help my clients experience this value.
5. What I sell has a greater value than the price I am asking for it.
6. I care a great deal about my clients and my goal is to demonstrate that concern by carefully prescribing solutions to their biggest problems.
7. Selling is an honorable profession that I am glad to represent.
8. If my products/services aren't a good solution for my clients, I am fully prepared to send them on their way.



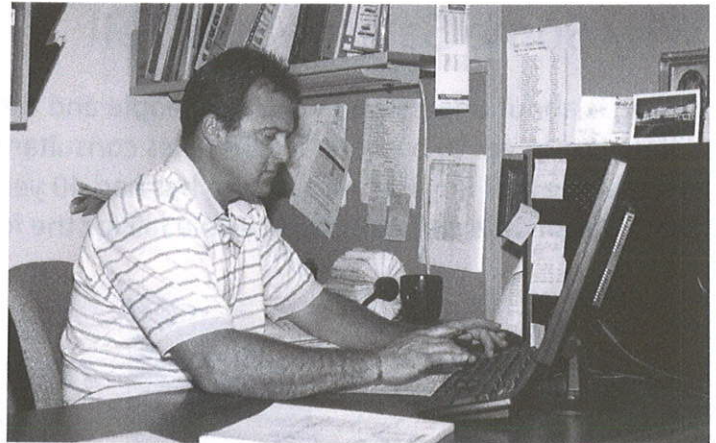
Learning to be a

Successful Sales Consultant

Practice moral and ethical behavior to grow your reputation

Ethical issues arise in virtually every aspect of selling. But for many sales consultants and customers alike, there seems to be a sort of unspoken agreement not to refer to ethical issues unless it becomes impossible to avoid doing so.

Unfortunately, pressures unique to sales can encourage less-than-honorable actions. Far too often, sales activity is driven by short-term contingencies such as bonuses, commissions, numbers on sales charts, or spiffs (a small, immediate bonus for a sale paid either by a manufacturer or employer for selling a specific product). Not making the sale—regardless of the reason—is almost never rewarded financially.



Professional sales consultants behave honestly and ethically all the time.

Sales consultants who take a principled, ethical position in selling make lifelong customers out of even the most distrusting buyer. Professional sales consultants behave honestly and ethically—all the time. Remember that sales consultants are the common connection between a company and its buyers! A company's reputation for ethics and integrity provide the foundation for a positive relationship between the sales consultant and the buyer.

This chapter has presented information on sales as a respectable profession, the characteristics of successful sales consultants, why people buy from some sales professionals and not others, a checklist for developing profitable sales skills, and the components of sales success.

In Chapter 4, we'll discuss how every sales process is a cycle that begins with prospecting, follows with qualifying, and moves to a sale that can generate new prospects so the cycle can begin again. We will get into the details of the actual sales process and how to put the skills and principles of Chapter 3 to work.



Quiz

Learning to be a Successful Sales Consultant

1. **Sales consultants are very important to the showroom sales business because they**
 - A. are smarter than other people.
 - B. are better educated than most people.
 - C. work harder than the typical employee.
 - D. start the process by generating the sale.

2. **All EXCEPT what make up the main part of selling?**
 - A. Aggressive personality
 - B. Product knowledge
 - C. Positive attitude
 - D. Sales skills

3. **The BEST way to become a good showroom sales consultant is to**
 - A. learn good sales techniques and practice them.
 - B. attend as many seminars as possible.
 - C. read sales books, listen to tapes, and watch videos.
 - D. find a great trainer and coach.

4. **All EXCEPT what are the reasons clients might want to buy from you?**
 - A. They like you and believe in you.
 - B. They perceive that you are focusing on their needs, not your own.
 - C. You are always willing to lower your price to beat the competition.
 - D. You provide better service than your competition.

5. **“Matching the pace, tone, behavior, and actions of prospects so they are comfortable that both of you see the world in the same way” is one definition of**
 - A. integrity.
 - B. rapport.
 - C. service.
 - D. honesty.



Quiz

Learning to be a Successful Sales Consultant

- 6. All EXCEPT what are areas a sales consultant can and should work on?**
- A. Knowing their customers
 - B. Knowing their products
 - C. Learning how to maintain a gift of gab
 - D. Learning all they can about their competition
- 7. Which of the following statements is NOT a myth about sales consultants?**
- A. Good salespeople are born that way.
 - B. Great salespeople must be extroverts.
 - C. Good salespeople must learn their skills.
 - D. Great salespeople have the gift of gab.
- 8. Author Jeffrey Gitomer said if you are not happy in your position as a sales consultant you should**
- A. move to another company.
 - B. sell a different product.
 - C. change your profession.
 - D. work harder to improve your skills.
- 9. Which of the following is the PRIMARY reason for a sales consultant's failure?**
- A. Improper training
 - B. Poor verbal or written skills
 - C. Difficult management
 - D. Poor attitude
- 10. Which of the following is NOT a good way for you to become a superb sales consultant?**
- A. Deliver what you promise on time.
 - B. Serve as many customers as you can in an eight-hour day.
 - C. Be ethical and honest in your behavior.
 - D. Sell products that have greater value than the price asked for them.

(Answers below)

Answers: 1-D; 2-A; 3-A; 4-C; 5-B; 6-C; 7-C; 8-C; 9-D; 10-B



CHAPTER 4

The Showroom Sales Process

A sales process is a systematic approach for performing service and/or product sales.

After reading and studying the material in this chapter you will be able to:

- 1. Identify the nine steps in the selling cycle and explain the importance of mastering each step.**
- 2. Explain why first impressions are so important in showroom sales, and explain why the initial contact and meeting are a major part of that first impression.**
- 3. Apply your skills to qualify prospects within the first 20 minutes, and determine whether the sales process should be continued with those prospects.**
- 4. Discuss the importance of using value points to build both your own and your company's credibility.**
- 5. Summarize the elements of a winning product and service presentation.**
- 6. Distinguish between the prospects' stated and real objections and overcome the objections by resolving the issue.**
- 7. Demonstrate the proper response to buying signal questions.**



The Showroom

Sales Process

A sales process is a systematic approach for performing product and/or service sales. Any good sales process is a cycle that begins with prospecting, follows with qualifying, and moves to a sale that can generate new prospects so the cycle can begin again. In this chapter, we'll take a closer look at the steps in the selling cycle.

The Nine-step Selling Cycle

Sales professionals must build their customer list and sell customers a variety of products and services. They must also provide superb customer service so that clients will choose them again and recommend them to their friends, family, and colleagues as someone who can best fulfill their needs. To be the best sales consultant possible, salespeople use the skills described in Chapter 3 through the steps in the sales process.

When you provide superb customer service, clients will recommend you to their friends because you are the best person to fulfill their needs.

Although the number of steps varies by company or by author, the sales process generally includes the nine steps listed below. In this customized course for showroom selling, learn and practice the nine steps to help you on the way to mastering true professional showroom selling skills. Learn one step or technique at a time and then put it into practice.

For our purposes, the nine steps of the selling cycle are:

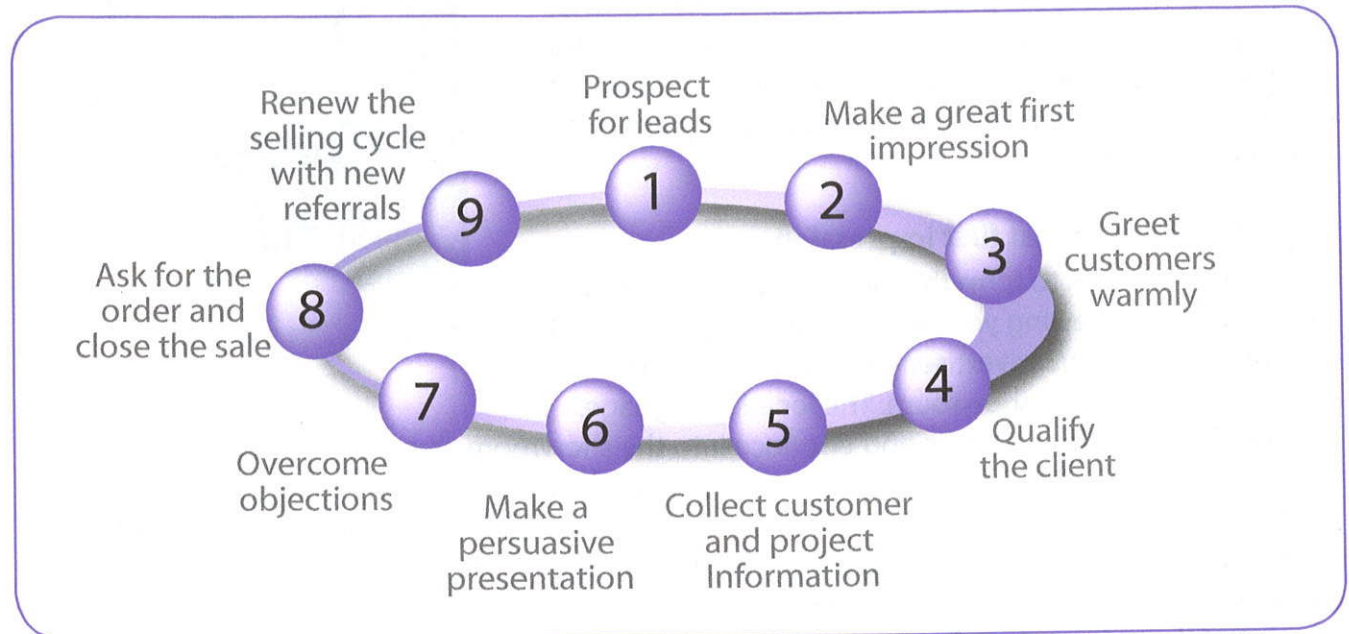
- 1. Prospect for leads to bring new clients to your showroom.**
- 2. Make a great first impression.**
- 3. Greet customers warmly to increase their interest and comfort.**
- 4. Qualify the client to concentrate your time and effort on the best prospect.**
- 5. Collect detailed customer and project information.**
- 6. Make a persuasive product and service presentation.**
- 7. Overcome objections by demonstrating value.**
- 8. Ask for the order and close the sale.**
- 9. Renew the selling cycle with new referrals from satisfied customers.**



The Showroom

Sales Process

Practice the Nine Steps in the Selling Cycle



Showroom sales consultants must constantly search for ways to convince customers to buy from their showroom rather than elsewhere. They must constantly look for people who use or are considering other showrooms and convince them that their showroom offers the products they need along with superior customer service that exceeds their expectations.

Step #1—Prospect for leads to attract clients to your showroom

The first step in the sales process is attracting prospects to your showroom so you can start the selling process. Management and owners do much of the prospecting through via the internet, social media, advertising, promotions, participation in home shows, and public relations. Even though the showroom may be part of a wholesale business, marketing dollars (4% to 5% of showroom sales is a good guideline) must be spent to tell potential customers who you are, where the showroom is located, what products you sell, and why it's the best place to purchase products. A few showrooms have outside salespeople calling on custom builders, plumbers, interior designers, architects, etc. Many showrooms use the internet and maintain an attractive website to generate referrals.

The #1 means of attracting new prospects should be referrals—especially if you've been in business for any length of time.



The Showroom

Sales Process

Referrals most often come from satisfied clients who tell friends or colleagues who are potential client what a good job you do, what a great product selection you have, what great service you render, and what great value you give. The way you treat prospects, customers and others throughout the entire sales process can have a tremendous impact on the referrals generated.

Step #2—Make a great first impression

Prospects will begin to form their impression about your showroom from viewing your website, viewing social media comments, seeing an advertisement, getting a referral or even driving by the showroom. The location, signage, parking, front window displays and entrance into the showroom all render a good or bad first impression. When customers first enter the showroom, they look to the left, then to the right and then straight ahead . . . and in less than 30 seconds they make a first impression judgement of the showroom. Is the showroom light and bright? Is it open and easy to navigate? Is it clean and comfortable? How sales consultants dress, greet the customer and make them feel welcome also are part of those important first impressions.



Step #3—Greet prospects warmly to increase their interest and comfort

If your showroom has a receptionist, this person will extend the initial welcome and ask what has brought the prospect into the showroom. Visiting your showroom is a destination stop for clients. They have gotten directions, driven their cars, and come to your showroom with a definite purpose in mind. Your job—as a sales consultant—is to approach prospects within two minutes of their arrival to find out what that purpose is.

The most important part of your initial contact is the first impression you make. It is wise to dress professionally all the time. In some areas of the country, a suit is most appropriate; on other areas business casual attire is acceptable.

Before you even say hello, look and act as if you are pleased to have the client in your showroom.

How and when you approach a client coming into the showroom is very important. You should approach this prospect within two minutes of their coming in the front door. As you walk up to the client you should be smiling, getting eye contact, holding your head high and have your shoulders back. Your body language and facial expressions will tell the client whether you are truly pleased to see them.



The Showroom

Sales Process

Follow this with a warm, sincere greeting to put the client at ease. Welcome them to the showroom. Tell them your name. Whether you shake hands when introducing yourself is your call. You should develop a welcoming, sincere greeting that is comfortable for you and the prospective client.

Walk up to the prospect and extend your right hand indicating you want to introduce yourself

Let's look at a typical greeting for a customer who has never been in the showroom. The following scenario is a good example of how a showroom sales consultant works with a new customer to make a sale. You might say something like the following:

Words Used	Response	Tells
"Good morning; welcome to Quality Bath and Kitchen. My name is Mary Jones. May I ask your name?"	"I'm Susan Billings. Nice to meet you, Mary."	Names should be exchanged during this step of the sales process.
"Have you ever visited our showroom before?"	"No, this is the first time I've been here."	New customer. Start to qualify.
"Well, thank you for coming in today. I believe you'll be very pleased with our large selection of products and the great services we offer. What type of project are you working on today?"	"Ed Mason of Mason Builders sent me over to look at some bathroom products. I wanted to buy the usual toilet and tub and maybe a whirlpool. Can you show me what you have?"	Tells Mary the person who referred Susan and the products the customer may be considering.
May I tell you just a little about our Showroom and our company?	"That would be great."	Client is open minded and wants to learn.
Recite three or four of the value points that you developed in the last chapter.	Customer may have questions or comments.	The customer is interested.
Would you care for some coffee or water before we get started?	"Yes, that would be terrific."	You are starting to build rapport with the client.



The Showroom

Sales Process

*Never begin by asking, "May I help you?"
The answer will almost always be, "No, I'm just looking."*

If the customer has already been in the showroom, the consultant may have already provided written information about each product, as well as the style and color numbers. In the following situation, the consultant is working with an installer whose customer has already been to the showroom to look at several products.

Words Used	Response	Tells
"Good morning; welcome to Quality Bath and Kitchen. My name is Mary Jones. Have you ever visited our showroom before?"	"I'm Ed Mason from Mason Builders. No, this is the first time I've been in here. I usually go to the counter or talk with Ken Smith, but I have a customer, Susan Billings, who has asked me to install a whirlpool. She was in here and got this information. Can you show the whirlpool to me?"	Ed has provided a lot of information. He hasn't been in the showroom. He buys from the counter or the outside salesperson, Ken. Ed's customer got all the information and Ed is coming in to place the order. He wants to see the product.
"Oh yes, I asked Ms. Billings to speak with you about the costs."	"Yeah, thanks. I want to place an order and get some more information about the project if you have some time."	Ed appreciates the way costs were handled. He needs some of Mary's time to ask her questions about the product.
"Certainly, Mr. Mason. Do you know what size whirlpool Ms. Billings is going to need?"	"Yes, I was over there yesterday and took these measurements."	Mary had already qualified Ms. Billings on her remodeling budget. She needs to gather very little information from Ed.



The Showroom

Sales Process

Occasionally, a client may say, “I’m thinking of doing a bath remodel, but I’d like a few minutes to look around.” You might say, “That would be great; would you like a cup of coffee or bottle of water? Take your time and I’ll be back in a few minutes to answer any questions.” Get the drink (served in a nice china cup with a napkin that has your logo on it—remember that first impression!).

Approach the prospect again (after 2 to 3 minutes have passed) and ask questions about the bath remodel mentioned earlier.

The initial contact shouldn’t take more than a few minutes—and it is important to make the right first impression. Once you have met prospects and made them feel welcome, you’ll need to take the next step to qualify them.

Profitable showrooms successfully close on a high percent of their sales efforts and don’t waste time on poor prospects.

Step #4—Qualify the client to leverage your time and effort on the best prospects

Of the nine steps in the selling cycle, qualifying the prospect is the second most important step—right behind Step #8—Closing the sale.

Qualifying the client is important in showroom sales because the time and effort to estimate a project are very expensive.

Profitable showrooms make money by successfully closing on a high percent of their sales efforts and not wasting time on poor prospects without the need, money or authority to make a purchase. Wasting the showroom consultant’s time on prospects unlikely to purchase is a sure recipe for showroom failure.

Soon after prospective clients walk through the showroom door effective sales consultants politely but quickly gather information about whether they meet the criteria of potential buyers.



The Showroom

Sales Process

Information gathered may include:

- Who is the client?
- How did they hear about your showroom?
- What type of project are they working on?
- Where is the project?
- What is the timeframe of the project from start to finish?
- Have they been shopping anywhere else?
- Do they have a plumber, builder or remodeler?
- Who are the decision makers?
- What is the dollar investment they are thinking of making in the project?
- Do they have architectural plans?

These and other questions help determine if continuing any further through the sales process will be worth the time of either the showroom sale consultant or the potential clients. This qualifying process can usually be accomplished within about 20 minutes from the time the prospects enter the showroom. When there is no obvious match, cut them loose politely—but quickly.

Leading authorities in sales and management summarize the importance of qualifying the client very simply: **Concentrate on selling to people who want what you have.**

Here are five characteristics of qualified prospects on which to organize your qualifying questions.

The Five Characteristics of Qualified Prospects

1. They know and need what you sell.
2. They have the power and ability to pay.
3. They want to decide.
4. They trust you and your organization.
5. They want to listen to you.



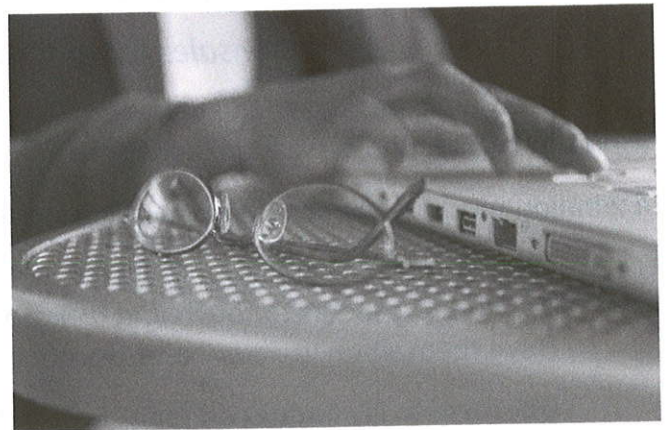
The Showroom

Sales Process

Step #5—Collect detailed customer and project information

Develop a customer information form (such as the one on page 93) to collect the information you need and to remind you to ask all the pertinent questions. Whenever you approach prospects, you should carry a tablet, or an attractive 3-ring binder that contains an information form, along with a pen if you're gathering written information. Explain that you will need some important information about their project, and then ask, "Would you mind if I made some notes as we're talking? This is very important information and I want to be sure to get it exactly right." This makes you sound and look professional and very few prospects would ever say "no."

In addition to project detail and other key information, the customer information form allows you to gather personal information about the client which helps build rapport. Some things you should be listening for and making notes on are where they live, where they vacation or travel, and other bits of personal information. Stay away from topics such as politics, religion, and all other risky areas.



Use value points to subtly build the credibility of you and your company

Your tablet or binder should also include your own and the company's value points that will remind you to do that self-promotion we talked about earlier. As you complete the customer information form, you can begin to add value by stating various value points about yourself and your company. This can be started during the initial qualifying exercise. You can also have other important information in your binder such as freight and delivery charges, suggested discounting by vendor/products, company policies, services, etc.

You must start adding value by stating the various value points about you and your company.

As stated earlier, good salespeople impress upon prospects that they are the ideal sales consultant for them and that their company's products and services are the best. When salespeople do this, prospects won't feel as if they must visit two or three other showrooms. They will know that they've found a home!



The Showroom

Sales Process

Step #6—Make a persuasive product and service presentation

Sales resistance is a natural part of many sales presentations and often gives salespeople an opportunity to learn more about how to satisfy their prospect's needs. Many successful entrepreneurs place great value on going the extra mile for each client by giving them personal attention. They work with gusto to ensure each client's satisfaction during the sales process. A mediocre sales consultant tells while a good sales consultant explains, according to many experts. Superior salespeople demonstrate a product's value, but great sales consultants inspire buyers to see the benefits as their own.

A superior sales consultant explains and demonstrates.

To inspire your clients to see the benefits of working with you and your showroom, develop a winning product and service presentation.

A winning product and service presentation includes the following elements:

- **Engage as many of the customers' senses as possible.**
Ask your prospects to touch and feel products. Encourage their hands-on involvement. Have them sit on various water closets to check their comfort.

Get them to lay back in different tubs and whirlpools. By turning faucet handles; watching and feeling the water come out of various showerheads; watching whirlpools operate; watching and listening to information on flat-screen monitors; and listening to water closets flush your prospects' senses work for them—and for you!

All these activities will help you sell the products you want the prospects to buy, and they can't do any of this when shopping on the internet. This is one of the main reasons why a brick and mortar showroom is so important.
- **Demonstrate as many products as possible.**
Turn on the whirlpools and showerheads. Flush the toilets and demonstrate the washlet bidet seat works. Pull out the heads of kitchen faucets. Show why single handle shower valves are easier to use. Explain how the thermostatically controlled shower valves prevent scalding. Once again incorporate hands-on activities to engage and educate your prospects.
- **Develop in-depth knowledge about your products and services.**
Today's clients, more than any other client group in history, want and need to know more about how products work and what makes your showroom better than other showrooms. Learn everything you can about your products until you have the best product knowledge possible.



The Showroom

Sales Process

- **Articulate the features and benefits.**
As you walk the showroom and present your products, point out the many features and benefits of these products. Remember that features tell and benefits sell. Don't just recite a list of features—take the next step and explain what the benefits of each feature will mean to the client. Also, remember that when you add value (and that's what features and benefits do), you make price become less important. If the prospect has no need for the feature, you don't recite the benefit. Just move on.
- **Find the prospect's hot buttons.**
All prospects will have some things that are important to them. Some will want immediate delivery; others will want a lengthy warranty; some will want only a brand name product. If you've asked good questions and have been a good listener, you'll know what is important to each prospect.
- **Tailor the presentation to the client's needs and wants.**
Once again if you've done a good job with prospects in the qualifying phase, you will understand their needs and wants. You must focus on these needs and wants throughout your presentation.
- **Avoid making price an issue.**
Every business offers three things: quality, service, and price. It is impossible to offer the best of all three. You represent the best quality and the best service so by doing this you have justified a little bit higher price. Sell your value (why you're the best); your company's value (why it's the best); and the features and benefits (value) of your products, and you will have justified the pricing. If price is the only thing prospects are interested in, maybe you aren't the right source for them.

