



Improving Pricing Through Added Value



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Art Waskey is a speaker who truly delivers. In addition to a 45 year career in sales and marketing, Art is the author of multiple books on selling and a monthly column The Art of Sales. He shares these insights as an in demand event and conference speaker as well as leadership coach.

My career began in the 70s as a “sales engineer” in a polyester suit making calls to a group of welding and industrial gas distributors in north Texas. A gentleman named Floyd was a sales manager on a leading distributor’s account and a dead-ringer for Clark Gable (some of you may have to Google that). Like Gable, Floyd was a consummate professional. He pre-planned and took measure of every aspect of a potential deal. When we made sales calls, he would detail his strategy for me (the rookie) before we met with the customer. In this way Floyd became one of my first mentors.

At one of Floyd’s big accounts, he had saved the customer a significant amount of money by introducing a piece of equipment that lasted 4 times longer than its predecessor, at only a marginal increase in cost. That equipment used pallets of consumables, sold by our company. Floyd enjoyed a good business relationship with the company until a new purchasing agent was hired and began to accept competitive bids.

Have you found yourself in this position, frustrated by customers willing to take the lowest price regardless of what services you provide? Experience has taught me that in most cases customers do appreciate the extras, like service. What you think is a pricing discussion might actually be a customer asking, “Show me the value.”

As Floyd’s supplier, I joined him on his call to the new agent. For the first 20 minutes, Floyd spent time building a relationship with him by asking questions about his background. I could sense the customer becoming more comfortable with us. He explained that the owner had hired him to cut costs.

When it came to our attention that the purchasing agent was unaware of Floyd’s relationship with the shop superintendent, or of the cost reduction that he had been introduced, we asked the superintendent to join us. With that, the consumable business was saved.



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Floyd then asked both managers questions about their top clients and followed up by having a couple of his existing customers call them for bids. Before he knew it, his customer was enjoying new business and was more than happy to influence the purchasing agent, which gave our company a more favorable price position.

In another price sensitive situation, I watched Floyd as he listened to a customer describe problems inside his business. Though the problems were not ones he could resolve, Floyd's willingness to listen and understand where the customer made his profit demonstrated his sincere concern for the business. As a result, Floyd enjoyed that company's favor even when his price was higher.

Today, I'm sure Floyd would be enhancing his detailed approach to sales with the use of apps like LinkedIn. Writing articles, building customer groups, and staying in constant contact with key vendor and customer personnel are attainable with social media.

Whether you are helping your customer find new business, looking at his internal problems, or introducing new vendors, getting more involved on a personal level is a good way to address pricing issues. These added value techniques provide subconscious connections that strengthen your customer relationships and help keep your competitors out. Using these skills even has the potential of building your network of leads. The greatest benefit to you and your company, however, is knowing that you are a valued part of your customer's business, not just a person with a product and a price.

Five Key Sales Takeaways:

1. Get your customers and prospects to talk.
2. You control the call as long as the prospect is talking.
3. Care enough to listen.
4. Face-to-face selling is really all about making friends for life.
5. To succeed in sales and life, keep your focus on meeting new people.