



This article first appeared in the February issue of *My Business*
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RETAILING TONY GATTARI

Solving your retail problems

THE ECONOMIC slowdown has thrown the sales and marketing strategies of retail owners and leaders into disarray. Customers have become more hesitant to buy, sales teams are struggling to get deals over the line, and the marketing budget isn't looking as healthy as it used to.

In this edition's column, we look at some of the major problems that are confronting retail owners and leaders. Most of the recommendations won't cost you anything to implement, and you will also be able to create more robust sales systems and processes that will last you long into the recovery.

Problem 1: Customers are crying out for discounts.

Solution: Don't drop your prices – find another way to get them over the line.

There is a big problem with discounting – once you drop your prices, it is nearly impossible to raise them again. We discourage discounting because that has a negative impact on the business as a whole. Particularly during the global financial crisis, people may respond well to those in the short term, but they cause long-term damage.

Companies must find other ways to persuade customers to buy, mainly through offering improved service. Offer customers better terms of trade (by giving them longer to pay), offer priority delivery or think about giving them a little gift with every purchase. The key is to try and get more revenue out of each customer.

Problem 2: Two of our retail sales people are doing well, but the other eight are struggling.

Solution: Get the stars to teach the laggards.

While we all admit the retail sales environment can be cut-throat and sales

people can be very protective of their intellectual property – that is, their sales methods – but good companies need to break down these barriers and force top sales people to share ideas. A lot of sales models can be very competitive, and sales people can operate in their own silos.

That's counter-intuitive to a business that is genuine about doing the best by its customers. We suggest getting all sales people together for a brainstorming session to create a sales process that everyone can do. Naturally, this should be led by your sales stars who will hopefully pass on tips and advice to help other members of their group start climbing towards their level.

Problem 3: I don't know what my sales process should look like.

Solution: Develop strategies to win, keep and grow accounts.

We believe that the sales cycle (from lead generation through to client management) generally stretches out when the economy slows as customers guard their cash, and it is during these times that a robust sales process becomes crucial. We believe a sales process really needs to have three phases – a sales process for creating an opportunity; a sales process for managing opportunities; and a sales process for retaining and growing accounts won. A down economy is a good time to review your sales process to improve its effectiveness.

Problem 4: We haven't really had to sell for five years.

Solution: Make every employee part of the selling process.

We were recently approached by a plumbing business that had a big problem – no-one in the organisation actually knew how to sell. They could work on quotes, they could manage projects, but the

business just hadn't needed to be sales focused in the past. Now they needed help. We concentrated on getting the firm's top management to understand the importance of putting sales at the centre of the firm's strategy and to demonstrate that everyone in the firm had a role in selling, from the admin staff to the accountants to the project managers. It's about getting everybody on the same page and getting everyone to understand how they engage customers.

Problem 5: Customers don't seem to "get" what we do.

Solution: Develop a clear retail message.

Businesses must give a clear, concise message of what exactly their business does before they can even think of making a sale. The basic solution is that you need to have a clear marketing message of intent. What do you do? How do people understand what you do? You need to sell the right way and to do that you need to ask what it is exactly that you do for people. Being pro-active and talking to people is great, but if you're not clear about what you do then they're not going to understand. ●

■ The author, Tony Gattari was the General Manager of the computers and communications division of Harvey Norman and oversaw the growth of this business from \$12 million to \$565 million in nine years. He is now founder and Chief Energy Officer of Achievers Group. He is a much-in-demand passionate professional speaker, business educator, author and corporate business advisor. Tony has worked with over 110 businesses around the world.

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