Step #7—Overcome objections by demonstrating value

Prospects who come into your showroom will have concerns—especially if they have never done business with you before. Concerns arise for three reasons:

1. **The prospect has doubts or unanswered questions. (Sometimes these are created by the sales consultant.)**
2. **The prospect wants to buy or is interested in buying, but needs clarification, wants a better deal, or must get third-party approval.**
3. **The prospect isn't ready to buy or just doesn't want to buy.**

It is important to remember that when dealing with significant purchases, customers may be reluctant to state their real objections. Your job is to try to find out what they are so that you can answer them and make them go away.



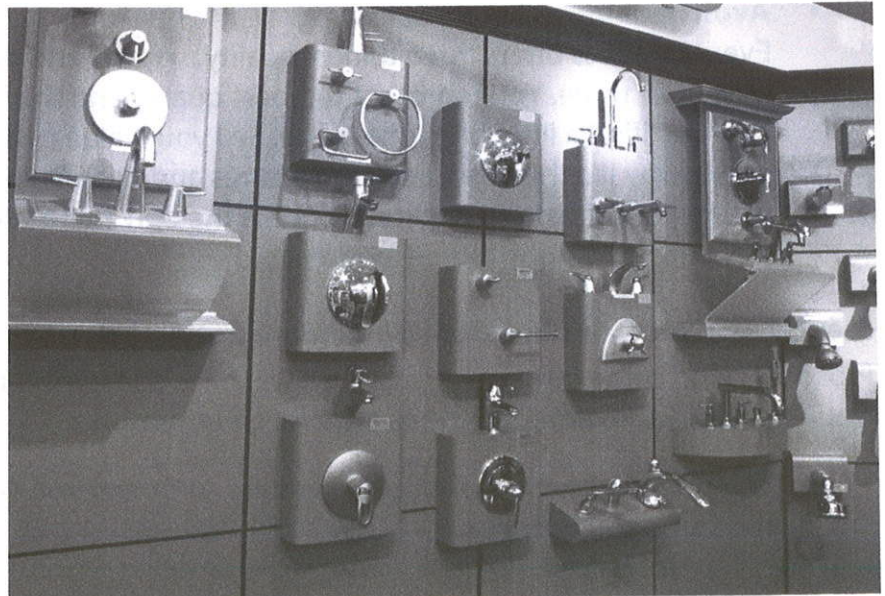
The Showroom

Sales Process

Prospects' stated objections may not be their real objections.

Prospects' worries may be grouped into the following categories:

- **Concerns related to the need for the product:**
Some prospects will argue that they don't need to replace or upgrade their current product.
- **Concerns about the product itself:**
Prospects may not like a new product because it's an unfamiliar brand, friends have recommended another product, or they want a newer version of the current product they own.
- **Concerns related to the source:**
Prospects may be loyal to their current supplier who was unable to get them the product they wanted. If they are unfamiliar with your showroom, they may be reluctant to give you an opportunity to prove yourself.
- **Concerns related to price:**
Price is one of the most common concerns of reluctant buyers. In some cases, price is a legitimate concern but it is sometimes used as a negotiation strategy. See the inset on the following page for suggestions on how to respond to price objections.
- **Concerns related to time:**
Prospects may say they want additional time to consider the purchase. What they may mean is that they want to continue to shop for a lower price or a different product.



The Showroom

Sales Process

Below is a table with common objections, what they mean, and how you can overcome those objections.

Stated Objection	Unstated Objection	Sales consultant's Response
Price is too high	Cost vs. benefit	You need to articulate more value and benefits
Need to think about it	Afraid to make a bad decision	Help them create comfort that this is the right decision
Get other quotes	Unsure you're meeting their needs	You need to identify targeted solutions and use them
Happy with someone else	Doesn't perceive that you are better	You must point out why you are better, different, and unique
Bad history	Has had bad sales experiences with other showrooms; may see you as one of them	Articulate proof of your showroom's value
Must talk to a partner	Unsure you are meeting their needs. You have not reached the decision maker.	Get all the decision makers together. Rearticulate value. Go back to square one if necessary.

As you complete the steps of your selling cycle, more concerns or objections may arise. Be prepared for them by watching the prospect's facial expressions, body language, and tone of voice—and become a great listener. It is important that you identify all concerns and objections and that you answer them in a satisfactory manner to make them go away. If you don't, the odds of writing the order are greatly diminished.



The Showroom

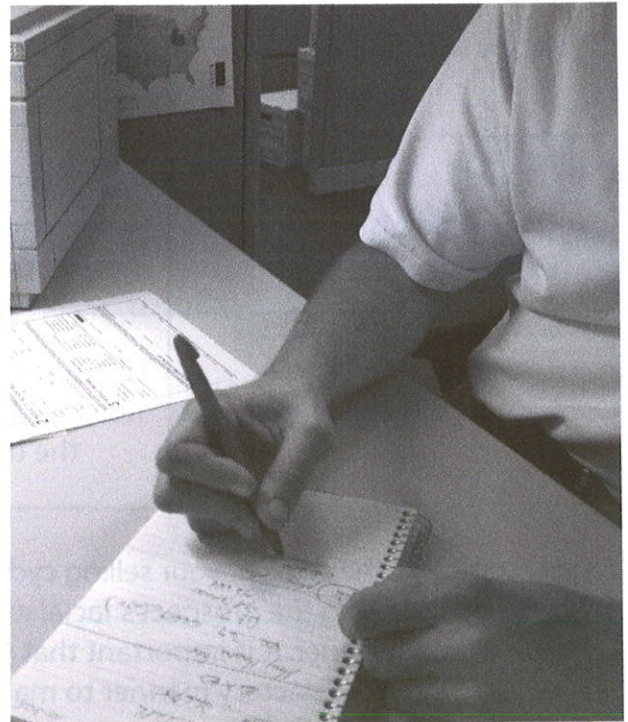
Sales Process

Overcome objections by becoming a skilled listener

The following are suggestions to identify and overcome the real concern or objection.

1. Listen carefully to the concern or objection being raised.
2. Check to be sure you understand exactly what the client means by repeating the concern and asking if this is what was meant.
3. After the client confirms that you've understood the concern correctly, answer the concern or objection in a way that completely resolves the issue.
4. Ask the client if your response or answer has made the concern/objection completely go away.
5. If you deem it necessary, confirm your answer in writing.
6. Nod your head to indicate "yes," and get the client's head bobbing up and down in the "yes" fashion.

Every time you can get the client's head moving up and down, indicating "yes," you have taken a step toward closing the sale.



The Showroom

Sales Process

OVERCOMING PRICE OBJECTIONS

As noted in ASA's *Essentials of Profitable Inside Sales in Distribution*, there are some proven techniques for dealing with price objections.

1. Demonstrate value first

A price objection is another way of saying you haven't adequately demonstrated value. Focus on why buying products from your company is advantageous, and then discuss prices. Talk about price last—especially with customers who always ask about the price of every item they need. If necessary, refuse to quote a price until you have presented the entire list of goods required.

2. Break down the difference into chunks

If your showroom sells a sink for \$25 more than a competitor sells it for, talk about the life span of that sink. If it's 10 years, the extra cost amounts to \$2.50 per year. Point out how trivial that is compared with the value-added services provided by you and your company.

3. Give them alternatives

Always begin by selling the highest-priced items in a category. But, remember, you also must to know you customer. Don't try to sell high-end products to contractors or consumers who are after the least-expensive alternative. If price becomes an obstacle, try to sell the customer lower-price alternatives that will still do the job.

4. Negotiate something else of value

Trade something else of value in return for holding firm on the price. This could include things such as price, extended terms, special deals on other products, etc. Or, maybe you can find less expensive products to bring the total package in line with what the customer is willing to pay.

5. Hold back purchase

Hold back on purchasing one or more of the items right now. Eliminate something from the list that could be purchase at a future time.

6. Give up

Refusing to be undersold can be a route to bankruptcy. In most cases, unprofitable sales are worse than no sales.



The Showroom

Sales Process

Step #7—Close the sale and ask for the order

The most important step of the selling cycle is closing the sale. If you have followed and executed the first six steps properly, this step should be easy because the prospect will have been SOLD.

Today's prospects are very busy and time constrained.

When prospects have just invested two, four, or more hours working with you, they won't be anxious to go somewhere else. Make it easy to stay and place the order with you. You explained right up front that you don't give out real manufacturer model numbers and that the prices are your very competitive net prices.

*Never give out manufacturer model numbers;
it invites customers to leave and price shop elsewhere.*

Clients are likely seeing themselves enjoying the benefits of the completed project, and are almost ready to buy when they begin to ask about the following:

- **Availability or time of delivery**
- **Specific price, deposits, etc.**
- **Positive statements about you or the company**
- **Seeing a display or demo again**
- **Statements about products with previous suppliers**
- **Value points, features, and options**
- **Quality guarantees, or warranty**
- **Specific product/service questions**
- **Other satisfied customers**
- **Testimonials and/or references**



The Showroom

Sales Process

You have established the value points of both you and your company. You have made a compelling presentation and responded to all questions and objections. The client is asking questions that show he/she is envisioning the completed project in their home. It is almost time to go for the close.

Many showrooms in our industry have a 90% plus close ratio on their quotes. But these showrooms have sales consultants with great selling skills and techniques that they practice every day. If it's less than 80%, you're doing something terribly wrong. If you don't know what your close ratio is find out.

Client questions will tell you when it's time to ask for the order.

Question	What it Tells You	How to Respond
"If this breaks down during the warranty period, do you fix it or replace it?"	The prospect is probably close to becoming a buyer.	Explain how the warranty operates.
"Can you show my installer how this works?"	When prospects want the installer to see the product, they are probably already convinced it's the best product.	Explain when you're available to demonstrate the product.
"Is any type of discount available?"	The customer is saying, "I like it; now I'm ready to see how cheaply I can get it."	Explain your showroom's policy.
"What is your shipping schedule like in the next two weeks?"	Delivery questions indicate not only strong interest, but even a touch of urgency.	Ask when they need the product.
"Have you been working at this showroom very long?"	Questions about background suggest the buyer believes you're an important part of the sale.	Explain that you'll be available to answer questions and provide service after the sale.
"Did you say that you can have this product shipped directly to the job site?"	The customer wants to be certain something was heard correctly.	Repeat your guaranteed delivery dates.



The Showroom

Sales Process

Recognizing buying signals is critical to your success as a sales consultant.

A sales consultant must ask for the order

And yes, you do have to ask for the order. Here are a few closing questions that you might consider:

- “I believe we’ve covered all the products and have answered all of your questions. Are you ready to place the order?”
- “We have put together a wonderful list of products and I know you value the many services we offer. If we place your order now we can have it at the job site in plenty of time. Would you like to write a check or use a credit card for your deposit?”
- “It has been such a pleasure working with you. You have a wonderful project and the products you have selected will finish it off beautifully. May I place your order?”

If the response is “no, we need to think about it,” you’ve missed something along the line and you need to find out what it was so you can make it go away.

Respond positively when the client says “no”

Sometimes when sales consultants hear “no” they become flustered, and attempt to talk prospects out of their decision. Often, salespeople will react by making a “but” statement:

Unfortunately, this is often interpreted as defensive and is not effectively persuasive. Defensive actions place you in a confrontational position with the prospect.

Avoid “but” statements:

- *But this is a great price/deal*
- *But we have the best products in the area*
- *But we will do a great job for you*
- *But look at the value you are getting*

Even if the decision not to purchase your product seems to be final, in some cases, with the right questions and clarifying comments, sales consultants have persuaded clients to reconsider their “no” decision. Knowing what you missed in the sales process can give you some information that will improve your odds of making a similar sale in the future.

Don’t assume that you know why the client didn’t want to purchase a product from you. Maybe the client has a relative in a competing showroom or maybe the client considers your product inferior. Why guess? The only way to find out what you need to know is to ask the client the right questions.



The Showroom

Sales Process

The responses that result from the following questions may enable you to create a new sales opportunity in the future and to examine more thoroughly your prospect's concerns and values. Here are some questions you might ask:

- **If it were possible for me to satisfy and alleviate your specific concern, would you be interested in discussing your project in more detail?**
- **Is it possible that there is another approach or solution here?**
- **What solution would my product have to offer to motivate you enough to explore working with me?**
- **That's interesting. Will you share with me why you see it that way?**
- **While I can certainly appreciate how you feel, may I ask why you feel that way?**

Even if the prospect continues to say "no" to your product, you now know exactly what prospects are feeling and where they stand, as opposed to walking away scratching your head and wondering why they did not buy from you. Always try to get the real reason the client is saying "no." This may help you to change something in your future sales efforts.

Step #9—Renew the selling cycle with new referrals from satisfied customers

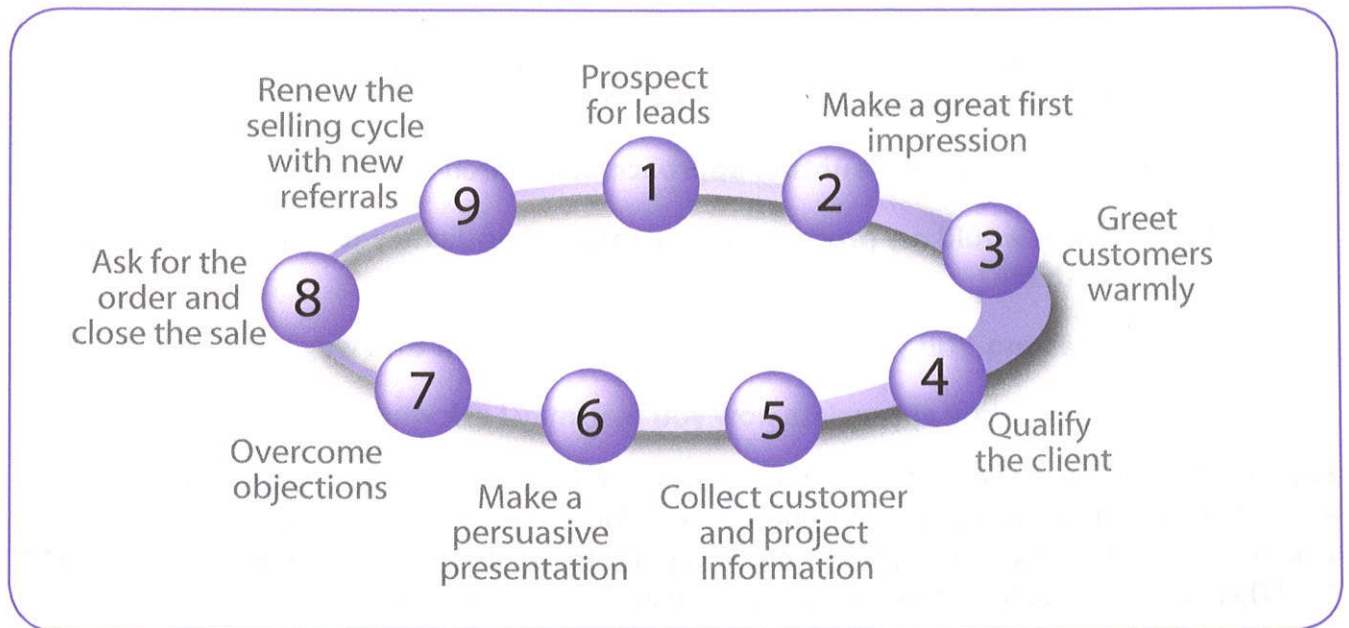
Saying "thank you" after the sale is an important step that many showrooms ignore. Often showroom people are so busy working on new projects that clients with completed jobs are quickly forgotten. Thanking clients with an after-the-sale follow-up is a wonderful opportunity to grow new prospects and start the selling cycle over again.



The Showroom

Sales Process

Remember that Step #1 of the selling cycle—"prospecting"—is the life blood of future business.



Build new referrals from satisfied customers

If you've been in business three or more years, referrals should be your #1 source of new prospects. If you are not getting referrals, you're doing something wrong. You need to identify the problem and correct it as soon as possible.

So, what can you do to encourage your past clients to help generate more referrals?

Here are eight activities to grow your database of referrals:

1. Within 10 days of the project's completion, send the client a handwritten thank you note on a thank you card.
2. Call the client to reiterate your thanks for the order and to see whether there's anything else you can do.
3. Send the client an appropriate gift. The gift size can vary depending on the size of the job. You could have an A (big job); B (medium job), and C (smaller job) gift dollar value. You might send a plant, cutting board, magazine subscription, tin of cookies, basket of fruit, etc.



The Showroom

Sales Process

4. Complete a client satisfaction survey on jobs of \$5,000 or more. Draft a cover letter of thanks explaining that you are continually trying to improve your service and you value the client's input. This can be accomplished via "snail mail" or online.

List eight to ten questions that only need an "excellent," "good," "fair," or "poor" checkmark. Add a line below each question for comments. Include a self-addressed, stamped envelope to make the survey easy to return. And to show how much it means to you, offer a \$10 gift certificate to a local store.

5. Send five introductory cards for friends, neighbors, family, etc. For every card that's brought in by a new prospective client, send the referring client a \$10 gift certificate to some popular place. If the prospect turns into a client and buys \$15,000 or more of product, send the referring client a \$150 gift certificate to a favorite restaurant.
6. Take pictures of completed projects and get testimonial letters from happy clients. Build an album of high-quality pictures and letters that you can use to show new prospects how many happy clients you have already served. You can also post these pictures and testimonials on your website and/or social media sites. Third-party testimonials are powerful. A flat screen monitor in the showroom that plays videos of completed projects and testimonials is also a great way to show what you can do.
7. Send a quarterly or bi-annual newsletter. The newsletter might include pictures of people, products, and displays to let people know what's new in styles, colors, finishes, trends in bath and kitchen products. Send the newsletter to past and prospective clients.
8. Build a past customer and new prospect database. Invite them to special functions, promotions, sales, etc. In other words, use your past clients to earn new prospects.

To keep generating good quality leads, you must continuously increase the awareness of your showroom and the solutions that it provides. Good customer service is more efficient at building awareness than advertising, yet many companies spend wildly on advertising while neglecting to fund public relations efforts.

Good customer service is more efficient at building awareness than advertising.

In the next chapter, we'll look at ways to increase your showroom's name recognition by following through and following up after the sale.



The Showroom

Sales Process

SAMPLE IN-STORE COMMUNICATIONS GUIDELINES

The following are sample statements and questions only. Showroom sales consultants should develop their own style and delivery.

- **The initial meeting (smile, positive body language and good eye contact):**
 - "Good morning; welcome to (name of showroom)"
 - "My name is _____. May I ask your name?"

- **Start the qualifying process:**
 - "Are you considering changes in your kitchen or bath?"
 - "Terrific! What an exciting project. In fact, kitchen or bath remodels are what I like best."
 - "May I tell you a bit about why we at (name of showroom) can make a kitchen or bath remodel easier and more fun?"
 - "Great. As you can see, we offer a terrific package of products; a wide selection of finishes. We are one of the few companies that can offer a total turn-key job. That means we not only have the widest selection of products, but we will help with the layout, recommend installation, and even have low-cost financing available if you need it."
 - "What is the timeframe for your project?"
 - "That should be plenty of time to complete the project, but because some products will have to be ordered, drawings made, and installation scheduled, we really should get started as quickly as possible."
 - "Where is your home located?"
 - "Oh, wow—what a nice neighborhood! Do you know Mr. & Mrs. Smith?" (insert name of someone you have worked with in that area to build rapport and give testimonial)
 - "Have you considered how much of an investment you will be making in the project?" (This is a nicer, softer way of asking what their budget is).

cont. on page 91



The Showroom

Sales Process

- "I believe you should be able to do a nice job for that amount, but in order to develop a more accurate price range, we would need to ask a lot of questions so that we can help select the best package of products for that 'dream home' for you. We also need to measure your current kitchen space. Once that is done you will need to select the products you will need."
- "Do you have some time to look at products today—or would you like to schedule an appointment to do this?"
- "Would you like to schedule appointment now?"
- "Will there be anyone else involved in the decision-making process?"
- "Here at (insert showroom name) we have a very unique system that helps us do the very best job possible for our clients. We operate as a team."
- "May I ask—have you been shopping anywhere else?"
- "Have you started to collect pictures and ideas for your new kitchen (or bath)?"
- "We are able to keep up with the latest styles, finishes, and colors." (Tell the value points of your business; get contact details; ask for an appointment.)
- "It's been very nice to meet you. Your project sounds exciting and I can't wait to get started working on your plans. Have a terrific day."

If the client has time and you have time, begin the product selection process. This is where the "Presentation" takes place.

During all the above, you'll continually be working to build rapport. You'll be "selling" value points—yourself, your company, and your products—throughout the conversation. You will also have made notes on all pertinent information, including any "hot buttons" you identified.

- **Following are some examples of rapport-building statements:**

- "What an exciting project!"
- "Your home is in a wonderful neighborhood."
- "The traditional style is also my favorite."

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The Showroom

Sales Process

- "We've done several remodels in your neighborhood. Do you know Mr. and Mrs. _____?"
- "You're smart to get started now because there's a lot of planning and decision making that has to take place."
- **Following are some example of value point statements:**
 - "I personally love to work on bath remodels like this."
 - "I have ____ years of experience in designing and selling baths."
 - "Our team is the best trained in the industry." (explain why)
 - "As you can see, our company has the biggest and best selection of products for the kitchen and bath."
 - "Our company has ____ stores which gives us terrific purchasing power that allows us to give our clients the very best total value in kitchen and bath remodeling projects."
 - "We offer financing if needed."
 - "The fact that we not only offer installation but we coordinate the entire process is a big plus for you."



The Showroom

Sales Process

SAMPLE CUSTOMER INFORMATION FORM

Customer Name: _____ Date: _____

Address: _____

Home Phone: _____ Cell Phone: _____

Home Fax: _____ Work Phone: _____

E-mail Address: _____

Referred by: _____

Type of Project: _____

Project Address: _____

Builder Name: _____ Phone: _____

Builder Address: _____

Plumber Address: _____ Phone: _____

Architect/Designer

Name: _____ Phone: _____

Project Start: _____ Project Complete: _____

Budget: _____

Main Benefits Seeking: _____

Preferred Style, Color, and Finishes: Which competitors have been visited?

