

Qualifive!

The five answers needed to qualify any finishing account.

Anyone who has spent time in the sales profession has their share of war stories. My list includes a 10-hour roundtrip drive to a prospect's plant, which involved running out of gas in the prospect's parking lot, and — to the amusement of the residents of the small manufacturing town and with the help of our operations vice president — pushing my truck several blocks to the gas station. In the process of the two days dedicated to that sales call we learned that the prospect wasn't really serious about outsourcing their work to us, and even if they had been, their work wasn't a good fit for our operation anyway.

While stories like these are entertaining in hindsight, the resources that experiences like these squander are significant, and the missed opportunities that may have been pursued in their place are costly. Often the exuberance that follows the identification of a potentially great lead eclipses the need to confirm that the prospect is a good fit for the coater and vice-versa. Thus the need to aggressively qualify new sales leads by securing the answers to five key questions as early in the sales process as possible. I call this group of five qualification questions "Qualifive."

Question 1: What is it?

What is the part or family of parts the coater is trying to win? How and in what products are they used? What is the finish? Is there a written specification, and if so, what is it? What is the thickness requirement and how is it measured? What is the current lead time requirement; is the current supplier meeting it and what would the prospect like it to be?

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Question 2: How much is there?

By their nature, sales people are eternal optimists, tempted to take the largest possible interpretation of the prospect's volume estimate and call it gospel. Perhaps because prospects want to feel important, perhaps

because they are seeking a volume discount, perhaps because they fear discouraging the sales person or for some other reason I fail to understand, prospects almost always exaggerate the amount of volume they actually have.

The result of the sales person's optimism and the prospect's exaggeration is often a vastly overstated estimate of annual volume. Begin by asking for the estimated annual units, or "EAU" in manufacturing lexicon. Once the customer offers a number, further qualify it by asking questions like "how many did the prospect ship last month? How often does the current supplier's truck come? What was the size of the last

shipment?" If the math doesn't work — for instance the prospect claims an EAU of 50,000 but the truck comes once a month and the last order was for 1,000 units — tactfully attempt to clarify. I love follow up questions that begin with the words "help me understand," a preface that comes across as inquisitive rather than challenging but accomplishes the same end.

Hand in hand with the question of EAU's is the life of the part or project. I recall a significant investment I made in equipment to plate a car stereo part for a Tier 2 automotive supplier only to learn a year or so later that the automaker had changed its design and eliminated the part. Ouch.

Question 3: What are you paying?

The equipment, capabilities, capacity and business models of individual coatings operations differ, and thus a sales price that works for one may not work for another. When analyzing whether a prospect is the right fit, it is particularly helpful to gage early on whether the economics of the project work for both the coater and the prospect. Every so often the sales person gets lucky and the prospect answers the current price question directly. More likely the prospect will respond along the lines of "just give us your best price." On occasion, asking the prospect for his target price or for him to share his annual budget for coating the part will yield useful information. Of course, if the sales person gathers both EAU's and the annual budget, the current price can be easily estimated.

Question 4: What might lead you to switch suppliers?

The sales person who is unable to ascertain the answer to this question will almost automatically be competing on price alone — not a good place to be. Assuming the prospect contacted the coater, come right out and ask what has the prospect looking. Ask how long it has been since the last time the work was out for bid and when the price was last adjusted. Inquire as to any quality issues with the current supplier in the previous year. A favorite question is: "Other than price,



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if you could change anything about the current relationship what would it be?" Another great one is to ask how often a representative of the current supplier visits the prospect, a question which plants doubt in the mind of the prospect as to whether the current supplier is providing adequate support.

Question 5: Who makes the buying decision?

Each organization makes decisions a little differently from the next so it is best to know right up front how the prospect decides on a supplier change. What is the timing for the decision? Will the decision be made by a specific individual or a team and if by a team who are its members? Who will have influence over the decision? What is the process for making the decision and what factors will be weighed? In response to the latter, prospects invariably list price, quality and delivery, a reply that provides an opportunity to probe deeper. What aspects of lead time, inventory stocking, business resumption planning, transportation services, standardized quality systems, business size and customer service may provide a competitive edge to the sales person's company?

To be sure, securing the answers to the above questions is just the start. More specific questions about logistics, packaging, quality checks and so on will come later, but only assuming prospect and coater are a good fit for one another.

A sales mentor once told me "In sales, you win way more business by asking the right questions than by providing the right answers." Asking the right questions early on will enable the sales professional to ensure that prospective time invested in the relationship will bear its intended fruit for both prospect and coater. Qualifive! ■■

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