Which websites have been visited? _____

Primary goal in working with sales consultant? _____

How did they hear about your showroom? _____

Other pertinent information: _____

Other personal information: _____

Date: _____ Action Taken: _____

Results/Comments: _____ Follow-up: _____



Quiz

The Showroom Sales Process

5. **The first step in the selling cycle is prospecting which can be accomplished by all of the following EXCEPT**
- A. Advertising through the radio, newspaper, and the internet
 - B. Referrals from satisfied clients
 - C. Promotions such as a free seminar
 - D. Persistence in making the sale after clients say “no”
6. **During the initial meeting with the client, which of the following makes the MOST positive first impression?**
- A. Positive body language, warm smile, eye contact
 - B. How quickly the sales consultants approaches the prospect
 - C. Giving the prospect 4–5 minutes to get comfortable
 - D. Meeting the prospect with a cup of coffee
7. **A customer information form can help a sales consultant in all the following ways EXCEPT**
- A. Documents all the important information you will need to work with the prospect
 - B. Helps keep track of personal information about the prospect
 - C. Reminds you what questions to be asking the prospect
 - D. Reminds you of the person’s political affiliation
8. **The MAIN reason sales consultants qualify a prospect is to determine if**
- A. other showrooms are offering lower prices or better customer service.
 - B. it will be worth your time to continue speaking with the client.
 - C. the prospect has been talking with other salespeople in your showroom.
 - D. the prospect can afford your products and services.



Quiz

The Showroom Sales Process

- 9. Every prospect will have concerns. Why is it important for a showroom sales consultant to identify these concerns?**
- A. You may decide you don't want to work with a prospect with too many concerns.
 - B. Prospects with more than five concerns seldom purchase high-end products.
 - C. Prospects with a long list of concerns create too many problems for a showroom.
 - D. When you identify prospect's concerns, you can find ways to address those issues.
- 10. All the following are signals that prospects are ready to buy EXCEPT**
- A. Asking about the product's price
 - B. Asking about the product's availability
 - C. Explaining they need additional information about the warranty
 - D. Explaining they need additional time to think about the purchase

(Answers below)

Answers: 1-D; 2-A; 3-C; 4-C; 5-D; 6-A; 7-D; 8-B; 9-D; 10-D





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CHAPTER 5

Following Through and Following-up

The sale is just the beginning of building a profitable showroom business.

After reading and studying the material in this chapter you will be able to:

- 1. Explain why the showroom sales process does not end with the initial sale.**
- 2. List the five good business practices followed by successful showrooms.**
- 3. Explain the importance of consistent thank you and return practices.**
- 4. Explain the eight benefits to showrooms of effective follow-up practices.**
- 5. Use five follow-up tools to help you close a higher ratio of your quotes.**
- 6. Follow four suggestions for building your own quotation system.**
- 7. Practice five easy ways to say thank you to a client.**
- 8. Explain how showroom sales consultants can use eight valuable tools to build sales.**



Following Through

and Following-up

In the last chapter, we covered the nine steps in the selling cycle. Sales consultants who practice these steps find that the sale is theirs for the asking; all they must do is ask for it in the right way! Always keep in mind, however, that after asking for the order and closing the sale showroom consultants need to keep the process moving by thanking the customer and following up diligently to ensure the process does not break down. Closing an individual sale alone does not build a successful showroom business. Successful selling involves a longer-term view of the business, a professional attitude and an organized, disciplined set of procedures practiced day in and day out.

In this chapter, we'll discuss ways to follow through by delivering products as promised, practicing good business procedures, using follow-up tools to close a higher percentage of quotes and using special tools to build sales.

The Sale is Just the Beginning of Building a Profitable Showroom Business

People say it all the time "Get the sale! Sell, sell, sell!" There are books, websites, and thousands of articles dedicated to better ways of making the sale. But what about keeping the customer after the sale?

The basic truth in showrooms and any other business is that repeat business from loyal customers builds the company's bottom line. Statistically, it's much easier to keep existing customers and cross-sell them other products and services than it is to gain new customers. In fact, 20% of regular customers will generate about 80% of a company's total business.

Repeat business from loyal customers builds the company's bottom line.

Once you've written the order, don't stop there

Post-sale performance must be flawlessly executed. Since showroom sales are about 80% special orders, you have to be sure to place orders with your vendor partners in a timely manner. This must be followed by checking vendor acknowledgments very carefully.

Next, when products start coming into the warehouse, they also must be received accurately. You may even want to inspect selected products for damage and correctness. The next step should be to put a label on every product telling what it is, who it's for, the date received, and most importantly, in which room the product is to be installed.

All products for each job should be kept together so they are readily accessible when it's time for delivery. Someone needs to communicate closely with the client about delivery including time, date, whether money is owed, etc.



Following Through

and Following-up

Return policy must be clear

Finally, despite the best efforts of a company's customer service strategies, some customers may be disappointed in a product and want to return it or factory defects or damages may be identified. Handling returned goods is never a favorite part of the salesperson's job. But because returns do happen, the showroom must have a written policy and procedure that spells out how Return Goods Authorizations (RGAs) will be handled. Most vendor partners have very specific timeframes and policies on how returns to them must be handled. Therefore, it's important that showrooms adhere to those policies or they will have an ever-growing pile of non-stock products. A specific person should be charged with making sure RGAs happen in a timely manner.

Your showroom should have a well-defined, written RGA policy that everyone knows and follows. Remember that a company's primary goal is to keep the customers it has and grow its business. Weigh the return of a product or a refund on a service based on how valuable the customer is to keep. Sometimes returns are useful for business. When customers supply reasons for their return, they provide valuable feedback on a product or the showroom's sales practices. Collecting all the return data and adding it to customer service requests helps sales consultants identify merchandising problems and opportunities. Plus, it can help manufacturer partners correct any repetitive type of mistakes.

Successful Showrooms Businesses Follow Five Good Business Practices

1. Successful showrooms are in business for the long haul.

Too many businesspeople are in their business strictly for profit. They sell the products or services that will make them the most money in the shortest amount of time with little regard for the quality of the product or the value of the service to the customer. That attitude is totally inconsistent with the showroom business model that emphasizes higher-end (quality) products and professional sales/service. When your customers recognize your commitment to ethical business practices, that awareness will be reflected in your bottom line.

2. Successful showrooms guarantee the customer's satisfaction and stand by that guarantee.

Winning showrooms have a "no questions asked" guarantee that is two times longer than the industry average and that of its competitors. The longer the guarantee on the company's product or service, the less likely it is that the product will be returned or the customer will want a refund. But don't guarantee something that can't be delivered! When a sales consultant makes a promise, or sets a deadline that cannot be kept, the customer must be immediately informed. Then offer to compensate the customer with a gift certificate or a discount on that product or service for any inconvenience.



Following Through

and Following-up

3. Successful showrooms make it easy for customers to contact them with questions or concerns.

Use all the ways that are available today to make it easy for customers to contact your showroom. Voicemail, e-mail, faxes, pagers and cell phones can be available 24 hours a day. Never make customers wait to talk to a sales consultant. Don't let their inability to reach the showroom be the reason your customer becomes your competitor's.



4. Successful showrooms take seriously customers' comments, concerns, or questions about products or service.

The best showroom sales consultants listen carefully and respond to customers' comments and find answers to their questions—fast! If there's a problem with a product or service, tell them you will solve the problem right away—and then do it!

If you can't solve the problem right away or to the customer's satisfaction, offer a replacement or a refund promptly and readily or a discount on future products or services that lets customers choose the option they want! The best showrooms use customers' comments and complaints to continually educate their salespeople and improve their service.

5. Successful showrooms solicit customers' opinions about products or services and encourage them to be honest!

As part of the effort to improve their operations, showrooms provide forms for customers to evaluate products or services. Then they LISTEN to customers' input and make changes to products or service accordingly. Most importantly, showrooms send customers some token of appreciation for their input (e.g., a gift certificate) and let them know what changes were made to products or services based on their suggestions. Customers will be thrilled!

When a showroom operates as a customer-driven business, it is apparent throughout the sales and service process with every customer. While many businesspeople understand that they need to provide a quality product or service, they must also remember that customers care just as much about service quality as product quality. Providing both keeps your customers coming back.



Following Through

and Following-up

Close More Quotes by Using a Workable Follow-up System

Following up after a sale is where many showroom sales consultants fall down on the job. Marketing experts often say that you must sell to a customer three times—once before the actual purchase, once immediately afterward, and once again during the weeks and months that follow. The third sale is the one that builds a business for the long run.

One-time customers are fine, but repeat buyers are the foundation for long-term success.

Following up long after a customer has made a purchase increases customer loyalty, which translates into repeat buyers.

Following up with clients will provide eight important benefits for the business. Following up will help you:

1. **Make sure the customer is happy.**
2. **Resolve customer concerns and complaints.**
3. **Solicit feedback to improve your process (and operation).**
4. **Get testimonials that will help establish your value and credibility.**
5. **Get approval for doing public relations with the customer.**
6. **Upsell to higher quality products with higher gross margins.**
7. **Update them on new products/services.**
8. **Generate referrals that will keep the business going.**

Ultimately, each time you follow up with a customer your number one goal is to build a stronger relationship, but you can do that more easily if you have a reason for calling them beyond “just chatting.”

Follow up on quotes to maintain the momentum of the sales process

Showroom sales consultants often excel at working with clients and helping them select the products. They might eagerly complete pre-printed showroom long quotation forms to quote consumers and tradespeople on various complete bathrooms, kitchen and other projects. But then the salesperson files the quote somewhere and doesn't follow up on all that hard work. That doesn't make sense at all.

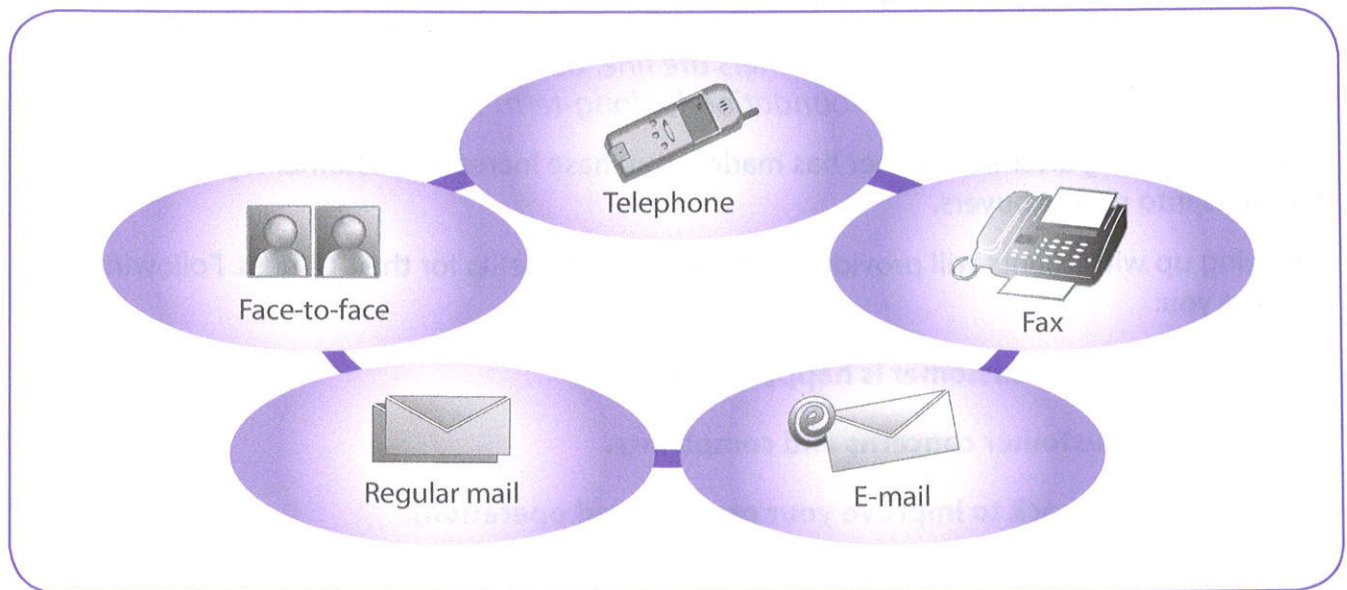


Following Through

and Following-up

Use these five tools to follow-up on quotes:

To maintain momentum of the sales process the showroom sales consultant should follow-up on quotes at least once a week. There are five tools you might use to follow-up on quotes including the telephone, fax, e-mail, regular mail, and face-to-face follow-up. Each tool has its advantages and disadvantages.



1. Telephone is the most common follow-up tool.

Sales consultants commonly use the telephone to follow-up on quotes. Many consultants enjoy more success calling cell phone numbers rather than land lines because it's easier to avoid playing phone tag with busy customers who are frequently away from their homes. At other times, it's more appropriate to use some other media—often in conjunction with the telephone. For instance, a salesperson who has provided a written quote in the showroom may find it prudent to confirm the information via e-mail or letter.

2. Faxes are still used extensively in distribution.

Some companies still rely on fax communications to send proposals, bid submissions, purchase orders, quotations, and other business documents. Users must contend with transmission failures, paper jams, low tones, blurred type, etc. However, companies that use faxes often do so because of security concerns related to e-mail communications. If your customers prefer to communicate by fax rather than e-mail, follow their wishes. Also, keep in mind that faxes are not applicable when selling homeowners direct.



Following Through

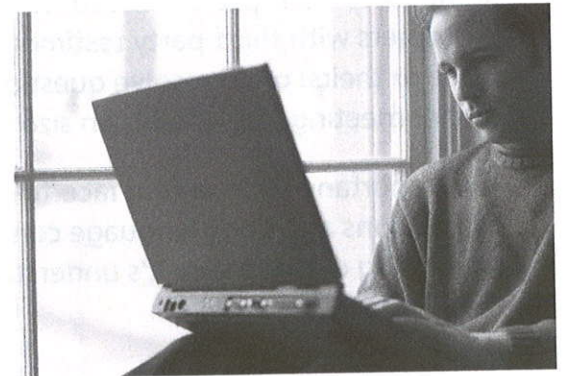
and Following-up

3. E-mail is an effective tool when used properly.

Today's wholesale distributor showrooms find more and more communications coming their way via e-mail. E-mail is a quick, efficient, inexpensive, thorough, and convenient way to communicate with people outside or inside your office.

Some of the other e-mail benefits include:

- E-mail can be accessed 24/7 from almost anywhere in the world.
- E-mail can be saved and stored electronically or printed out.
- Documents can be sent back and forth to instantly clarifying questions, quotes and details.
- E-mail can easily be shared with all the members of the participants in a project.



E-mail has some potential drawbacks including:

- Some people do not use e-mail.
- Many people do not check their e-mail often.
- E-mails are often hastily or even sloppily written which detracts rather than enhances accurate communication.
- E-mail lacks the nuance of meaning that face-to-face and telephone communication provides.
- E-mails and attached documents can easily be shared with hundreds or even thousands of others who should not have the information.

Write E-Mails Very Carefully!

Effective use of e-mail requires keeping a few simple rules in mind:

- Always be aware that e-mail is writing; it can be a permanent record.
- Keep the e-mail succinct and focused on the subject at hand.
- Always practice good manners when writing e-mail.



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- **Make the subject line specific so the reader understands what the e-mail is about.**
 - **Never assume privacy or security; the recipient can share the e-mail with anyone.**
 - **Don't rely on spell check; always proof read e-mails before sending.**
- 4. Old-fashioned mail sometimes is the best way to communicate.**
In some cases, old-fashioned mail delivery is sufficient—even preferable. So-called “snail mail” is a good way to send follow-up personal notes or letters to customers. When timing is critical and expense is not a major consideration, overnight delivery services serve their purpose.
- 5. Face-to-face may be best for some follow-ups.**
Sometimes an in-person encounter is best if you want to discuss a quotation or provide customers with third-party testimonials from happy clients. Follow-up meetings (at your place or theirs) often resolve questions that customers have. Schedule a breakfast, lunch, or dinner meeting (depending on size of job) to discuss your quotation.

The importance of meeting face-to-face cannot be overstated. Experts say that facial expressions and body language convey about 55% of meaning. If you want to emphasize something or make sure it's understood, communicate in person.

How to Develop Your Own Quotation Follow-up System

Meeting with buyers one-on-one doesn't always guarantee a sale. Prospects aren't always ready to buy when salespeople are selling—even with the price is right. Most salespeople agree that an automated follow-up system is the best way to avoid missing their window of opportunity to close the sale.

Here are three suggestions for developing your own quotation follow-up system.

1. Create a contact spreadsheet.

Create a spreadsheet and list every quote of \$2,000 or more. Include the date of the quote; the client's name, telephone numbers, and e-mail addresses; the amount of the quote; the time frame; and room to make comments when you do follow-up the quote. Microsoft Office Excel database is an excellent tool for this type of follow-up. Information will be easy to retrieve and manipulate. Follow every quote (of \$2,000 or more) for six months until you get it or lose it. And if you lose the quote, be sure to find out the real reason the client did not purchase from you. Most good selling software programs offer initial qualifying and follow-up opportunities. Use them to your benefit.



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2. **Avoid follow-up breakdowns by automating your system.** Automate the system as much as possible so there are few physical interactions from you (i.e., printing letters, sending e-mails, inputting leads, etc.) where 99% of all the breakdowns happen in well-intentioned follow-up marketing systems.

Consider using robotic marketing systems and outsourcing any manual interactions to a dedicated service. For instance, consider using a toll-free automated recorded message system that captures your prospects contact information and automatically transcribes it and sends your leads to you in a spreadsheet every morning via e-mail.

When using a direct mail follow-up system, find a fulfillment house to conduct promotional mailings. To find a fulfillment house, simply go to local printers and ask them for a fulfillment house reference in the area.

3. **Organize a tickler-based paper system if you don't have a computerized follow-up system.** Some people prefer a paper trail to an electronic organization method and use tickler files to work for them. Here's a straightforward way to do this:

- **Go to your favorite office supply store and purchase an accordion-style file folder that has 31 slots (one for every day of the month).**
- **Assume you complete a quote on the 5th day of the month and you want to follow-up on it every seven days. Put a copy of the quote in day 12, do the follow-up, and then move it to day 19, then day 26, and then to day 2, and so on.**
- **Each day you should pull all the quotes filed for that specific day and follow-up in one way or another until you have followed up on each quote.**

As a general rule, follow-up at least once a week with each client until you get or lose the order.

Superb showroom sales consultants not only help make the product selections; they write as many orders as possible. Following up on quotes in an organized manner is the only effective way to do this. When you do a great job of following-up, your close rate will improve—guaranteed!

Superb salespeople implement a timely and sincere thank-you program

A solid thank-you program makes an instant investment in the lifetime value of the relationships you have already established. At the end of the day, aren't your customers worth the small amount of time it takes to show your sincere appreciation?



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Here are five easy ways to say thank you to your clients:

1. **Send an annual handwritten thank-you note to clients who have generated the top 20% of your business. A personal note reminds your high-value customers that you appreciate their business. It keeps you in front of their minds—a smart strategy to remind them to refer more business to you and your showroom.**
2. **Thank lost customers with a handwritten note to welcome them back—and include an irresistible offer that may bring them back to your showroom. Motivating former customers to return is often a forgotten sales fundamental.**
3. **A handwritten note with a customizable gift certificate is a proven winner that can stimulate a sale or referral.**
4. **A handwritten note is a great way to let your best customers know about a new product or service that is not available elsewhere.**
5. **Send a handwritten note to the non-buying prospect of a high-ticket item. When the prospect is ready to buy, that note might be a positive influence on the sale.**

Showroom Sales Consultants Use Eight Valuable Tools to Build Sales

Showroom sales consultants have eight valuable tools available to them. Let's look at them.

1. **Your showroom is your number one tool.**

Although the internet is popular and customers might use it before they seek out your showroom, most still want to come in to look at, touch, and compare available products. Your showroom is your leading and most important tool. The build-out must be well-done and the products should be current, popular, and attractively displayed. The more working displays you have, the better the experience for the prospect. Keeping this valuable tool current, clean, and attractive is a never-ending job.

2. **Accurate records ensure better service and follow through.**

Keeping accurate records will empower you and enable you to better serve your clients. Practicing your own note-taking skills, developing a filing system, and creating a follow-up system are important tools. Learning to make notes on virtually every conversation you have with a client will help keep you in charge of the sale. It will eliminate confusion and misunderstanding when you can produce notes with dates that document and what was said or occurred. Find a recordkeeping system that works for you—and use it.



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3. High-tech tools leverage your time and effectiveness.

In today's high tech world, sales professionals have several electronic tools available to help boost sales. Many people carry their electronic devices at all time, which allows them to be totally connected and available to anyone in the world. For these people, the lines of communication are always open. Typically, sales professionals carry some or all of the following electronic devices:

- **A cell phone to be able to contact people regardless of where they are or what they are doing**
- **A tablet or laptop to take notes during meetings or sales calls, surf the internet, check e-mail, update contact management software, or complete an expense report**
- **Flat screen monitors for presentation and sharing information about your vendor partners and their products**
- **A digital projector to display presentations**

4. Web-based sales applications help manage customer relationships.

Web-based applications for sales can be accessed from anywhere using a web-enabled mobile device, or laptop. One important sales tool is called Customer Relationship Management (CRM), a broad information industry term for methodologies, software, and usually internet capabilities that help businesses manage customer relationships in an organized way.

Every interaction with a customer is recorded in a single system and that information is used to manage, measure, and track of the processes of marketing, sales, and customer service as they relate to that customer. Overall, it builds greater customer loyalty and a better customer experience because everyone in the showroom can access the information necessary to keep customers happy.

An effective CRM strategy can help the showroom and increase revenues by:

- **Providing services and products that are exactly what customers want**
- **Offering better customer service**
- **Cross-selling products more effectively**
- **Following up on leads and quotes**
- **Helping sales staff close sales faster and build new relationships**

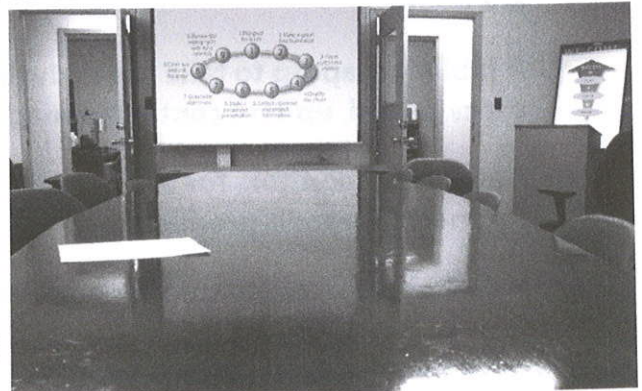


Following Through

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- Retaining existing customers and prospecting for new ones
 - Relieving sales people of repetitive administrative duties
5. **Networking with co-workers, vendors, and industry contacts increases leads and prospects.** People within the industry—managers, co-workers, vendors—are great mechanisms to help increase sales. Seek out these contacts when needed and use their expertise to increase your own.
 6. **Regularly scheduled sales meetings keep the sales team on track.**

Sales meetings are another terrific tool to work on product knowledge, selling skills, computer skills, inter-company communication, teamwork, and morale. Showroom managers should plan a sales meeting at least once a month. Twice a month is better and once a week is the best. Even if there are only one or two salespeople in your showroom, they should regularly meet with manufacturers' reps to go over their lines. Find someone on the wholesale side to work with you on selling skills. Be creative. Be proactive. Make it happen.



7. **The marketing plan defines the target and how to hit it.** Too many showrooms don't have a marketing plan that sets goals for the showroom and then outlines how potential customers will be attracted to the showroom's products and services. The plan should outline how marketing dollars will be spent for advertising, promotions, and public relations. It outlines where the money will be spent, when it will be spent, with whom, and so on.
8. **Establishing a showroom "brand" boosts your presence as an upscale retail operation.** Historically, wholesaler showrooms have been part of the wholesale location/building and have the same name as the wholesale business. More and more wholesalers have concluded that they need to establish their showrooms as retail businesses with a strong brand image. Many are using three strategies to accomplish this including:
 1. **Branded name and retail location.**
 2. **Upscale tools for the sales consultants.**
 3. **Computerized sales presentations.**
 4. **A well thought out marketing plan that tells potential clients who you are, where you are located and why you would be the very best showroom to serve their wants and needs.**



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Retail name and retail locations attract consumers

Many are working to establishing a brand image by giving the showrooms a different name such as “Creative Bath and Kitchen” or “Quality Bath and Kitchen” instead of ABC Wholesale. With homeowners doing most product selection, wholesalers are becoming much more retail-minded and putting their showrooms in downtown and retail shopping districts rather than traditional industrial parks.

Tools for sales consultants increase the image of professionalism

Showrooms working to establish their image and brand as an upscale retail operation are equipping their sales consultants with a set of comprehensive tools to reinforce that new brand image that differentiates them from the competition. These tools are often organized into personal and company marketing kits.

MARKETING TOOLS FOR SALES CONSULTANTS

- **Attractive file folders with the showroom logo**
- **Professionally printed business cards**
- **High-quality showroom brochures**
- **DVD highlighting the showroom and company**
- **“How to Go About a Remodeling Project” brochures**
- **“How to Go About a New Construction Project” brochures**
- **Testimonials from satisfied clients**
- **Profiles of builders, plumbers, remodelers, designers**
- **Pictures of completed jobs**
- **Lists of awards, certifications, etc.**
- **Copies of ads that tell your showroom’s story**
- **A list of the showroom’s main value points**
- **Profiles of each sales consultant with their pictures**
- **Company newsletter and/or calendar of events**
- **Reprints of articles about you, the showroom, and/or your products**
- **The very best website in your geographic area**
- **A presence on a few top rated social media sites**

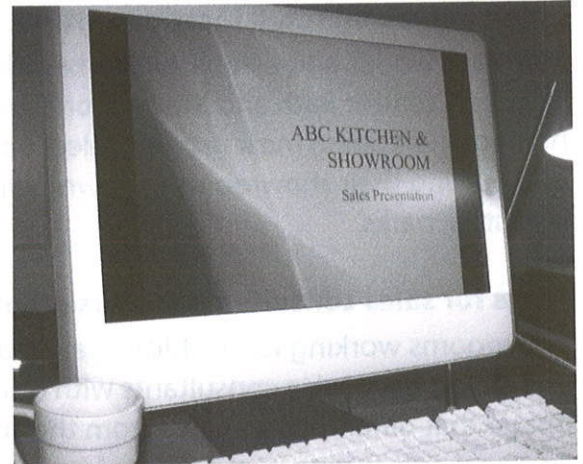


Following Through

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Computerized Sales Presentations are Powerful and Compelling

The technical, tactical, and persuasive advantage of a digital sales presentation is powerful and compelling. For example, using a tablet or laptop computer to make presentations can help tell your “story” in very visual terms. It can also help the sales people who are not as strong at delivering the message verbally. A presentation should be short, to the point, and full of facts that will help your potential clients understand why you, your company and your products and services would be the very best source in your geographic marketing area.



Here are some reasons to use a digital sales pitch:

- **It is a sales tool, educational tool, and training tool all at the same time.**
- **It makes you look professional, which increases your credibility with prospective clients.**
- **It can set you apart from your competitors that do not provide a professional presentation.**
- **It can make you seem more organized and in charge.**
- **It keeps you on course and eliminates omissions.**
- **It fascinates prospective clients.**
- **It answers the prospect's questions before they're asked.**

Use the computer and tablet to your advantage! But remember sales presentations are only a visual aid. Personal contact and professional skill are still key.

If your showroom business is slower than you would like, you may be asking yourself “What am I doing wrong?” That’s a question many people ask. The answer might be that you’re not really doing anything wrong. You may just need to do some things better, and you may need to start doing a few things you’ve been neglecting. In the next chapter, we’ll look at some techniques sales consultants can use to help increase their gross margin dollars to help grow their showroom’s business.



Quiz

Following Through and Following-up

1. **One of the BEST things you can do after the sale to promote good will and earn referrals is to**
 - A. send a handwritten thank you note or personally call each client to thank them for their business.
 - B. send clients an unexpected cash rebate and suggest they refer more business to you.
 - C. sell your clients' information to marketing firms that can generate more business for your showroom.
 - D. ask clients to complete a lengthy survey to explain their showroom experience.

2. **Which of the following is the MOST important tool in your sales tool kit?**
 - A. Accurate business records
 - B. Attractive showroom
 - C. Co-workers, vendors, and industry networking
 - D. Regularly scheduled sales meetings

3. **All the following are good reasons to follow-up with clients after the sale EXCEPT**
 - A. Resolve potential complaints
 - B. Get testimonials about your service
 - C. Update clients on new products/services
 - D. Obtain information about personal preferences

4. **All the following items should be included in your personal or company marketing kit EXCEPT**
 - A. DVDs describing the company and showroom operations
 - B. Price sheets and manufacturer brochures
 - C. Competitors' advertisements
 - D. Copies of testimonials from satisfied clients



Quiz

Following Through and Following-up

5. Which of the following is the BEST business reason to send a thank you note to clients?
- A. Clients expect to receive a note.
 - B. A note encourages them to refer more business to you.
 - C. Sending a note is easier than making a telephone call.
 - D. Every salesperson in the showroom business sends a note.
6. Which of the following is the BEST way for a showroom to demonstrate that it is retail-minded?
- A. Encourage salespeople to offer products at higher discounts
 - B. Develop follow-up systems that remind salespeople to upsell
 - C. Create a showroom name that becomes the company's brand
 - D. Encourage customers to shop the store 24/7
7. Digitally assisted sales presentations can work to a showroom sales consultant's advantage because they
- A. make the salesperson look more professional which builds buyer trust.
 - B. are shown to clients who have agreed to purchase a product.
 - C. permit the showroom to hire fewer salespeople.
 - D. assure that no mistakes are made on any forms.
8. Why is it important to provide several ways such as telephone, e-mail, or voicemail for clients to reach you and for you to get back to them?
- A. Clients are busier than most salespeople.
 - B. Clients think salespeople should be available 24/7.
 - C. Clients may become impatient and move on to your competitor.
 - D. Clients usually make the follow-up contact.



Quiz

Following Through and Following-up

- 9. When the length of your manufacturers' guarantee exceeds the industry average, it is likely that customers will**
- A. probably not return the product or want a refund.
 - B. want to return the product after the guarantee expires.
 - C. return products after several weeks of use.
 - D. use products and then return them for a full refund.
- 10. After the sale, sales consultants should follow-up with clients for all the following reasons EXCEPT**
- A. Update clients on new products and services
 - B. Chat with them about their family and friends
 - C. Resolve any complaint or concerns
 - D. Build a stronger relationship

(Answers below)

Answers: 1-A; 2-B; 3-D; 4-C; 5-B; 6-C; 7-A; 8-C; 9-A; 10-B





CHAPTER 6

Helping to Grow the Business

The gross margin dollars from a sale must exceed the expense of making and servicing the sale.

After reading and studying the material in this chapter you will be able to:

- 1. Explain what factors make a sale profitable.**
- 2. Discuss the most important reasons for wholesaler showrooms to grow their gross profit margins.**
- 3. Calculate gross margin, gross margin dollars, and net profit.**
- 4. List several things sales consultants can do to grow gross margin dollars.**
- 5. Explain why sales consultants should never cut a product's price.**



Helping to Grow

the Business

Most showrooms are profitable overall or they wouldn't be able to stay in business. But many individual showroom sales are, in fact, unprofitable. It costs some showrooms more to make and service those sales than the dollars brought in from those sales themselves. This means profits from some sales must be enough to cover the losses from other unprofitable transactions. It also means that one of the best ways for showroom increase profits overall is to make all sales profitable. Showroom sales consultants play a major part in reaching that goal. In this chapter, we'll explain a few basic concepts of wholesaler distributor profitability and the many ways showroom sales consultants can help make sales profitable for the showroom.

Profitable Showroom Sales Must Cover All Their Costs

As discussed in the American Supply Association Education Foundation's profitability course *Essentials of Profitable Inside Sales in Distribution*®, a profitable sale is one that

- A. Covers the cost of the goods sold
- B. Covers the cost of operations needed to service the sale (also known as overhead)
- C. Generates a net profit to keep the business going and provide a return to the owners who invested in the business

Gross Margin Dollars Must Support Overhead

In any business, gross margin dollars are the difference in dollars between the price the business pays for goods and the amount for which they are sold. If a showroom pays \$75 for an item and sells it for \$100, the company earns \$25 gross margin dollars.

$$\begin{array}{r}
 \$ 100 \quad \text{Sales} \\
 - \quad \$ 75 \quad \text{Cost of Goods Sold} \\
 \hline
 = \quad \$ 25 \quad \text{Gross Margin Dollars}
 \end{array}$$

This transaction results in a 25% gross margin (gross margin dollars as a percent of selling price):

$$\begin{array}{r}
 \$ 25 \quad \text{Gross Margin Dollars} \\
 \div \quad \$ 100 \quad \text{Sales} \\
 \hline
 = \quad 25\% \quad \text{Gross Margin}
 \end{array}$$



Helping to Grow

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For a sale to be profitable, both the gross margin and the sale dollar size must be enough that the gross margin dollars from the sale exceed the expense of making and servicing the sale.

As an example, a \$100 sale that generates \$25 gross margin dollars but costs \$35 in delivery, sales consultants' wages, utilities, and other costs loses at least \$10.

Gross margin dollars must support all the other costs of doing business, sometimes called operating expense or overhead. This includes wages and salaries, employee benefits, buildings and offices, vehicles, computers, and everything else that is necessary to run the business.

Earning a net profit is essential to staying in business

Hopefully, some additional dollars remain after all the overhead is paid. This "net profit" is used to replace items needed to run the business, and to reward the owners and associates for investing in the company.

Sales	\$100,000
Less Cost of Goods Sold	\$70,000
Equals Gross Margin Dollars	\$30,000
Less Operating Expenses	\$27,000
Equals Net Profit	\$3,000

When the gross margin dollars exceed the operating expense, a net profit results. When the gross margin dollars are exceeded by the operating expense, a loss results.

Any company that does not generate a net profit will eventually go out of business. This is important to understand. Profits are needed to conduct business activities that create jobs, renew capital and continuously boost our standard of living. Profits reward people for their hard work and innovations that make for a better society. Profits also help fund our government through taxes, and enable businesses and individuals to make charitable contributions.

Profits are essential for any business to keep operating and for our economy to stay healthy.



Helping to Grow

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Why Wholesalers' Showrooms' Gross Margins are Often Too Low

It is a simple fact that every type of business has its own formula for a profitable operation. It's also a fact that distributor warehouse operations and showroom operations are two very different businesses with two different cost structures. Confusing the two or failing to account for their differences is a sure formula for poor profits or outright losses.

As stated earlier, the gross margins of many—if not most—wholesaler showroom sales are too low to cover their operating expense. Part of the reason may be that wholesalers who sell warehoused and direct-shipped product through counter, inside and outside sales, and internet sales operations can be profitable by moving a large dollar volume at a lower margin than a showroom requires.



Too many wholesalers bundle their showroom sales and expenses into the overall company's financial statements. When this is done, it's impossible to know whether the showroom is profitable or not. Some wholesalers may know to charge more and pursue high gross margins for their showrooms but many do not. Fortunately, more and more wholesalers are starting to track their showrooms as separate profit centers.

Another reason for low showroom profitability is that the building trades and installers often expect wholesalers to make showroom sales for the lower prices that they receive when they do business via a telephone call, counter pickup, or internet order. This is poor business—as the cost of doing business out of the showroom is substantially higher. Therefore, selling prices must be higher.

Finally, competition can make this worse when other wholesalers in the marketplace, who are unaware of the cost differentials feel they must meet or beat every competitor's price. Doing so almost always guarantees the higher cost of the value added by the showroom never gets covered.

The numbers make the case

Let's see what happens when a profitable wholesaler, using typical wholesaler GM percentages, applies them to his/her showroom operations on \$100,000 in sales. Then, we'll look at an appropriate showroom model.



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<i>Wholesale Model*</i>	
Sales	\$100,000
Cost of Goods Sold (75%)	\$75,000
Gross Margin (25%)	\$25,000
Operating Expense (23%)	\$23,000
Net (2%)	\$2,000

<i>Showroom Under the Wholesaler GM%</i>	
Net Sales	\$100,000
Cost of Goods Sold (75%)	\$75,000
Gross Margin (25%)	\$25,000
Operating Expense (30%)	\$30,000
Net	(\$5,000)

**From ASA Operating Performance Report*

Now let's look at a model for a well-run showroom:

Sales	\$ 100,000
COGS	\$ 65,000
GM (35%)	\$ 35,000
OPS Expense (30%)	\$ 30,000
Net Profit 5%	\$ 5,000

Conclusion: The showroom model can be more profitable, but only if the higher operating costs are covered.

Showrooms add value, incur higher costs, and deserve to be paid

Showrooms have higher transaction costs partly because showroom selling is not volume oriented. Sales are highly consultative—basically made for one home at a time. That adds tremendous value—but it costs more. And, as demonstrated above, the per transaction cost of operating a showroom is greater than that of a traditional wholesale business. Here are several examples of how showrooms add value and incur additional expense in doing so:

- **Building out showrooms and displays so customers can envision products being used in their home adds value**
- **Offering multiple display products that will not be sold (no turn and earn)**
- **Providing a pleasant customer experience by adding lighting, heating, and air conditioning**
- **Changing out display products continuously**



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- **Taking time needed to walk a customer through a project and the decision-making process provides the ultimate value**
- **Taking smaller orders with manufacturer partners that are not as cost efficient as large orders**
- **Receiving, labeling, and inspecting received merchandise (labor intensive)**
- **Carrying costs for sold product that sit on the shelf in “tag and hold”**

These reasons and more make the showroom purchase experience highly valuable to the consumer but generate a much higher per transaction cost than operating a wholesale business. As the profitability numbers indicate, good business sense dictates that you must earn more gross margin dollars on each showroom sale.

Wholesalers should not extend deep discounts on showroom orders

Most showroom sales are made to home builders, installer contractors, and their respective customers. In many cases, business from installer contractors—and their customers—is word-of-mouth. To encourage sales to other installer contractors, as well as to make the showroom profitable, showrooms should charge the same prices to all contractors.

As shown previously, operating a showroom costs more than operating a traditional wholesale business. The cost of operating a wholesale business is in the 23%+/- range. The cost of operating a showroom may be as much as 5% to 10% higher, depending on the size of the operation, the product mix, and other variables. When wholesalers operate showrooms that extend the same deep discounts to the installation trade for both the wholesale and showroom sales, they are giving away the tremendous value their showroom adds for nothing! That just doesn't make good business sense.

Lower discounts can be a win-win for both wholesalers and installation contractors

Although contractors want to get the very best discounts possible, they do not necessarily need the same deep discounts on showroom orders that they do on over-the-counter orders from wholesale distributors. Here's why. Like other businesses, plumbing contractors usually add an amount to the cost they pay in calculating a selling price. This “mark-up” usually accounts for overhead and profit.



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Look at the two examples that follow.

Example #1

Assume that a plumber goes to a wholesaler to purchase kitchen and/or bath products to install in a new home. The plumber gets a 40% discount on the \$35,000 purchase price so his/her cost is \$21,000 ($\$35,000 \times 60\% = \$21,000$). He/she adds a 10% mark-up ($\$21,000 \times 10\% = \$2,100$).

Total list price of new home job	\$35,000
Showroom contractor's discount	40%
Plumber's net price on the project	\$21,000
Plumber adds 10% mark-up	\$2,100
Plumber makes \$2,100 plus the installation fee	

Example #2

Now let's assume the same plumber goes to a showroom that gives only a 30% discount to plumbing contractors. The list price is the same and the plumber's net price on the project is higher. But look what happens if the plumber adds 10% to the net price of the project.

Total list price of new home job	\$35,000
Showroom contractor's discount	30%
Plumber's net price on the project	\$24,500
Plumber adds 10% mark-up	\$2,450
Plumber makes \$2,450 plus the installation fee	

In Example #2, the plumber's discount off the manufacturer's list price is 10% **less** but the plumber earns 17% **more**—or \$350—when the same products are purchased from a showroom. It's a win for the plumber and a win for the showroom.

These examples explain to contractors how the profit from doing business with your showroom can be more than shopping over-the-counter and out the warehouse doors. When sales consultants illustrate the benefits, there is a good chance of "selling" contractors on making the switch to their showroom. But you will only be successful if you can prove to the installing contractor that you bring value to the process.



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The Changing Face of Showroom Customers

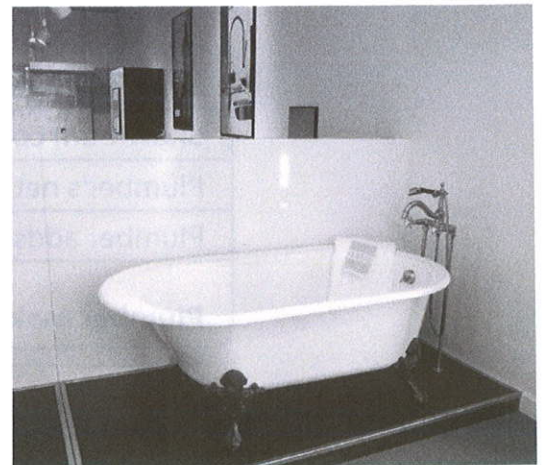
Surveys done by the *Supply House Times*, a magazine serving plumbing, PVF, hydronics and HVAC wholesalers, master distributors, and reps, show a very strong trend in how showrooms are selling and to whom they are selling. In more and more cities across the United States, contractors are losing out on the buy/sell of showroom products. The law of economics is catching up with them. They contribute little value to the actual product sale other than recommending that prospects visit your showroom. On average, these referrals account for only about 25% of total showroom sales. That's important but it's not enough to earn them exclusivity or the higher fees they may have received in the past.

Here's an area in which management must set a policy. When a showroom sales consultant has worked with a client and delivered a quote, that order must be credited to that showroom sales consultant—not a wholesale sales consultant. **And under no circumstances should the pricing be changed. It frequently happens that a showroom sales consultant will spend several hours working with a homeowner. A plumber then takes the list of products to the counter and receives the deeper wholesale discount. The showroom loses the sale and the company makes less money.**

Homeowners are key in the product selection process

The plain fact is that homeowners, builders, architects, and interior designers do most of the product selection process. Custom homebuilders and remodeling specialists have discovered substantial savings when they buy the product themselves and then hire an installer. Today—more than ever—homeowners recognize that products in their homes are purchased with the money they've earned. Therefore, those products should reflect the homeowners' style. They want to choose colors and finishes they prefer, and they want to purchase products directly from the showroom.

Projections are that by 2020 contractors will be much less of an influence on the buy/sell of showroom products. If your company is not taking the lead in opening its showroom doors to all buyers it might be leaving the door open for one of your competitors to capture the business. The same thing happened with electricians and lighting fixtures. Twenty-five years ago, the electrician bought and sold virtually all the lighting fixtures for the home. Today, they are not involved in the buy-sell of these products at all.



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22 Ways to Improve Your Gross Margin

Following is a list of ideas showroom sales consultants, managers, and owners might use to improve their gross profit margin. Not all these ideas will feel good. But if you find some that feel right, put them to work for you and start inching that gross margin up. If you set a goal of improving your gross margin by 1-1/2 or 2 points a year, you'll hit a desirable goal of 35% in less time than you think.

1. Reduce the discount off list price.

Start with just 1 or 2%. If the showroom's discount is list less 35% now, change it today to make it list less 33%. Instead of giving 40%, give 37%; instead of 30% give 27.5%; instead of 33% give 30%, etc.

2. Increase the mark-up on cost.

If you work from cost and add a mark-up, increase the mark-up by 3, 4, or 5%. Wholesalers tend to push volume, which generally leads to lower margins. But that deep discount mentality must be set aside when running a showroom business. Start thinking retail and higher margins!

3. Mix up the discount extended.

Don't grant across the board discounts. If there are several higher-end items on the quote, don't do a flat 40% or 35% off list price. Sure, the popular items that everyone checks must be competitive, but why give deep discounts on bath or any other accessories such as strainers, waste and overflows, angle stops, flex lines, box flanges, cutting boards, bath accessories, etc.? In many cases products like this can be sold at list or no more than 10% off list price. Don't forget to recommend these additional items to the customer. Adding line items with a higher gross margin to a sale is a sure way to help boost profits.

4. Quote only your net prices.

Get away from quoting list less a discount. Explain that your computer system only quotes the showroom's "very competitive" net price. Quoting discounts opens it up to a bidding war.

5. Always start with higher-priced products.

Customers expect to pay more for premium products. It's easier to come down in quality and price than it is to do the opposite. Don't show and sell only the traditional wholesale products. Have some lower-priced decorative lines that not everyone in your region has and that you can buy with a deep discount.



Helping to Grow

the Business

6. Know and learn how to sell value.

As stated early in this text, salespeople must sell their own value, their company's value, and the value of its products. When you do this, you make price become less important in the mind of your client.

7. Know and sell the benefits as well as the features of your products and services.

When you sell benefits, you're focusing on your prospects and their needs—what's of interest to them. When you sell features, you're focusing on your products and services. If the benefit of your product is of no value to your prospects, they certainly don't need the feature, no matter what you think. When you articulate (sell) benefits, you are adding value. When you add value, price becomes less important.

Always make a bigger gross margin percent on all those add-on items.

8. Sell add-ons, accessories—bells and whistles.

Don't just sell the kitchen sink. Sell your favorite faucet (the one you make the most money on) and fill up all the "holes" in the sink with soap and lotion dispensers, water chillers and filtration, push button for the garbage disposal, the garbage disposal itself, cutting boards, colanders, color-matched strainers, etc. Customers will appreciate it. Give them quality. Turn a \$300 kitchen sink order into a \$1,500 package. And always make a bigger gross margin percent on all those add-on items.

9. Sell a variety of products.

Most people—especially Baby Boomers and Generation Xers—are busy and time constrained and prefer not to go from store to store to store. Busy people desire one-stop shopping. Consequently, the more products you can show and sell, the more they'll appreciate you.

Consider not only showing and selling the traditional wholesaler products, but also making luxury bath and kitchen products part of your offering. These items include bathroom furniture, boutique accessory products, decorative door and cabinet hardware, towel warmers, magnifying mirrors, bath accessories, and even soft goods. Steam generators, saunas, and spas can generate additional revenues.

Many showrooms are diversifying into products such as tile, granite, lighting fixtures, kitchen cabinets, and appliances. Once again—one stop shopping is what the customers want and supplying more items helps grow revenues and margins.



Helping to Grow

the Business

10. Know which products and services offer the best profit and push them.

The buying multiplier varies by vendor and your company may be a member of a buying group. Products from this group should be the #1 push items. Your showroom also may have some semi-exclusive products that your competitors don't offer, and you should be able to make more money on these products. Develop a list of preferred vendors, ranking them as A, B, C vendors. Try to sell the A vendors first, B second and C last.

11. Always cover your freight and add a little.

Incoming freight can be a big expense—especially since so much of the product sold in showrooms is special order. Know what these freight charges are and pass these charges on to the client. Add 5% to 10% to these freight charges to help cover receiving and handling of the products, and making a few extra dollars.

12. Charge a delivery fee.

Showrooms that make deliveries to job sites (and they should) might consider be charging a delivery fee. It isn't customary to charge plumbers and builders, but homeowners are used to delivery charges for retail purchases. (And that's another good reason to open your showroom's doors to these people.) Sample delivery fees might be: 0 to 25 miles (\$25), 25 to 50 miles (\$50), and over 50 miles (\$75).



13. Direct ship whenever possible.

Many showroom sales are special order. Many products (other than tubs and water closets and other large products) come in sizes that make UPS or other delivery options easy. Make as many direct shipments as possible. This saves the company receiving, storing, and shipping costs. And have the client pay the shipping costs.

14. Negotiate better deals with vendors.

The company's top management and/or purchasing department may be responsible for negotiations. But in wholesaling, the company can make as much money in the way it buys as in how it sells. This is an ongoing exercise.

15. Join a buying group.

There are several buying groups for industry wholesalers. Check them out to see whether there are buying, educational, or networking advantages for your showroom.



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the Business

16. Charge for change orders at higher margins.

When clients change their minds or add products to their orders, don't be afraid to make a couple extra points of margin.

17. Never give out real manufacturer model numbers.

Showing real model numbers on quotes is a sure way to give away all your hard work. Either use the showroom's own internal numbers or don't show any at all. Don't show manufacturer names or product names. Protect your hard work; don't make it easy for clients to shop your quotes.

18. Don't give out manufacturer brochures.

This is the same as giving out model numbers plus brochures are expensive and hard to keep current and in stock.

19. Know and shop your competition.

Salespeople who know all the details about their competition can react and respond better. Use the "Shopping Your Competition" form in Chapter 7 (or a similar form) to find out what products your competitors are selling, what their showrooms look like, how their people dress, what pricing they offer, and everything else you can learn about how they operate their business.

20. Charge a warehousing fee for jobs that don't ship in a timely manner.

Most showrooms offer to bring sold product into the warehouse and hold it for a reasonable length of time (30 to 45 days). Sometimes projects slow down and the showroom is forced to sit on product longer. Establish a policy that says sold products will be held for 45 days. After that, the product must be paid in full and a warehousing fee (for example, 1-1/2% of the total value of the products being held) will be added per month. 1-1/2% of the total value of products being held will be added per month. The showroom manager may choose not to exercise that policy but the option is available.

21. Tie compensation to sales and margin.

When compensation programs and incentives (commissions) are tied to sales and margins, most salespeople will be motivated to grow both.

22. Make higher margins on showroom sales to plumbing contractors than you do on commodity products on the wholesale side.

Continually learn and practice as many of these margin boosters as possible. As stated earlier, not all of these 22 points will work for you but many should. Start today growing that all-important gross profit margin.



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WHAT A DIFFERENCE 2% MAKES!

Now that we've covered the importance of trying to achieve the highest margins possible, consider the difference that 2% makes in the following two scenarios.

- **SCENARIO #1:**

You have spent a total of seven hours working with a prospect. You have followed the first **seven steps** of the selling cycle perfectly. You've done a great job meeting and qualifying, presenting your products and services, and you've made all the concerns and objections go away. You've articulated value and features and benefits. Both you and the client feel good. It's a very nice project—4-1/2 baths, kitchen, island, wet bar, laundry room, and pool house. The total quote is **\$80,000**. It's time to ask for the order.

Here's the BIG question: If your price had been just 2% more and the total quote was \$81,600, would you lose the job because it was \$1,600 higher?

Several thousand sales consultants in selling skills workshops across the country were polled and not one has said they thought they'd lose the sale by adding only 2%. So, the question to you is: "Shouldn't you raise your prices by that 2% today?" Why wait? Once you see how easy it is, you will want to bump up the margin another point or two in three or four months.

- **SCENARIO #2**

Use the same situation as presented in Scenario #1 where you've done a great job putting together the \$80,000 quote. Now it's time to close. Both the husband and wife are present. The husband appears to have a rigid, inflexible nature. You show your clients the finished quote and ask if you can write the order.

The husband says "yes" and states they're very pleased with everything you've done and the products they selected. He will give you the 50% deposit you require BUT he will only pay \$78,400 for the total job (\$1,600 less than your quoted price). What are you going to do?

When this question was asked in selling skills workshops, the answers varied dramatically. About half the people said "yes," take the order, it's only 2% less than the quoted price. Some said "let me check with my boss," and others said "let's compromise and split the difference (\$800 each)." And still others say "no, never cut your price". Outstanding showroom salespeople will agree with this last response.



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Don't ever give away a penny of your hard-earned work. You might reply something like this. "I'm surprised to hear you say that. I thought we had explained all the value we offer and we understood that you were willing to invest the \$80,000 in this beautiful project of yours. But, if the maximum investment you want to make today is \$78,400, let's see what we can take out of the quote to reduce it by that \$1,600. We could go with less-expensive bath accessories in the master bath and power room. Or you could rough in for the steam generator and wait to buy it later when your budget allows." In summary:

Don't ever cut your price—especially if you've sold value and given clients everything they were looking for.

In the showroom business, BIG doesn't spell success—PROFITABLE is what makes successful showrooms. The wholesale industry, as a whole, is guilty of concentrating more on volume than they do on profitability. Don't let the showroom side of the business fall into this trap.

Successful salespeople recognize that price is a factor in every sale but it is seldom the primary reason people choose a product or supplier. They know that well-informed buyers will usually base much of their decisions on the value proposition presented by their salespeople. They know how to create this value with each customer, prospect, or buyer they encounter. In the next chapter, you'll learn some techniques you can practice to become the ultimate showroom sales consultant.



Quiz

Helping to Grow the Business

1. **For a showroom sales consultant, MOST new prospects should come from**
 - A. online and print advertisements.
 - B. manufacturer leads.
 - C. satisfied clients.
 - D. your competition.

2. **A showroom sales consultant should strive to make profitable sales that do all of the following EXCEPT**
 - A. cover the cost of the goods sold.
 - B. assure that expenses equal revenues.
 - C. cover the cost of overhead.
 - D. generate a net profit.

3. **Ignoring all other factors, how much will a \$1,000 sale with a \$650 cost of goods sold generate in gross margin dollars?**
 - A. \$1,000
 - B. \$750
 - C. \$350
 - D. \$300

4. **A showroom makes a sale of \$100,000 of product that cost it \$65,000. The showroom figures it cost \$30,000 in operations expense to service the sale. How much net profit is realized from the sale?**
 - A. \$35,000
 - B. \$5,000
 - C. \$3,500
 - D. \$500



Quiz

Helping to Grow the Business

5. In comparison to most wholesale distribution businesses, the gross margins of showrooms need to be
- A. the same.
 - B. lower.
 - C. higher.
 - D. related to sales.
6. Which one of the following is NOT a reason showrooms cost more to operate than a traditional wholesale operations?
- A. Showroom sales consultants earn higher commissions.
 - B. Showrooms must build-out to put products on display.
 - C. Salespeople often spend a long time working on a single project.
 - D. The showroom requires a comfortable and appealing interior.
7. Which customer group is MOST likely to be your showroom's primary customer in the next few years?
- A. Plumbers
 - B. Remodelers
 - C. Interior designers and architects
 - D. Builders and homeowners
8. Which of the following is the MOST accurate indicator of a showroom's profitability?
- A. Sales volume
 - B. Gross sales
 - C. Gross margin dollars
 - D. Cost of goods sold



Quiz

Helping to Grow the Business

9. Which of the following is the BEST way for a sales consultant to grow the showroom's gross margin dollars?
- A. Decrease the markup on cost
 - B. Sell traditional wholesaler products
 - C. Show premium products first
 - D. Provide across the board discounts
10. Which one of the following is NOT a good way to increase gross margin dollars?
- A. Increase the discount you give off list price
 - B. Provide brochures that allow clients to comparison shop
 - C. Quote only your net prices
 - D. Direct ship whenever possible

(Answers below)

Answers: 1-C; 2-B; 3-C; 4-B; 5-C; 6-A; 7-D; 8-C; 9-C; 10-B





CHAPTER 7

Become the Ultimate Showroom Sales Consultant

Successful people have a unique, in-depth wisdom and insight about the area of their endeavor.

After reading and studying the material in this chapter you will be able to:

- 1. Design personal and professional goals that meet the SMART guidelines.**
- 2. Explain the 10 essential truths of showroom selling.**
- 3. Follow the 13 keys to showroom selling success.**
- 4. Avoid the top 10 showroom customer turnoffs.**
- 5. Explain how top sales consultants hone their listening skills.**
- 6. Follow the 13 steps to effectively resolving customer complaints.**
- 7. Practice the techniques for analyzing the strengths and weaknesses of a competitor's showroom.**



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In the previous chapter, we talked about the high cost of showroom operations and why it is important for showroom sales consultants to help improve profit margins. There are many strategies and tactics that can be used to maintain profitability through optimal pricing. But the best way for showroom sales consultants to help their businesses grow is to set a goal for themselves to become top sales professionals. In this chapter, we'll look at ways showroom sales consultants can achieve that important goal.

Goals Provide a Roadmap to Where You Want to Be

Where do you see yourself in three, five, or ten years? What will you be doing? Top sales professionals know that having personal and professional goals is very important.

People who want to achieve anything significant know it is likely that they will struggle and fail many times before they finally reach their target. High achievers pick themselves up after each fall and continue working steadily toward their targets until finally reaching their goal. Struggle and failure are often part of the price of high achievement.

A well-crafted strategy with an accompanying set of intermediate goals provides a framework to reach far-away targets. One of the best ways to deal with large or seemingly "impossible" tasks is to break them up into a series of intermediate, more achievable steps and get to work on each piece.

Showroom sales consultants should set monthly and yearly sales and gross profit margin goals that help both themselves and their showrooms to grow.

Sales and gross margins vary widely among showrooms and sales consultants

Periodically, *Supply House Times* conducts a showroom survey. Industry averages for sales and gross profit margins figures vary dramatically. These surveys show the average sales figures for showroom consultants ranged from a low of \$24,000 per month to \$125,000 per month, with an overall average being close to \$50,000 per month. A well-trained, experienced sales consultant with good systems in place and good selling skills should be able to average \$75,000 to \$90,000 in sales each month. Of course, the demographics of your market place plays a role in dictating these numbers. Techniques in this course will help sales consultants grow their personal monthly sales average.

The survey indicated that gross profit margins also varied tremendously, ranging from a low of 22% to a high of 44%. As indicated earlier, wholesaler showrooms must average at least a 35% gross profit margin to justify the time, energy, and investment put into building and operating showrooms. The overall average gross margin for wholesaler showrooms is probably in the 28 to 30% range. How do your numbers compare?

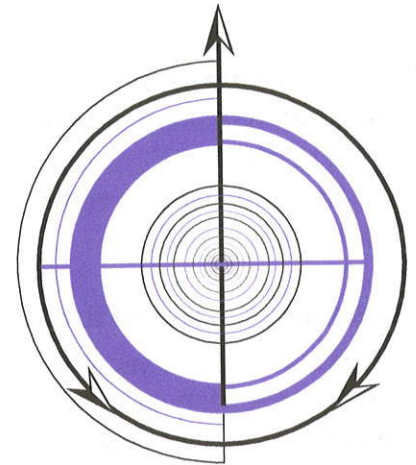


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Great Salespeople Have Goals and Dreams

A goal is nothing more than a well-defined target. Most experts agree that there are two major types of targets used in goal setting. The first type of target is commonly called a SMART goal. SMART is an acronym used to describe “good” goal statements. These goal statements and an explanation of each follow.



Goals must be SMART

S – Specific	Real numbers from historic data should be used to determine future sales goals.
M – Measurable	For sales and gross profit margin, sales consultants should get a monthly report card showing their individual sales and GP margin.
A – Agreed upon	Goals must be mutually agreed upon by the individuals and their supervisors.
R – Realistic	Goals must be realistic and achievable. If they aren't, they are meaningless.
T – Time-based	Goals must be set for a designated period of time. Normally sales and gross margin goals would be set for a fiscal year, broken out by month, e.g., goals for sales and gross margin dollars and GP percentage for January, February, March, etc.

SMART goals are focused, specific, short-term targets that are under a person's direct control. However, if salespeople only use SMART goals, they run the risk of losing sight of how those goals fit into the big picture—the reason they set the SMART goals in the first place.



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That's where the concept of dreams—another type of target—comes in to play. Dreams can be big and may seem unrealistic at first glance. They also don't have to be as tightly focused or specific as the SMART goals. Dreams are the ultimate destination, while goals are the intermediate stops along the way. Dreams represent what you want to be while goals represent your plan to get you there.

Goals are estimates of future objectives

Goals should not be set in stone. They are estimates of what might be. Goals may be adjusted up or down so they are realistic and achievable. When goals are met or exceeded there should be a reward. Successes should be recognized. If a goal is missed, regroup and go after it the next month. If goals are missed several months in a row, step back and see if the goals were set too high or if something different can be done to get back on track.

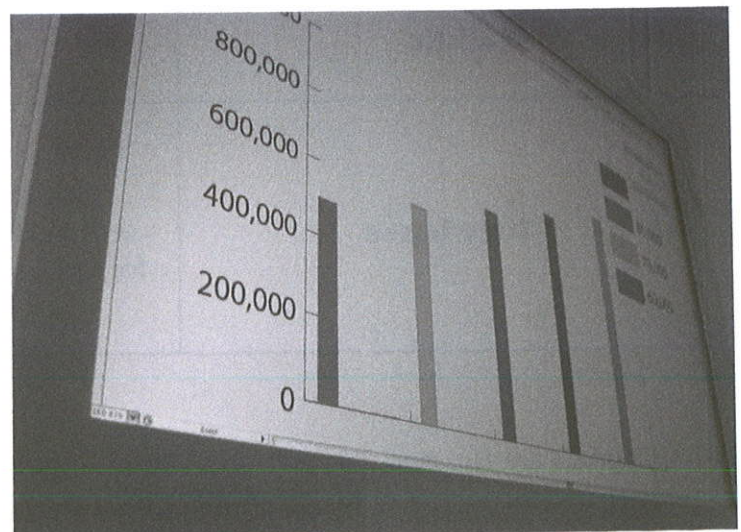
Achieving sales goals is often a challenge

Achieving sales and gross margin goals for the showroom is one of the biggest challenges showroom sales consultants face. Many factors beyond their control can affect that final number—the economy, the weather, the competition. But the one manageable factor is the people who are in direct contact with showroom clients—the showroom sales team.

Some showroom owners ask every salesperson on the team to meet the same sales goals. But not everyone can achieve at the same level. Some salespeople are better with a certain product; others work best with a certain type of client. Plus, experience, time on the job, product knowledge and sales skills training all contribute to your ultimate success.

Professional sales consultants keep in mind the 10 essential success truths of showroom selling

Smart salespeople should master the art of flexibility so they can help keep the business growing. They are ever mindful of the 10 essential truths of showroom selling.



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The 10 Essential Success Truths in Showroom Selling

1. **Success is progressive and gradual.**
2. **Life isn't always fair.**
3. **Self-discipline is the universal differentiator between highly successful and marginally successful people.**
4. **Successful people have a unique, in-depth wisdom and insight about the area of their endeavor.**
5. **Potential is to be invested in—and it's renewable!**
6. **You must have strong self-confidence and self-image.**
7. **Don't major in minors. Time is your only inventory.**
8. **Successful people master their emotions and take initiative.**
9. **Successful people have heroes and work hard to become someone else's hero.**
10. **Success is more often about listening than talking.**

Successful Sales Consultants Follow 13 Keys to Selling Success

Remember that becoming a better salesperson is a learned skill. Salespeople should learn certain simple and basic sales techniques and then practice, practice, practice! The better salespeople become, the more they'll sell. This means both the company and the salespeople will earn more. And that's a win-win situation for everyone.

Let's cover what we'll call the "13 Keys to Selling Success." Each key is important in its own way. The more of these you can put to work for you, the more successful you'll be in your personal selling efforts.



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1. Develop your own personal brand.

- Establish yourself as an expert
- Gain professional stature and build your image
- Be seen and known as being very good at what you do
- Become known as innovative and creative
- Separate yourself from the competition
- Become a resource for information
- Be active in your community and industry

2. Learn how to network—then do it!

- Join and be active in industry and trade associations
- Join and be active in civic and charitable organizations
- Become known to your local media as the showroom “expert”
- Spend 75% of your time with people you don’t know—yet!

3. Ask the right questions in the right way.

- Learn to ask questions that are clear and concise
- Ask questions that qualify leads
- Ask questions that make the client state new information
- Ask questions about the project and personal goals
- Ask questions that separate you from the competition
- Ask “smart” questions—they’ll make you look smart
- Ask the ultimate questions—the closing questions



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4. Learn, Learn, and Learn Some More.

- Learn more about your products, services, policies, and procedures
- Learn and practice good selling skills
- Learn all you can about your clients and how they buy
- Learn everything you can about your clients' projects
- Learn by networking, reading trade magazines, and attending trade shows and seminars
- Learn all you can about your competitors

5. Learn to be a self-motivator.

- Know how to work your way out of a slump
- Learn to recover from losing a "big job"
- Get enough sleep and exercise
- Continually work on self-improvement in all areas of your life
- Never wait for someone else to do it for you
- Work longer, harder, and especially smarter
- Work at growing and maintaining a good, positive attitude

6. Learn to sell value.

- Sell yourself first!
- Sell your company second
- Sell your products next
- Think of your products as a package of benefits rather than a commodity
- Focus of the lifetime use of the product
- Present the value right up front—don't add it later



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7. Discover the decision maker for the sale.

- Develop a plan and an agenda
- Make appointments whenever possible
- Ask “How will the decision be made?”
- Ask “Will there be anyone else involved in the decision-making process?”

8. Use testimonials to sell more products.

- Make happy clients the most powerful people on your selling team
- Get written and verbal testimonials about you, your company, and your products and services
- Use testimonials in advertising, videos, e-mail, websites, social media, etc.
- Use testimonials as public relations in all the media

9. Use creativity to differentiate and dominate.

- Develop your creativity—it comes from within you
- Look at your own brand—be an original
- Use that creativity to help you be the best sales person possible

10. Continually improve your seven positive sales senses.



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11. Eliminate risk and the client will buy.

- Learn to identify which risk factors are bothering each of your customers
- Find ways to eliminate each risk that may be on clients' minds

12. Make customers laugh.

- Humor is the highest form of language mastery
- Laughter is universal
- Be professional and funny when you tell stories; avoid telling jokes

13. Spend less time on other people's business and problems and more time on your own.

- Don't try to help others with their personal lives until you've mastered your own
- Use the time you spend trying to improve someone else's universe to try to improve your own

Treating Customers with Respect Increases Profits

Companies that treat their customers with respect, take responsibility for their products, and are honest in their sales presentations have more customer loyalty, more favorable word of mouth, and more profit. Ethical companies also tend to hire employees who demonstrate these traits as a matter of character and habit.

Responsible employees who come to work on time, get the job done, and respect the customers can protect the business from worrying about employee theft, one the highest costs of doing business. In some cases, hiring honest people will be the difference between making a profit and going broke.

Friendly, professional staff makes customers feel important

One key reason people become loyal customers is their relationship with salespeople. Friendly, ethical and honest sales consultants make customers feel valued, and if the quality of service is also good, customers feel a personal tie to the showroom.



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Successful Sales Consultants Avoid the Top 10 Customer Turn-offs

Showroom sales consultants form friendly working relationships with customers. They offer good value wherever possible. If customers believe they are getting a good deal they will be much more likely to buy from you again. Sales consultants should be especially attentive to the factors that turn customers off.

Being allowed to actively participate in prospects' decision-making is a special privilege that must be earned.

The Top 10 Customer Turn-offs

1. Inappropriate attire

Surveys indicate that a customer is influenced 7% by what is said, 38% by how it is said, and 55% by how the speaker looks and behaves. Male salespeople should wear a suit or sports jacket and tie; females should dress professional. Sales consultants should look and act higher-end when selling upscale products. In less formal areas of the country, business casual clothing might be appropriate. Jeans should never be worn.

2. Exaggeration

Customers hear the words "never" or "always" and think the salesperson is exaggerating or stretching the truth. After all, many people see "always" as a 100% occurrence and "never" as 0%. Can you guarantee that your product will always be delivered on time? Are you certain that you offer the lowest price in town? Be certain of the facts before you speak.

3. Pressure tactics

The showroom approach to selling is based upon consultant-like tactics and strategies. Prospects know from experience that "typical" salespeople are likely to exert pressure and try to manipulate them. Pressure and manipulation have no place in the showroom sales environment.

4. Inattentiveness

Sometimes customers receive the "I'm having a bad day" attitude from salespeople. Three out of four customers leave a store because of impolite, inattentive salespeople. Customers don't deserve that treatment. Leave your problems outside the door and treat customers as if you're happy to see them. Treat customers the way they want to be treated with respect.



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5. Harassment

Recent surveys show that the most dissatisfied customers are those who purchase something that they didn't want. These people don't have a high opinion of companies that strong-armed them and report that they'll be unlikely to do business with them again.

6. Going over the prospect's head

Identifying key decision-makers early in the sales cycle improves the probability of success.

7. Broken promises and unreliability

Broken promises irritate customers, and they also encourage customers to see salespeople as unreliable. A customer also will frequently see a broken promise as a personal assault on the image she/he is trying to project. One way to avoid alienating customers is to carry a pocket-sized notebook and/or tablet and make a written note of every promise made—preferably in the customer's presence, to make it clear that the promise is being taken seriously.

8. Too much information

Without appearing to be nosy, find out as much about your customers and what makes them tick before ever trying to sell them something. Doing this first important step will skyrocket your sales. Learn what your customers are like and what they need AND want. Once you do that you will know exactly what types of questions to ask them so they can start to sell themselves.

9. Arrogance

Some salespeople like to tell customers what they need: "What you need is this great new product." But this is presumptuous on the part of the salesperson who does not have to live with the purchase. Learn to ask good questions so you know something about the customers, their situation, and what they want to accomplish. If you don't listen, customers will walk out of the showroom and buy somewhere else.

10. Any combination of the above

Promoting value ahead of price is a rock-solid strategy for long-term success. Your value includes integrity, experience, service, reliability, trustworthiness, uniqueness, and desirability.

Align your selling style with your customers' styles

There is a saying that "No two people are exactly alike." This certainly is true in selling. Every prospect/client will be different. Top salespeople learn how to identify the main personality traits of each person and then adapt to them. A salesperson needs to be a bit like a chameleon that changes colors based on its environment. Although salespeople want to connect with everyone, sometimes people just don't click. It's okay to refer those customers to a co-worker or to be honest and say "I don't believe I'm going to be able to help you."



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Guidelines for Selling Success

- **NEVER** argue
- **NEVER** offend
- **NEVER** tell a lie
- **NEVER** think or act like you're defeated
- **ALWAYS** try to make a friend
- **ALWAYS** try to get on the same side of the fence

Effective Listening is an Art and a Skill

Many books on selling skills will tell you that exceptional salespeople listen more than they talk. They gather accurate information to identify customer needs and communicate ways that avoid costly mistakes for the company with customers. Certainly, the percentage of time spent talking versus listening will vary depending on the prospect. Some clients need to know everything about you, your company, and your products, while others won't need as much information.

An easy way to remember what percentage of selling should be listening versus talking is that people have two ears and one mouth. Sales consultants should spend twice as much time listening as talking. If you find yourself talking much more than this, it means it's time to stop talking and start listening.

"Most people think selling is the same as talking. But most effective salespeople know that listening is the most important part of their job."

"Only about 25% of listeners grasp the central ideas in communications. Listening is an art that when done well delivers tremendous benefits. The goal of listening well is to achieve win-win communication."

"Win-win communication not only fosters understanding, affirmation, validation and appreciation, but it also creates an atmosphere of trust, honor and respect."

When someone truly listens to you, don't you feel special?"

from [Sales Secrets You Can Use](#) by Roy Bartell



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Top salespeople work at listening to others

Here are some bullet point ideas used by top salespeople to help improve their listening skills.

- Look directly at the person who is speaking
- Focus your attention on the words and their meaning
- Eliminate distractions; change your location if needed
- Visualize the situation being described
- Visualize your response or solution before responding
- Don't think about your reply or the next question—concentrate on what's being said
- Listen with an open mind—don't be judgmental
- Use occasional listening responses to indicate you're paying attention, such as "I understand," "I see," or "then what?" nodding your head and so on
- Make notes as the other person is speaking to
 - keep the thought
 - be polite
 - appear professional
 - keep listening instead of interrupting
- Verify the statement/situation if necessary before giving feedback
- Listen to what's being said; what's implied is often more important than what was actually spoken
- Qualify the situation with questions (if necessary) before responding
- Don't interrupt—even if you know the answer or what the ending will be
- Ask questions to show interest or concern, or to get more information and learn
- Next time you're in a group don't talk for the first half hour
- Ask yourself "Are you listening to the other person the same way you'd want them to listen to you?"



welcome ...

Showroom Sales Consultant

Here's a short self-test you can take to see how well you listen. Give yourself one point for each "Always" answer.

Circle one: R = Rarely; M = Most of the time; A = Always

• I allow speakers to complete their sentences	R	M	A
• I make sure I understand the other person's statement before I respond	R	M	A
• I listen for the important points	R	M	A
• I try to understand the speaker's feelings	R	M	A
• I visualize the answer/solution before speaking	R	M	A
• I am in control, relaxed, and calm when listening	R	M	A
• I take notes when someone else is speaking	R	M	A
• I listen with an open mind	R	M	A
• I listen even if the other person is not interesting	R	M	A
• I use listening noises ("um", "I see", "oh", "I understand", etc.)	R	M	A
• I listen even if the other person is a jerk	R	M	A
• I look at and concentrate on the person I'm listening to	R	M	A
• I am patient when I listen	R	M	A
• I ask questions to be sure I understand	R	M	A
• I eliminate distractions when I listen	R	M	A

Score	Rating
12 - 15	Excellent listener
8 - 11	Good, but need some improvement
5 - 7	Average listener
3 - 4	Poor listener
1 - 2	Hearing or attention problem



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Customer Complaints Can Generate Sales if Handled Correctly

When customers purchase a product or service, they assume the product will work correctly or the service will be received as promised. Ideally, customers will be satisfied, and there will be no complaints. However, sometimes problems occur and customers complain about them. Some complaints arise because of something you or your vendors have done or failed to do. Other complaints will be the result of some problem an installation contractor caused, and some may be caused by the customer. Just know complaints will happen. Your company should quickly answer every complaint and solve the customers' problems. This is often done through your company's customer service activity. But sales consultants also need to follow-up and improve the showroom's business processes to rectify the problem. The goal is to make problems and complaints go away as smoothly, quickly, and efficiently as possible.

First-rate showroom sales consultants turn complaints into future sales

When unhappy customers become satisfied customers because their problems have been solved, they frequently become your company's best customers. And they refer their friends and acquaintances to the showroom.

Here are 13 steps skillful sales consultants follow when dealing with dissatisfied customers.

1. **Tell them you understand how they feel.**
2. **Empathize with them—never argue, get angry or blame others.**
3. **Listen to the whole situation and take notes to get it right.**
4. **Ask clarifying questions to be sure you understand the situation.**
5. **Agree with them whenever possible.**
6. **Ask them what would resolve the issue for them.**
7. **Offer choices, then get the customer's agreement that the solution will make them happy.**
8. **Confirm back what you will be doing to correct the situation. Tell them you will personally see that it gets done. Put it in writing if appropriate.**
9. **Make sure what you promised gets done and the customer stays informed of the progress.**



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10. During the resolution process, find some common ground other than the problem (build rapport). Use humor when appropriate.
11. Make a follow-up call after the situation is resolved.
12. If you can able to resolve the situation satisfactorily, ask for a letter (testimonial) that you can use with future-prospects.
13. Ask yourself: What have I learned and what can I do to prevent the situation from happening again? Share this experience with other teammates.

Get to Know Your Competition to Outdo Them

No matter how much sales consultants think they know about their products, they don't know everything. By checking out your competition, the vision of the niche your showroom is trying to fill will probably crystallize. Get as much information as you can about your competitor's products, services, prices, locations, promotions, management, and financial position. Your showroom may be first in quality, but your competition may have a better ad campaign. You may be ahead when it comes to service, but perhaps your competitor beats you in price. Go out and experience the competition itself. The result will be an important addition to your knowledge of the industry and of the business.

Determine the competition's strengths and weaknesses

Learning all you can about the competition certainly will help you know where you can outsell, out-market, and out-service them. It takes some work and creativity to learn all you can about your competitors. Use the "Shopping Your Competition" form at the end of this chapter to help you learn everything you can about your competition.

This exercise is certainly worth the effort. Here are some ideas to help you get started:

- **Know where you stand in the marketplace. What is your market share in terms of sales? How are you perceived by the various customer groups (installers, builders, interior designers, homeowners)?**
- **Know who your major competitors are. Where are they? Is the competition other wholesaler showrooms, independent dealers or one of the big-box stores?**
- **Know if you're taking business from them or if they're taking business from you—and why?**



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- **Have they hired any of your employees? Or are their people knocking on your door?**
- **Get every bit of information you possibly can (brochures, website, literature, compensation programs, etc.)**
- **Know their pricing**
- **Know what products they're selling**
- **Know what their showroom looks like, their hours, how their people dress, etc.**
- **Shop every one of your competitors at least once a year. If you can't shop them because you'd be recognized, have a friend do it for you or hire someone to do it. (See the "Shopping Your Competition" form at the end of this chapter. Use this as your guideline in shopping the competition.)**
- **Identify where they are weaker than you are and develop some procedures to take advantage of it.**
- **Learn where they are stronger than you are and determine what's necessary to strengthen your showroom.**

Competition does not mean war—it means learn, prepare, and be your best!

Showroom sales is a rewarding profession

In this course, you learned that selling is a wonderful profession that offers many rewards. You help people in need and you play an important role in helping people feel better about the home in which they live. You help turn their dreams into reality. Becoming a first-rate sales consultant should be the goal for every sales consultant in the showroom sales profession.

In this course, you learned the important role that showrooms play in the overall operation of the wholesale distribution business. You also learned that selling is an art and skill that is made up of various techniques that must be continually practiced and worked upon. You learned how to make profitable sales, how to provide superb service to your customers, how to resolve complaints, and how to develop your own expertise and image as a showroom sales professional.

Finally, keep in mind that there are literally hundreds of books, CDs, videos, and seminars about ways to improve sales skills. Spend some time to discover which of these resources works best for you. Learn certain simple and basic sales techniques and then practice, practice, practice!

Good luck and good selling!



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SHOPPING YOUR COMPETITION

Competitor's Name: _____

Address: _____

Date of Survey: _____

Person Doing the Survey: _____

To complete the survey, rate each item 1 (low) to 5 (high), check yes or no, or fill in the blank.

<i>Rate 1 (low) to 5 (high)</i>		
• What is your opinion of their website?		
• Location and accessibility (easy to find, visibility, good location)		
• Parking (closest to building, enough spaces, etc.)		
• Overall appearance of building and landscaping		
• Outside signage		
• Front window displays		
• Front of building and parking well-lit		
• Cleanliness of sidewalk and walk-up area		
• Front door (signage, hours, etc.)		
• First impression of showroom (open feeling, well lit, colors, displays, etc.)		
<i>Check Yes or No</i>		
• Did the initial contact try to qualify you?	Yes___	No___
• Was the feel of the showroom consistent with the price point of the products? (high-end, medium, low)	Yes___	No___
• Did the showroom layout flow?	Yes___	No___
• Were the displays good looking and up to date?	Yes___	No___
• Were there any "holes" in the displays?	Yes___	No___
• Was the showroom clean?	Yes___	No___
• Were the salespeople's work stations well-located?	Yes___	No___
• Were the desks and work areas neat?	Yes___	No___
• Did display products have model numbers?	Yes___	No___
• Are the model numbers altered?	Yes___	No___
• Were the sale people dressed professionally?	Yes___	No___

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Become the Ultimate

Showroom Sales Consultant

Check Yes or No

• Did display products have prices?	Yes___	No___
• Are the prices shown manufacturer-list price?	Yes___	No___
• Was there a children's play area?	Yes___	No___
• Are the restrooms modern and clean?	Yes___	No___
• Are video displays available in the showroom?	Yes___	No___
• Are product brochures available?	Yes___	No___
• Were the displays well lit?	Yes___	No___
• Is there a good mix and diversification of products?	Yes___	No___
• Were the products on display current and up to date?	Yes___	No___
• Did they offer coffee or refreshments?	Yes___	No___
• Was there a closing area?	Yes___	No___

Fill in the blank

• How large was the showroom?	Square Feet: _____
• How many sales consultants were available?	
• Were the quotes done by hand or a computer?	

Rating your Competition

Based on the answers on the form, what is your overall rating of the showroom?

What is your overall rating of the staff?

What were their strongest and weakest points?



Quiz

Become the Ultimate Showroom Sales Consultant

1. **Which of the following is NOT a key to selling success?**
 - A. Concentrate on how much you will get from making the sale.
 - B. Learn to ask good questions.
 - C. Use humor with prospects and clients.
 - D. Learn to adapt to the various personalities of prospects and clients.

2. **All the following are essential success truths in showroom selling EXCEPT**
 - A. Success in selling is progressive and gradual.
 - B. Successful salespeople master their emotions.
 - C. Success in selling is more often about listening than talking.
 - D. Successful salespeople don't need self-confidence.

3. **To be useful, personal and business goals should be SMART. Which of the following is not part of the SMART guideline?**
 - A. Goals should be measurable.
 - B. Goals should be idealistic.
 - C. Goals should be specific.
 - D. Goals should be mutually agreed upon.

4. **Learning to be a good listener is important to sales success. Which one of the following would NOT help a person to be a better listener?**
 - A. Interrupt prospects whose conversation is getting off the topic.
 - B. Occasionally interject a phrase to indicate you are listening.
 - C. Look at the person to whom you are speaking.
 - D. Make notes as the prospect/client is talking.



Quiz

Become the Ultimate Showroom Sales Consultant

5. Which one of the following is NOT one of the top 10 customer turnoffs about salespeople?
- A. Unreliability
 - B. Exaggeration
 - C. Modesty
 - D. Pressure tactics
6. Salespeople who have learned to sell value will do all the following EXCEPT
- A. Sell their products after they sell themselves and their company.
 - B. Sell themselves first.
 - C. Explain the value immediately.
 - D. Think of their products as a commodity.
7. Which of the following is a good listening practice to help a showroom sales consultant become better a listener?
- A. Periodically interject your own thoughts when you object to the clients' choices.
 - B. Think about your reply to the next comment or question clients may have.
 - C. Take notes as other people are speaking to confirm understanding.
 - D. Speak from a prepared script to cover important point about your products.
8. What does a first-rate showroom sales consultant do with unhappy customers who have a complaint?
- A. Refers them to the showroom manager who has more experience
 - B. Avoids them as much as possible without making them angrier
 - C. Agrees on a resolution to resolve the problem
 - D. Persuades them that the problem was not created by the showroom



Quiz

Become the Ultimate Showroom Sales Consultant

9. When applied to sales in the showroom sales business, the term “win-win” means that
- A. Sales consultants are expected to sell as many products as possible so their commissions and showroom profits increase.
 - B. Customers, salespeople, and the showroom benefit from the sales transaction.
 - C. Customers are given discounts that increase the overall sales and profitability of the showroom.
 - D. Clients are happy because they receive prices lower than those of big-box stores.
10. For a goal to be meaningful to a sales consultant, the goal must be
- A. realistic but difficult to achieve.
 - B. measurable and attainable.
 - C. rewarded with money.
 - D. set by a supervisor or manager.

(Answers below)

Answers: 1-A; 2-D; 3-B; 4-A; 5-C; 6-D; 7-C; 8-C; 9-B; 10-B

Congratulations!

Now that you've completed the course, think about whether you feel you understand the basic ideas, the important facts, and if you have answered the questions in the chapter quizzes correctly. You might want to review the material one more time if you're not confident.

This course is limited to a single user. When you are ready to take the final exam to earn your Certificate of Completion, please contact ASA at info@asa.net.



GLOSSARY

Common Wholesale-Distribution Terms

"A" — "B" — "C" — "D" —

Letters assigned to classify inventory items based on their popularity, i.e., fastest-moving goods are "A," next fastest "B," etc.

Accounts Payable —

Money owed for goods/services as shown on the books of the company that purchased those goods or services.

Accounts Receivable —

Money owed for goods/services as shown on the books of the company that sold those goods or services.

Accounts Receivable Days —

Average amount of time in days it takes a distributor (or other business) to collect money owed from customers.

Acquisition Cost —

Amount of money spent on advertising/promotion to acquire a new customer.

Activity-based costing (ABC) —

A costing system that identifies the various activities in a firm and uses multiple cost drivers (non-volume as well as the volume-based cost drivers) to assign overhead costs (or indirect costs) to products. ABC recognizes the casual relationship of cost drivers with activities.

Added Value —

Increase in price of goods to pay for related services that make the goods more valuable or moves them more quickly to point of use; *also see Value-added services.*

Asset —

Anything owned that has value. Some assets of a distribution business include inventory, equipment, real estate owned, accounts receivable, owners' equity (money owners invested in the business) and cash on hand.

Back Order —

Order placed for goods not available at time of original sales transaction.

Bar Code —

Electronically readable codes affixed to merchandise, packages, pallets or shelves for efficient counting and other recordkeeping.

Benefit —

The value experienced by the customer.

Bid —

Price quotation for materials to be provided to a project.

"Big Box" —

Nickname given to warehouse home center mass merchandisers; *also see Home Improvement Center; Mass Merchandiser.*



GLOSSARY

Common Wholesale-Distribution Terms

Bin Box —

Small box used to organize small parts on a distributor's shelves.

Blister Pack —

Hard plastic see-through wrapping for small parts, usually affixed to a cardboard backing card.

Bottom Line —

Term used loosely to mean profit left after expenses. The final bottom line is profit after all expenses are paid, including income taxes.

Branch —

A small warehouse and sales facility set up by a multi-location distributor to serve a local market.

Brand —

A name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers. The legal term for brand is "trademark." A brand may identify one item, a family of items, or all items of that seller.

Brand Name Products —

Products typically ordered by brand name, which are perceived to have special features or attractive elements that make them different from similar products.

Breakeven Point —

When expenses match revenue.

Broker —

An agent who, for a commission, negotiates a transaction between a buyer and a seller of goods but does not take possession of, or title to, the goods.

Buying Group —

Organization of wholesaler distributors (or some other category of businesses) that band together for joint purchasing to obtain greater volume discounts.

Carrying Costs —

Expenses that accrue when inventory sits on a shelf or money owed goes uncollected.

Central Distribution —

Practice of maintaining a large wholesale-distribution warehouse to store large quantities of merchandise, which get broken into smaller lots for shipment to branches.

Channel of Distribution —

See Distribution channel

Cherry Picking —

Buying only the fast-moving items of a vendor's product line.

City Counter —

Supply house counter where customers come to order/pick up merchandise.

C.O.D. —

Collect on delivery; status given to customers of unknown or poor credit standing.



GLOSSARY

Common Wholesale-Distribution Terms

Cohort —

A group of people defined by a span of birth years which denotes a specific generation.

Cold Calling —

Unsolicited selling to an unfamiliar person; the practice of trying to sell things by telephoning or personally calling on people who are not known to the seller.

Commission —

1. Compensation granted to sales employees based on a percentage of what they sell;
2. Money made by a broker who has negotiated a transaction;
3. Money paid to a contractor for referring a buying consumer/ customer to a distributor's showroom.

Commodity —

Product which is usually produced to detailed standards so that it is nearly identical to other such products.

Consumer —

A customer who buys something for personal use rather than for business use or resale.

Contractor —

A person, often in the building trades, who contracts to do specific work for an agreed-upon sum.

Co-op —

Organization of similar businesses or dealers to fund a source of supply.

Co-op Dollars/Funds —

Funds made available for joint advertising/promotion efforts between vendors and distributors.

Cost of goods sold (COGS) —

A figure representing the cost of buying raw material and producing finished goods. Included are precise factors, i.e. material and factory labor, as well as others that are variable, such as factory overhead.

Cost-plus pricing —

A method of determining the price of a product or service that uses direct costs, indirect costs, and fixed costs that may or may not be related to the production and sale of the product or service. These costs are converted to per unit costs for the product and then a predetermined percentage of these costs is added to provide a profit margin. The resulting price is cost per unit plus the percentage markup.

Counterfeit Goods —

Inferior items, usually made in foreign countries, illegitimately passed off through labels, markings, etc., as popular brand name goods; *also called "Knockoffs."*

Counterman/Counterperson —

Distributor employee whose job is to serve customers at the warehouse sales counter (city counter).



GLOSSARY

Common Wholesale-Distribution Terms

Credit —

1. Buying now to pay later;
2. Dollar allowance or rebate given to a distributor customer's account

CSR —

Customer service representative.

Customer Service —

Understanding how customers make money and assisting in those efforts.

Customer Service Representative (CSR) —

Employee whose main duties are to interact with customers and solve problems.

Cut Sheet —

Material specifications, such as size, capacity, and ratings, that describe the characteristics of a manufacturer's products. Cut sheets are used in bidding.

Dating/Dating Terms —

Agreement between a vendor and distributor or distributor and its customer to extend a payment period.

"Deadbeat" —

Slang for a person or company that often owes a past-due account.

Dead Stock —

Inventory items that haven't sold in a long time, usually after a year of purchase, and whose sales prospects are dim.

Dealer —

A contractor or other installation/service provider authorized to handle certain products requiring certification.

Demand —

Desire of potential buyers for a given product or group of products.

Direct Costs —

Expenses that can be tracked for sales of specific products.

Direct Selling —

Circumventing the normal chain of distribution by cutting out one or more parties in the chain, usually pertaining to a manufacturer selling directly to a wholesaler's customers; *also see DTU (direct to user).*

Distribution —

The process by which goods produced move from producers to end users.

Distribution Center —

Large warehouse used for central distribution.

Distribution Channel —

The path of distribution for a given category of products, usually based on greatest efficiency.

Distributor —

See Wholesaler Distributor.



GLOSSARY

Common Wholesale-Distribution Terms

Distributor Sales Specialist (DSS) —

An inside sales person who works cooperatively with outside sales and other members of the distribution team to grow existing customers, creates new customers, and meets or exceeds monthly sales quotas at the appropriate gross margin while increasing customer satisfaction.

DIY —

Do-it-yourself. Refers to a consumer who tries to bypass hiring a contractor or to a retailer who sells to such a consumer.

“Dogs” —

Nickname given to slow-moving inventory items.

Drop Ship —

Manufacturer drops a shipment off at a job site or a customer facility, although a wholesaler makes the sale.

DTU —

Selling direct to (end) user, usually in the context of bypassing the wholesaler or contractor in the supply chain.

Dumping —

Selling merchandise at prices below prevailing market rates, usually used to describe foreign manufacturers selling at less than production cost to subsidize a local industry and/or company.

E-commerce (Electronic Commerce) —

Sales transactions taking place electronically via computers, especially over the internet.

Economic Order Quantity (EOQ) —

The amount of orders that minimizes total variable costs required to order and hold inventory.

EDI —

Electronic Data Interchange.

80/20 rule —

See Pareto's Law.

Electronic Data Interchange (EDI) —

Sales transactions and recordkeeping accomplished between buyers and sellers electronically.

End User —

The final customer for whom a product or service is intended. An end user may be a consumer or customer using the product for a non-personal use.

Expense —

A charge incurred to generate revenue or maintain business operations, or a charge, such as travel or lodging cost, generated by an employee doing business outside the office.

Fill Rate —

The percentage of orders or line items filled completely.



GLOSSARY

Common Wholesale-Distribution Terms

Fixed pricing —

A method of determining the price of a product that means there is no bargaining allowed over the price of a good or, less commonly, a service.

Functional Discount —

Discount provided for performance of specific functions, often used to describe the discount passed on to members of a buying group.

Gatekeeper —

A person or group that controls access to somebody or something.

GMROI —

Gross Margin Return on Investment, a key financial measurement for wholesaler-distributors.

Gross Margin —

The ratio of gross profit to sales revenue; sometimes used as a synonym for gross profit. For a manufacturer, gross margin is a measure of a company's efficiency in turning raw materials into income; for a retailer. It measures their markup over wholesale. Gross margin is equal to gross income divided by net sales, expressed as a percentage.

Gross Profit —

The difference between the cost of merchandise and net sales usually expressed in dollars. [Net sales minus COGS]. The dollar amount of gross profit is the same as the gross margin expressed in dollars.

Gross Sales —

Sales revenue prior to subtracting discounts, allowances, and returns.

Home Improvement Center —

Retail business specializing in various building products. Large home improvement centers are often called "big boxes"; *also see Mass Merchandisers.*

HVAC/R —

Heating-Ventilating-Air Conditioning-Refrigerating.

Income —

See Revenue.

Income statement —

See Profit and Loss (P&L) Statement

Indirect Costs —

Expenses, often operating costs, that cannot be tracked for specific product sales; *also see Operating Expenses.*

Inside Salesperson —

Salesperson who remains in the sales facility and generally sells over the phone.

Internal customer —

Anyone in the organization — a coworker, another department, or a distributor — who depends upon someone else in the organization to provide products or services that in turn are utilized to create another deliverable for the external customer.



GLOSSARY

Common Wholesale-Distribution Terms

Inventory —

Items stocked in a warehouse for sale or redistribution.

Inventory Turns —

Number of times inventory is sold and reordered (“turned over”) in a year. Sometimes called “Turns.”

Invoice —

Bill of sale.

JIT —

Just in Time. *See Just in Time Delivery.*

Jobber —

Old term for a wholesaler, pertaining to the wholesaler’s function in coming up with material quotes for customers’ job bidding.

Just in Time (JIT) Delivery —

Delivery at the time the goods are needed, rather than on a set delivery schedule.

Knockoffs —

See Counterfeit Goods.

LTL —

Less than truckload. Pertains to truck shipments of less than full capacity.

Line —

See Product Line.

Line Item —

Line on an invoice pertaining to a single SKU.

List-less pricing —

Discounted amount of the “list price” (selling price of something as stated in a catalogue or price list).

Loss Leader —

Product deliberately sold at cost or below for promotional purposes and to pull in customers who may then make other purchases.

Loyalty Discount —

Discount given, usually by a manufacturer to a distributor, based on purchase of either a complete line of goods or additional lines besides those most desired by the buyer.

Manufacturer —

1. A company that makes goods; 2. An individual employed by a manufacturing company.

Manufacturer’s Rep/Agent —

Independent businessman/company acting as a vendor’s sales representative.

Marketing —

All business activity involved in the moving of goods from the producer to the consumer, including selling, advertising, packaging, etc.



GLOSSARY

Common Wholesale-Distribution Terms

P.O.P. —

Point of purchase, often pertaining to retailer promotional displays.

Power of One —

An individual's ability to make a huge difference in a company's profitability and one's own status through tiny improvements in job performance.

Premiums (Marketing) —

Relatively large and expensive promotional giveaways such as wearing apparel and sporting goods.

Price-based Marketing —

The marketing of products based mostly upon price.

Private Label —

Product sold under the brand name of a supply chain customer rather than the actual manufacturer, with the permission of the manufacturer.

Product Line —

Single category of goods provided by a vendor.

Productivity (Personnel) —

A measure of how much each employee adds to the company's sales or profits. In PHCP distribution, employee productivity is usually calculated as the average sales per employee (even for employees who are not salespeople).

Profit —

See Net Income.

Profit and Loss Statement —

A concise financial statement that reports a company's revenues, expenses, and final profit or loss; *also called an Income Statement or P&L.*

Promotions (Marketing) —

Special, time-limited selling campaigns, often including lowered sales prices, discounts, or giveaways, designed to promote sales of certain products.

Promotional Allowance —

A percentage of sales revenue given to distributors or others in a supply chain to promote a product line.

Prospect —

(Noun) An individual or organization with a need for a specific product or service, the potential for or existence of an understanding of that need and the potential to ultimately purchase the product or service.

(Verb) To proactively seek out potential buyers of a product or service and approach them through personal contact (in person, over the phone, one-to-one e-mail or fax) with the intent to sell should a need exist.

PVF —

Pipe, Valves, and Fittings. Usually refers to industrial distributors' inventories.



GLOSSARY

Common Wholesale-Distribution Terms

Qualify —

To determine the purchasing potential of a suspect, prospect or customer.

RGA —

A returned good authorization (RGA) number is a tracking number for returning a product whether for repair or for replacement.

Rebate —

Form of payment granted to parties in a supply chain at given times of a year based on level of purchases or other defined activities.

Receivables —

See Accounts Receivable.

Receivables Days —

See Accounts Receivable Days.

Retailer —

A business that sells primarily to consumers.

Return on Investments (ROI) —

Net income as a percent of total company assets. [Net income divided by total assets.]

Revenue —

Total amount of money taken in by a business through sales and other earning activities; *also referred to as "Volume" and "Income."*

ROI —

Return on Investments.

Sales Representative —

See Manufacturer's Sales Rep/Agent

Showroom Sales Consultant —

A salesperson who sells to consumers through a distributor's showroom.

Shrinkage —

Inventory that gets lost, stolen or broken.

SKU —

Stock-Keeping Unit.

Specialties (Marketing) —

Promotional giveaways that are smaller and less expensive than premiums, such as pens, pencils, and key chains.

Spiff —

A small, bonus for a sale, added incentive to sell, may be points, cash, reward.

Stock-Keeping Unit (SKU) —

An identification symbol, often alpha numeric (containing both letters and numbers) which can be used to track a specific item for inventory purposes. SKUs are often printed on product bar codes.

Supply —

The number of goods available for sale.

Supply Chain —

All participants in a channel of distribution.



GLOSSARY

Common Wholesale-Distribution Terms

Trade Discount —

Discount provided by distributors to licensed or otherwise-qualified contractor customers.

Transaction —

A completed sale, agreement, or business deal.

Turns —

See Inventory Turns.

Up-sell —

To sell a prospect or customer a product or service of higher value.

Value-Added Services —

Services provided by the distributor which add to the value (and the cost) of products by making products more readily available or more useful to the end user. Some value-added services include Just-in-Time delivery, job bidding, customer credit, and product training.

Value-Based Marketing —

The marketing of products based upon a combination of price plus additional seller services or product features that make the products valuable to the customer. Brand names and value-added services are among factors that increase the value of products being marketed.

Velocity Pricing —

Pricing system based on the speed with which products move, i.e., usually discounting faster-moving items more steeply than slow movers.

Vignettes —

Sample rooms used to inspire customers to touch and compare various materials, helping them to imagine the design or renovation they want in their homes.

Vendor-Managed Inventory (VMI) —

A value-added service, usually offered to industrial customers such as OEMs and MROs, which requires the distributor take the responsibility for making sure that the customer never runs out of critical items needed to keep the customer's business operating.

VMI —

Vendor-Managed Inventory.

Volume —

See Revenue.

Wholesaler —

A business that sells to retailers, contractors, or other types of businesses, but NOT to end users, at least not in significant amounts.

Wholesaler-Distributor —

A wholesaler that buys and owns the products prior to reselling them to its customers.

WIIFM or WIIFem —

Sales factor acronym—**what's in it for me** or **what's in it for them**—used to describe what should be the focus of any communication with a prospect or customer.



How to Use This Appendix

In this course, you learned important facts about showroom sales and the sales process. This Appendix gives you the opportunity to focus on four steps of the selling cycle that are presented in real-life scenarios with workbook information and activities.

The following four scenarios will assist you in diagnosing your sales skills, strengths, and weaknesses and give you opportunities to practice the skills you've learned in the course.

- **Scenario #1—Approaching and Qualifying the Customer**
Information includes greeting the customer, approach techniques, and questions for qualifying the various types of customers in the showroom.
- **Scenario #2—Presenting the Merchandise**
Information includes the use of features and benefits for merchandise, employees, and company.
- **Scenario #3—Managing Objections**
Information includes types of objections and principles for handling objections.
- **Scenario #4—Closing the Sale**
Information includes identifying the customer buying signals, types of closes, and closing in showroom selling.

Through the study of this material, completion of the activities, and sales practice, you will gain those selling skills essential to successful showroom selling.

Whenever possible, seek guidance and advice from your showroom manager as well as the most successful sales consultants in your showroom. And remember to practice, practice, practice!

To the new showroom sales consultant

You are now launched on a new training path for your job. Learning product knowledge, company policies, and selling skills are all necessary. Your natural talents plus any academic training you may have will enhance the skills you have learned in this course.

Your end goal, of course, is to truly become a superb showroom sales consultant—that individual who can use all the information and skills learned to assist showroom customers in making buying decisions.



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To the experienced showroom sales consultant

Depending on the length of time you have been employed with your company, you have probably seen change occur in the showroom concept itself, as well as in showroom selling. Today you are encountering various types of customers who all have different buying motives and needs.

The product knowledge you have learned over the years has helped you successfully perform your job. Now, to meet today's selling demands, you will need to sharpen and refresh those selling skills. They will enhance all the knowledge you now possess and will further enable you to protect the image of the professional showroom sales consultant.



Scenario #1—Approaching and Qualifying the Customer

Are first impressions important? You bet they are, and so are first words!

Remember that you are selling yourself—your professionalism, your integrity, your good judgment, and your trustworthiness. It will be easier to accomplish this if you can establish and maintain rapport with the prospect by continually selling yourself throughout the entire sales cycle. People will buy because they like you so wear a sincere smile, use positive language, develop a genuine interest in your prospect, use their name, compliment them, listen to their needs and make them feel important.

Scenario #1 focuses on the greeting, approach, and qualification of the showroom customer.

The Showroom Customer

The kitchen and bath showroom is a unique environment that services both the wholesale, as well as retail customers. The showroom sales consultant must learn to cultivate relationships with both and use specific skills to sell each group. Let's take a moment to look at some typical showroom customers.

The plumbing contractor is an important customer and, for some wholesalers, represents the bulk of their business. It is, therefore, necessary to understand this customer and use selling techniques that work well with this individual.

How do contractors use the showroom and the showroom sales consultant? If they are smart businesspeople, the answer is "to the maximum." The showroom represents a display of kitchen, bath and other products organized in tasteful, beautifully decorated vignettes designed to catch the eye. Contractors can use the showroom to view new and available product, and, more importantly, to bring their customers in to browse and shop for products.

Contractors can also use the showroom consultant as a knowledgeable source to explain features and benefits of products and to do the actual selling. The contractor's customers gain the advantage of seeing a variety of products and choosing, based on the showroom consultant's presentation, the product most likely to meet their buying needs.

The showroom represents the department store of the wholesale-distributor, but the showroom sales consultant is the key to ensuring that customers put the merchandise in their "shopping cart." Of course we all know that there is no such shopping cart (couldn't you just see a lavatory, or better yet, a water closet, sitting in a shopping cart!), but the concept is important. The showroom consultant is the key to whether the customer buys or not!



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Scenario #1

In Scenario #1, Sam Dunn, a contractor, and Judy Stringer, a showroom sales consultant, will interact. Sam's customer, Mrs. Scott, has already been in the showroom. Judy Stringer had worked with Mrs. Scott, giving her written information about each product, as well as style and color numbers. Mrs. Scott took the information to Sam Dunn who placed the order for his customer.

This situation is a good example of how the showroom sales consultant works with two different people—the contractor and his customer—to make a sale. The service Judy renders to both is different, but the outcome is two happy, satisfied showroom customers and a sale. Let's review the steps of the sales process Judy uses with Sam.

Sales Consultant	Contractor	Information
"Hello. Welcome to Showcase Gallery. Have you been in our showroom before?"	"Hello. No, this is the first time I've been in here. I usually go to the counter or talk with Keith, but I have a customer, Mrs. Scott, who's asked me to install a whirlpool. She was in here and got this information. Can you show it to me?"	Sam has said a lot. He hasn't been in the showroom. He buys from the counter or the outside salesman, Keith. Sam's customer has all the information and Sam has come to place the order. He wants to see the product.
"My name's Judy Stringer."	"I'm Sam Dunn. Nice to meet you, Judy."	Names should be exchanged during this step of the sales process.
"I asked Mrs. Scott to talk with you about the costs."	"Yeah, thanks. I want to get some more information and place an order if you've got some time."	Sam appreciates the way the costs were handled. He now needs some of Judy's time to ask her some questions about the product.
"Do you know what size she's going to need?"	"Yes, I was over there yesterday and took these measurements."	Judy has already qualified Mrs. Scott about budget and remodeling vs. new construction. She needs to gather very little information from Sam.



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As you can see from this dialogue, Judy asked Sam Dunn very few qualifying questions. She had been through a much lengthier qualifying process with Mrs. Scott. Sam qualified himself when he gave the information concerning who he was, why he was in the store, and what he wanted from Judy. There was little to no probing here simply because the situation did not call for it. Depending on what type of customer you are working with, you will spend more time or less time in the qualifying stage of the sales process. Let's now move to our second customers, Betty and Dan Carr. Here is the dialogue used in this encounter.

Sales Consultant	Referral Customer	Information
"Hello. Welcome to Showcase Gallery. Have you been in our showroom before?"	"No, we've never been in here before."	New customers; the sales consultant should start to qualify.
"I'm Judy Stringer and I'd be happy to show you around today."	"I'm Betty Carr and this is my husband, Dan."	Introductions and helping to feel at ease and develop rapport.
"Nice to meet you both. What project are you working on today?"	"Ed Mason of Mason Builders sent us over to look at some bathrooms. We're buying a new home and we wanted to choose our toilet, tub, and lavatory. Can you show us what you have?"	Tells why they are in the showroom and what they want.
"Did you bring in your plans by any chance?"	"Yes, and we'd like something extra like maybe a spa."	Tells Judy the measurement of the bathroom.
"What type are you thinking about?"	"A whirlpool."	Tells what type of product to show.
"Have you set a budget?"	"Between \$15,000 and \$20,000."	Tells how much they will spend.



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There was more qualifying and probing in the second customer situation than in the first. Betty and Dan did, however, offer information that led Judy to ask her next question. For example, Betty offered the fact that they were new homebuyers, and Judy responded, "Did you bring in your plans by any chance?" Had the information about the new home not been given, Judy would not automatically assume they had brought floor plans of the house.

Again, depending how much information a customer gives you, you will know where you need to spend your time in the sales process. Qualifying is extremely important. You want to make sure you understand what your customer wants before you start showing any product.

Now, let's look at a third customer, Dorothy Daniels, who is a retail customer.



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Sales Consultant	Referral Customer	Information
"Hello. Welcome to Showcase Gallery. Have you been in our showroom before?"	"No, I've never been in here before."	New customer.
"Is there anything in particular I can show you today?"	"I saw your ad in the paper. I'm thinking about remodeling my bathroom and I wanted to see what you have."	Retail customer doing a remodeling job.
"Oh, how exciting. You know so many new colors and designs are out today. Would you like me to show you some and explain which piece can and cannot be used in remodeling."	"I'd appreciate any help you can give me."	Judy's comments how she knows her products. Dorothy's comment says she does want help. Narrows what needs to be shown.
"My name is Judy Stringer."	"I'm Dorothy Daniels."	Names are exchanged.
"Are you making all the remodeling decisions yourself?"	"No, but I'm doing all the legwork right now. I'll give the information to my husband and we'll decide what we can afford."	Dorothy will not make the buying decision alone. A budget has not been set.
"Do you plan to do the installation yourself?"	"Oh no! We're looking for a plumber who can do the work. Can you recommend someone?"	A plumber has not been chosen. Depending on your showroom policy, costs quoted could differ if a specific plumber was being used, or you may take this opportunity to explain why a particular contractor should be used.



As you can see, the qualifying stage of step one of the sales process can be lengthier with a retail customer, e.g., the customer who enters your showroom from some source of advertisement or a referral. The customer is not exactly sure of what the showroom or you, the showroom sales consultant, can offer.

Making this customer feel comfortable in the showroom as well as careful questioning will assist you in the final steps of the sales process.

The retail customer's reason for being in the showroom is one that should be explored by you, the showroom consultant. You may want to be able to report to management how many customers use your showroom often, their reasons for being in the showroom, and the result of your assisting that customer. If your company is investing in newspaper, radio, television, or internet advertisements, it would be very helpful to know exactly how many people who enter the showroom do so from these sources. At the end of this section, a chart is included for your review or use in collecting customer information.

Working with More Than One Customer

In every retail operation, a sales consultant may be confronted with the prospect of working with more than one customer at a time. It's inevitable: busy times and slow times just don't equal out. You can, however, work with more than one customer without panic and frustration. The showroom sales consultant may greet and approach a second customer while continuing to work with the first customer. Let's review some guidelines for this procedure.

1. **Greet and approach customers within two minutes of them entering the showroom.**
2. **If you are working alone in the showroom and you are with a customer, try to periodically scan the showroom entrance and the showroom floor for new customers.**
3. **When you spot a new customer, reach a point in your conversation with your first customer where you can temporarily excuse yourself to greet and approach the second customer.**
4. **Communicate with your first customer. Let the customer know that you need to welcome another customer to the showroom and you will return shortly.**
5. **Greet and welcome the new customer to the showroom. Explain that you are with another customer, but you can direct the new customer to a specific product in the showroom.**
6. **Tell the new customer you will return as soon as you have finished with your first customer, and make sure you do.**



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7. If your first customer requires more than 10 to 15 minutes of your time, you should secure backup assistance if your company has this procedure in place.
8. Communicate with both customers to let each know you are working with each of them. Do not ignore one customer over the other; this causes customer frustration which can lead to anger.
9. Make sure the new customer knows your name. Try to find out his/her name and be sure to remember the name when you return.
10. You should not try to qualify the new customer, just greet and point him/her in the proper direction.

The Re-approach

The re-approach is the second or third approach to customers after the initial contact. The re-approach may occur (1) after the initial approach and they "just want to look," and (2) after the initial approach of a second customer when working with another customer.

Suggestions for the Re-approach	
<p>1. Merchandise Approach (Used if customer is focusing on a specific product.)</p>	<p>"This shower is made of acrylic which means it does not absorb water and is not subject to grout or mildew build-up."</p>
<p>2. Manufacturer Approach (Used if customer is focusing on a specific product.)</p>	<p>"That lavatory you're looking at is part of the new XYZ line. It's only been in the showroom four weeks, but already a lot of our customers have bought it. It is available in other colors."</p>
<p>3. Benefit Statement (Used if the customer is focusing on a specific sale product.)</p>	<p>"Now through Saturday, you'll be able to save 25% on these faucets."</p>
<p>4. Benefit Question (Used if the customer is focusing on a specific product.)</p>	<p>"I see you're looking at this shower fixture. Did you know that it is pressure-equalizing and automatically guards against scalding? A balancing cartridge senses water pressure changes and self-adjusts to maintain a constant, even temperature."</p>



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PRACTICE EXERCISE

Write an example of a greeting and approach you use with customers in your showroom. Compare this example with fellow trainees or discuss your example with your showroom manager.

Write an example of a greeting and approach you use with a known customer who enters your showroom. Again compare with fellow trainees or discuss your example with your showroom manager.

PRACTICE EXERCISE

On the next page is a listing of eight examples of the greeting and approach. Beside each, write its strong points and weak points. In determining strong and weak points, consider whether the greeting and approach leads to further communication with the customer.



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Greeting/Approach	Strong Points	Weak Points
1. "Hello. May I help you?"		
2. "Welcome to Bath and Kitchen Gallery. Is there anything I can show you today?"		
3. "Good morning. It's a pleasure to have you visit our showroom. Is this your first time here?"		
4. "Hi, my name's Pat James. Please feel free to look around our showroom. If I can answer any questions now, I'll be glad to. Otherwise, I'll catch up with you in a few moments to see if you need any help."		
5. "Hello, Mrs. Scott. Welcome. How can I help you today?"		
6. Customer enters showroom and stops to focus on lavatory. The sales consultant says, "This is one of the new designs and colors from Manufacturer X."		



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Greeting/Approach	Strong Points	Weak Points
7. Customer enters showroom and stops to focus on lavatory. The consultant says, "Hello, welcome to AAA Showroom. Are you interested in seeing our different styles of lavatories?"		
8. "Hello. Welcome to Home Fixture Gallery. Would you like to be bothered today?"		

Qualifying the client

The second part of an approach is to qualify the client so you can concentrate your time and effort on the best prospect. This process of gathering information starts immediately after the greeting and approach, and is the most essential step in determining your customer's true buying motives and needs.

Once you have identified and satisfied those needs, a sale can be closed. Let's look at the definition of a buying motive and a need.

The **buying motive** is what the customer is hoping to achieve through purchasing your merchandise or service. This could be a savings of money by purchasing X product over Y product, or it could be a feeling of security achieved by the purchase.

In looking for the buying motive, you are searching for the underlying reason why the customer buys. You should seek to understand this reason, and address it during the sale to persuade the customer to buy.

A **need** is a specific requirement for a product or service and is always named. It is not difficult to discover a customer's needs. You would not try to sell a lavatory to customers when they specifically request a water closet. The need, a specific requirement, is triggered by the buying motive.



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Some common buying motives are:

- **The avoidance or elimination of unpleasant tasks or jobs, those physically difficult or boring, are task-avoidance motives**
- **Pleasure motives are those sought to enjoy comfort, physical ease aesthetic appeal, and provide pleasures for loved ones**
- **Gaining value motives are sought to save money, and at the same time to receive a quality product or service at a lower-than-expected price**
- **Increasing prestige motives are sought to show pride of ownership, status among peers, and an image of oneself as a trend-setter**

Identifying Buying Motives

Identifying the primary buying motive will require some detective work on your part. Of course, observing and using your own insight will help, but you must rely on other methods, as well. The best methods you can use in probing for this information are:

- **Ask questions of the customer**
- **Listen to customer statements and questions**
- **Observe customer behavior**

Your greatest challenge in the sales process is to evaluate every statement, response, and action of the customer without being obvious.

Let's now discuss how to use questioning, listening and observing techniques during the sales process.

Questioning Techniques

Questioning is used in every step of the sales process to navigate towards a successful close.

Sales Process Steps	Purpose of Questioning for Each Step
Approaching	To open communications
Qualifying	To uncover buying motives
Presentation	To gain agreement and confirmation
Overcoming objections	To clarify and reach agreement
Closing the sale	To ask for the order



Types of Questions

Three types of questions are most helpful in moving forward in the sales process.

1. Open-ended Questions

Those questions designed to initiate conversation or start the customer talking. These questions usually begin with "How," "Who," "What," "Where," and "Why" and should not be answerable with a simple "yes" or "no."

2. Clarifying questions

Those questions the showroom consultant asks so the customer can expand on, or clarify, a statement he/she has made. These questions can begin with "Do you mean that . . .," "If I understand you correctly . . .," or "Will you explain . . ."

3. Leading Questions

Those questions used to call a customer's attention to a specific statement or action. These questions may begin with "If I could show you . . .," "Don't you agree that . . .," or "Would it help to . . ."



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PRACTICE EXERCISE

Complete the following chart. Write an approach for each in the appropriate column plus three different qualifying questions you may ask of this customer. Use a pencil for this exercise in case you want to change or update answers in the future. Use additional paper as needed.

Customer	Greeting	Approach	Customer Response	Qualifying or Gathering Information
Plumbing Contractor	<p>Every customer should be welcomed to the showroom.</p> <p>As the showroom sales consultant, you project behavior and communication that makes the customer feel at ease in your environment.</p> <p>Your conversation should project the fact that you are delighted the customer chose your company to shop at.</p> <p>Example: "Hello and welcome to Showcase Gallery. Thank you for coming into our showroom today."</p>		"I need some water closets and tubs."	
Plumbing Contractor's Customers			"We came to look at a whirlpool our plumber recommended."	
Building Contractor			"I new some fixtures for a new home."	
Building Contractor's Customers			"Jim Johnson of Johnson Builders suggested we come here to pick out fixtures for our new home."	
Interior Designer			"I need some brass fixtures for a bathroom."	
Retail Customer			"We saw your sales sign and decided to stop in."	



Listening Techniques

Communication is a skill that can be learned.

Often, when talking to another individual, we do not concentrate on or listen to that person. Our own concerns, outside noises, and distractions take our mind off the conversation. Listening, however, is an essential communication skill. During the sales process, keep these communication objectives in mind.

- **Establish rapport with the customer, making him/her feel comfortable with you and your showroom.**
- **Open lines of communication by using effective questioning and listening skills.**
- **Involve the customer in the sales process by allowing him/her to speak, question, touch and feel the product.**

Below are some techniques for better listening. Study and use each suggestion with your customers.

1. Want to listen?

Listening is often approached with a negative mind set. Either we don't care for the person talking, don't like the subject, are not mentally or physically well, or are simply tired. Energy must be invested to become a good listener.

2. Concentrate.

You must give your full attention to the conversation. Effective listening cannot be attained if your attention is divided between many thoughts.

3. Put yourself in the speaker's place.

Try being the customer and identify with the customer's needs.

4. Ask questions.

Questions will help you gather information and clarify thinking for both yourself and your customer.

5. Paraphrase.

Paraphrasing allows the speaker the opportunity to review thoughts, and allows the listener the opportunity to clarify statements.

6. Use examples.

Demonstrations or examples should be used only to illustrate a point or simplify communication.

7. Plan your time.

Allow enough time for clients' questions and your own feedback.



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8. Do not interrupt.

Always allow the customer time to express his/her thoughts without interruption. A listener should be courteous and remain silent.

9. Watch body language.

Facial expressions, gestures, and body movement are important ingredients in communication. Watch for them and use them to assist you in communicating.

Observation Techniques

Could you imagine selling to a customer's voice? You may have experienced this if you sell over the telephone. Difficult? You bet! At least when you can see the customer, you have the opportunity to read facial expressions and gestures. Remember, people have their own unique body language. On your part, be aware of your own usage. Listed below are some positive body language techniques for you to learn and use.

1. Smile.

It's contagious and can disarm even a difficult customer.

2. Use eye contact.

Eye contact lets customers know they have your full attention.

3. Don't overcrowd your customer.

Most people do not like strangers getting too close or touching them.

4. Be enthusiastic.

A slow, sluggish showroom sales consultant leads customers to sense you are disinterested in their needs. Not many sales are made when you're not "up" and ready.

Copy and use the Customer Traffic Survey on the following page to help you track the number and type of customers in your showroom daily, the time of the heaviest traffic periods, the type of assistance you are giving, and the end result of the service. Both you and management can better see who uses the showroom and how it is being used.



Scenario #2—Presenting the Merchandise

Making a persuasive product and service presentation is a natural flow from qualifying the customer. You should now know exactly why your customer is in the showroom and know what merchandise you are going to show that customer. A critical mistake in the sales encounter—not showing the right merchandise—could lead customers to leave the showroom thinking you cannot meet their needs.

The purpose of the presentation is to meet specific needs

Only when you and your customers agree about their buying needs should you present specific choices to them. Through careful questioning of your customers, you are now ready to show specific pieces they requested or show your recommendations based on your and the customers' agreement of their buying needs.

When you are certain about what your customer needs and his/her buying motives, you:

- **Select and show the merchandise that meet those specific needs**
- **Communicate the features and benefits of the merchandise**
- **State benefits that clearly meet the buying motives**
- **Gain customer agreement that what you are showing meets their specific needs and motives**

Features and Benefits Categories

Features and benefits may be divided into three separate categories.

1. Merchandise Features and Benefits

A feature is a built-in quality or characteristic of a product. A benefit is the gain the customer receives from using the product.

Product knowledge is extremely important in presenting merchandise. Thorough knowledge of the product allows you to discuss the product features—construction, material used, style, and design. Alone, they mean very little to your customers. So whenever you state a feature, immediately state the associated benefit of that feature. The features and benefits you present should be directly related to customers' buying motives.



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2. Service Features and Benefits

There could possibly be other showrooms in your immediate area that compete for your customers. It is, therefore, very important that you present the service features and benefits of your company.

3. Showroom Features and Benefits

In addition to service features and benefits of your showroom, there are also certain features of your showroom that benefit customers who buy there.

PRACTICE EXERCISE

Beside each feature listed below is a buying motive. Write an associated benefit for each feature that would satisfy the buying motive.

Merchandise Feature	Buying Motive	Associated Benefit
High-gloss acrylic	Task avoidance	
Slip-resistant surface	Increased security	
Siphon-vortex flushing	Pleasure	
Electrically plated brass finish	Task avoidance	
Combination steam and convection double oven	Increased prestige	



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Service Feature	Associated Benefit
Delivery	<hr/> <hr/>
Credit plans and terms	<hr/> <hr/>
Design service	<hr/> <hr/>

PRACTICE EXERCISE

Listed below are examples of showroom features. Beside each feature, write an associated benefit.

Service Feature	Associated Benefit
Location	<hr/> <hr/>
Years in business/reputation	<hr/> <hr/>
Merchandise selection/ Brand names carried	<hr/> <hr/>
Skill and competence of staff	<hr/> <hr/>



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PRACTICE EXERCISE

Since it is vital that showroom sales consultants know the features and benefits of each piece of merchandise in their showroom, write a presentation delivery for specific pieces. Be sure to state the features and benefits for each. You may want to practice this exercise verbally, either by yourself or before another colleague or group of colleagues.

A large rectangular area with rounded corners, outlined in purple, containing 25 horizontal purple lines for writing.



Scenario #3—Managing Objections

Although overcoming objections is listed as the seventh step, it is better thought of as a skill that can and should be used throughout the entire sales process. Customer objections may come up at any time during the sales encounter. To close the sale, you must learn to handle the objections **when they come up**.

It is important that when you hear an objection, **you do not ignore it**. An objection is a roadblock to the sale, and tells you clearly that you must respond. Signals should go off in your mind alerting you to change your sales tactics.

Study the chart below to help you understand what an objection means to you as the showroom consultant and to your customers. In many cases, customers are looking for clarification or alternatives. Your job is to overcome customers' objections by resolving their concerns.

Showroom Consultant	Customer
<ul style="list-style-type: none"> • Do not ignore roadblocks to sale • Respond; change your sales tactics • Ask questions for clarification • Listen 	<ul style="list-style-type: none"> • Interested; may consider other possibilities • Alert; paying attention • Seeking more information • Concerned

Some studies show that the more money a customer intends to spend, the greater the need for reassurance that the money is being spent soundly. Therefore, the number of objections you encounter could increase with the monetary amount of the potential sale.



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How observant are you?

Assume you are listening to Judy, another showroom sales consultant, speaking with Pete, a retail customer. Assume you hear the following dialogue:

Judy: "Well, here you are. Is this the unit you're interested in?"

Pete: "Yes. We looked over the brochures and have decided on this one. Our tub is 60 inches long. This will fit; won't it?"

Judy: "Yes, this measures 60 inches long and 75-1/4 inches high without a top. Did you take the height measurement of your tub?"

Pete: "Let's see. Yes, it's exactly 82 inches high from the top of the tub to the ceiling. Would you recommend that we put a top on this?"

If you were listening closely, you would think that at this point in the conversation, Judy should have clarified Pete's measurements. Judy knows that Pete incorrectly said that the 82-inch measurement was from the top of the tub to the ceiling. Working with retail customers, those who are sometimes doing their own measurements and remodeling, requires a good ear when discussing technical aspects of the product or job. The knowledge and experience you have with your product is often greater than that of the average retail customer.

Listen to exactly what information he/she gives you. This is a somewhat new customer to your showroom, and a very uninformed customer when it comes to your merchandise. This is a great advantage to you because you can offer a service to that customer that other retail businesses cannot.

Just a caution: Listen closely and clarify information.

Showing Respect for the Objection

It is important not to challenge the customer's opinions. This will only lead to a defensive stance on your customer's part, and will probably destroy the relationship you have been working to establish. Show interest and respect for the opinion of your customer. This will indicate that you think the customer's feelings are important, and will reinforce the fact that you are there to help the customer.



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Principles of Handling Objections

As the showroom consultant, you should learn and practice these principles for handling customer objections:

1. Clarify the Objection.

Before attempting to answer any objection, you must have a clear understanding of just what the customer means. In clarifying an objection, it is often important to restate the objection. This assures customers that their concerns are understood plus gives you a few moments to analyze the objection and determine the best answer for it.

2. Classify the Objection.

Objections point out negative buying decisions. You can determine from the type of objection which buying decisions need to be clarified (e.g. need, product, source price, time). As soon as the customer raises an objection to buying and you feel you understand this resistance, you can determine which buying decision the objection involves.

For example:

- **Customers may indicate that they do not recognize any immediate need for the merchandise**
- **Customers show through their resistance that they believe other or competing products are better than those you are showing**
- **Customer opposition to the source usually implies a lack of confidence in your company or in you**
- **Price objections mean that you have not established an amount of value or satisfaction for the product price**
- **Objections concerning time indicate that you need to obtain more agreement on the first four buying decisions**

3. Maintain Control.

Respond to the objection and manage it. When you do not respond, you have lost control of the sales process and this will not lead to a successful close.

Don't argue. We know the customer isn't always right, but don't point that out to a customer. Many customers come into the showroom with preconceived ideas about products and/or services. It is your responsibility, using your knowledge, to enlighten or educate those customers. Present the facts, features, and benefits of the merchandise. Customers will then have the correct information to make a buying decision.



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5. Minimize the Objection.

In minimizing an objection, you should go to no greater length than is necessary in handling it. Make sure the customer understands and agrees, then leave the objection. Dwelling on the objection exaggerates its importance. Say just enough to gain customer satisfaction.

6. Capitalize on the Objection.

Capitalize on an objection by translating it into a justification for buying; each objection can be used to close the sale.

Remember that objections can occur at any time during the sales process. Before you can proceed to the close, you must gain customer agreement that the objection is no longer a problem.

PRACTICE EXERCISE

Complete the information in the blank column.

Objection	Type of Objection	Your Response
"This is entirely too much money for a toilet."	Price	
"I'm not interested in the wall coverings."	Need	
"I don't have much confidence in fiberglass tubs. They're so light I don't see how they could last."	Product	
"I'd better think this over."	Time	
"Your company doesn't guarantee service of this product."	Source	



Scenario #4—Closing the Sale

The purpose of the close is to ask for, and obtain, the order. The close can occur any time customers “signal” they are ready to buy. In other words, the close does not have to be the eighth step in the sales process if the customer shows or states a readiness to buy.

Customer buying signals

Customers indicate their readiness to buy through verbal responses and non-verbal responses.

Verbal responses are statements that indicate some agreement with the salesperson’s statements or simply a desire for ownership.

Examples of verbal buying signals:

- “I really like this style.”
- “Oh, my husband would really like this whirlpool.”
- “I can just see myself relaxing in this.”
- “Can I buy this on credit?”
- “Is this item in stock?”
- “When will this be on sale?”

Non-verbal responses are signals not expressed verbally, but that do indicate a readiness to buy

Examples of non-verbal buying signals:

- Nodding in agreement with an explanation made by the showroom sales consultant
- Showing interest in specific merchandise by returning for “another look”
- Trying a flushing one-piece water closet compared to flushing two-piece water closet after a demonstration of a product.
- Agreeing with your statement about merchandise benefits, and repeatedly matching tile, carpet, wallpaper, or paint samples to the merchandise.



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Confirming a buying signal

When you recognize a buying signal, ask a leading question to confirm it.

For example:

Customer:	"The pedestal look does seem to allow more space in my bathroom."
Showroom Sales Consultant:	"Yes, it does add a less-crowded look to the room, and don't you think the space around the rim is quite ample?"

When a customer has given a true buying signal, he/she will respond positively to your leading question.

For example:

Customer:	"Oh yes, it does offer the space and is just lovely."
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The buying signal has been confirmed. When you have confirmed several buying signals, both verbal and non-verbal, ask for the order.

Do not hesitate to ask for the order once you have confirmed buying signals. Most often, the customer is expecting you, the showroom consultant, to initiate the action of closing the sale.

Closing Techniques to Use in the Showroom

In the first scenario, you studied the various types of customers who purchase merchandise from your showroom. Since you sell both wholesale and retail, your selling environment is a unique one. Recognizing the type of customer you are assisting may help you determine the length of time you will need to close a sale. For example the contractor who comes into your showroom to look at a whirlpool his customer has chosen and place the order himself may not require more than that visit to close the sale.

Since the variety of customers and their needs play an important part in when and how you close, let's study the following chart to better understand the showroom customer.



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Customers	Purpose of Showroom	Process Most Often Used	Length of Time Needed to Close	Home Visit Possibility
Plumbing Contractor	<ul style="list-style-type: none"> Order customer's merchandise 	<ul style="list-style-type: none"> Greeting Approach Very little qualifying Presenting the merchandise Close 	1 visit	Low
Plumbing Contractor's Customers	<ul style="list-style-type: none"> Look at merchandise Question showroom sales consultant about merchandise Obtain merchandise information Gather brochures 	<ul style="list-style-type: none"> Greeting Approach Qualifying Presenting the merchandise Overcoming objections Actual close is with plumbing contractor 	1-2 visits	Low
Building Contractor	<ul style="list-style-type: none"> Select merchandise for new building Place order for merchandise selected 	<ul style="list-style-type: none"> Greeting Approach Qualifying Presenting the merchandise Overcoming objections Close 	1 visit	Low
Building Contractor's Customers	<ul style="list-style-type: none"> Look at merchandise Question showroom sales consultant Obtain merchandise information and brochures Place order 	<ul style="list-style-type: none"> Greeting Approach Qualifying (limited) Presenting the merchandise Overcoming objections Close 	1-2 visits	Low

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Customers	Purpose of Showroom	Process Most Often Used	Length of Time Needed to Close	Home Visit Possibility
Interior Designer	<ul style="list-style-type: none"> • Look at merchandise • Question showroom sales consultant • Obtain merchandise information and brochures • Place order 	<ul style="list-style-type: none"> • Greeting • Approach • Very little qualifying • Presenting the merchandise • Close 	1-2 visits	Low
Retail Customer	<ul style="list-style-type: none"> • Look at merchandise • Question showroom sales consultant 	<ul style="list-style-type: none"> • Greeting • Approach • Qualifying • Presenting the merchandise • Overcoming objections • Close 	2 visits or more depending on type of merchandise ordered and complexity of work	High

Closing Techniques

In this section we will study three techniques for closing.

1. The direct close.
2. The alternate-choice close.
3. The major/minor close.

The Direct Close

In the first case, the customer has given positive buying signals and has agreed with your suggestions. You know you are working with a decisive customer who will not be frightened by a direct approach.



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Ask, in a straight-forward manner, for the order.

- **“Shall I check to see if we have this in stock so we can schedule delivery?”**
- **“Shall we place the order now?”**
- **“We have this unit in stock in your color choice. Shall we place the order?”**
- **“Shall we write the order for this piece before looking at other merchandise?”**

The Alternate-Choice Close

This close is to be used when the customer has made a positive response to your suggestions, but still seems hesitant about making a decision-making.

In using this close, give the customer a choice of two alternatives and remain silent until the customer responds;

- **“Would you prefer to pay the deposit by check or credit card?”**
- **“Do you prefer the matching wall coverings or the tile?”**
- **“Do you prefer the single lever faucet or the two-handle faucet?”**

Major/Minor Close

This close is used when the customer appears too overwhelmed to decide. Lead up to asking for the order by having the customer make smaller, easier decisions. After all the small decisions and agreements have been made, ask for the order.

Use this close when the customer seems timid, unsure, or overwhelmed to make a buying decision of the merchandise you are recommending. Or use it when you notice negative, non-verbal signals (frowning, indifference). Some examples are:

- **“This merchandise is in stock; you want it this week, don’t you?”**
- **“You preferred the pedestal lavatory, didn’t you?”**

A combination of leading questions like those above helps the customer to make several small decisions. The actual decision that is being made is to buy. The small decisions have enabled the customer to break the buying decision into small, manageable parts.



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Final Steps

You may use one, all, or a combination of the three closing techniques covered in this module. Whichever close you use, follow it with:

- **Remaining silent until the customer answers**
- **Complimenting the customer on making a good decision. This will provide reinforcement**
- **Thanking the customer**
- **Explaining what action will follow; delivery, billing for example**
- **Checking to make sure you completed the order accurately**

By following these steps, you will give your customers a sense of assurance that they have made a good decision.



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PRACTICE EXERCISE

Beside each sales situation, indicate which closing technique you would use.

Suggestions for the Re-approach	
Direct Close (DC):	A close in which you ask, in a straight-forward manner, for the order.
Alternate-Close (AC):	A close in which you ask for the order by offering the customer two alternate choices.
Major/Minor Close (MM):	A close in which you ask for the order by having the customer agree with several smaller decisions to reach the buying decision.

1. A couple has returned for their second visit to the showroom. On their first visit you showed them whirlpools. They seem afraid to make the decision to purchase a \$2,500 whirlpool even though they have no objections. Body language on their part shows frowning and indecisiveness.
2. A customer indicates she has come to the showroom to choose fixtures for her new home. The home builder is your customer and you know which fixtures have been chosen for the project.
3. The customer has made statements indicating his desire to own the merchandise; however, he is indecisive about making the buying decision.



The Showroom Has Two Purposes

The purpose of the showroom is two-fold:

- 1. It is a showroom, providing the contractor, as well as the public, a place to view residential kitchen, bathroom, and lighting products.**
- 2. The showroom is designed to be service-oriented. Any customer who walks through the door can receive information from showroom consultants.**

Your role as a showroom sales consultant is a multi-faceted job dealing with various types of people and their problems/requests. In fact, you may never see the results of your efforts with some of your customers. The order may be placed at the counter or with the outside salesperson in your company. This is a reality, but not one that should stop you from using good sales skills.

Closing is a vital step in the sales process. Develop different closing techniques to use with your various types of customers. Evaluate your customer/sales encounters and practice using the skills discussed in this course.

Don't be hesitant to use one or a combination of closing techniques with your customers. Remember that you have accomplished the following by using a closing technique:

- 1. You have asked the customer to buy.**
- 2. By asking for the order, you have received vital information about what the customer is thinking.**
- 3. You now have a guide as to what your next step should be. The information the customer provides will assist you in knowing where to go with the sales encounter.**

You are now armed with new selling skills to use with your customers. You have learned that the showroom is a unique selling environment catering to both wholesale and retail clientele, and you are your company's representative to this clientele. Most importantly, you should now have more confidence in your ability to do an effective selling job. You should be better equipped to cope with the actions and reactions of various customers.



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Take time each day to prepare for effective selling. Some suggestions would include:

1. **Use the feature-benefit methods of selling for all merchandise.**
2. **Collect names and addresses of customers for company mailings, plus mailings and calls for special sales.**
3. **Send thank you notes to customers.**
4. **Develop a list of frequently encountered resistance and ways to overcome that resistance.**
5. **Evaluate your own presentations.**
6. **Read about your profession.**
7. **Exhibit persistence and perseverance.**

Now, to make what you've learned effective, you must put it into practice daily. Its value will be determined by what you make of it. Use it, don't lose it!



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Role Playing Evaluation Form

Sales Consultant's Name: _____

	Excellent	Good	Fair	Poor	N/A
How was the initial meeting handled?					
• Smile					
• Eye contact					
• Body language					
• Handshake					
• Exchange of names					
• Started to build rapport					
Comments: _____ _____					
How was the qualifying portion?					
• Got prospect's name					
• Asked type of project					
• Asked project location					
• Asked timeframe of project					

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	Excellent	Good	Fair	Poor	N/A
How was the qualifying portion? <i>cont.</i>					
• Asked if shopping somewhere else					
• Asked what investment					
• Asked why they came to your store					
• Asked why a bath or kitchen change					
• Just products or also installation					
• Continually built rapport					
• Continually sold value points					
• Took notes while talking					
• Asked smart questions					
• Was a good listener					
• Picked up on "hot buttons"					
Comments: _____ _____					

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	Excellent	Good	Fair	Poor	N/A
How was the product and service presentation?					
• Got the prospect's senses involved					
• Demonstrated products					
• Sold features and benefits					
• Started with higher-priced products					
• Introduced add-on opportunities					
• Displayed strong product knowledge					
• Asked smart questions					
• Was a good listener					
• Made notes while talking					
• Picked up on "hot buttons"					
• Continued to build rapport					
• Continued to sell value points					
Comments: _____ _____					

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	Excellent	Good	Fair	Poor	N/A
How were concerns and objections eliminated?					
• Stopped at each objection or concern					
• Clarified the concern					
• Answered it to the prospect's approval					
• Moved on to the next area					
Comments: _____ _____					
How did the sales consultant do closing the sale?					
• Picked up on closing signals					
• Asked for the order more than once					
• Got the order					
	Excellent	Good	Fair	Poor	N/A
Overall Evaluation					



