



NAMA Sales Competition: Finals

Problem

MGM has acquired 20 semi loads of bulk oatmeal that is past the food manufacturer's "use by date". Even though it can no longer be used in the human food market it meets all requirements for use in animal feed. MGM purchased the product at a price of \$250 per ton which exceeds what it is worth in a typical livestock feed ration. MGM knows that companies that manufacture livestock starter feed rations are paying a value added price of \$450 per ton for the rolled oats which are very comparable to bulk oatmeal.

For this exercise, assume truck freight to deliver the product will cost \$50 per ton making your breakeven cost \$300 per ton delivered to the potential prospect (the company that manufactures the starter feed) . MGM wants to make a 25% net profit on this opportunity and you will likely have to incent the potential prospect. You decide how to initially price the product and what your sales strategy is from that point.

Background

The ultimate goal for a salesperson is to close the deal, the point when negotiations lead to an agreement with the prospect. Closing a deal is both an art and a science. To be successful, you need to connect with the decision maker and present a compelling offer that incents them to buy the product. If you are confronted with apprehension or lack of interest you must identify why and be prepared to help them better understand the opportunity and overcome any objections. Persistence often times pays off but if you determine that the prospect is not a buyer you must quickly transition the conversation and attempt to get referrals of other potential prospects that you might call (other starter feed companies that the prospect might suggest, and even better, the contact person at the company).

Effective Sales Skills

Effective salesperson skills artfully applied at the right time include:

- ✓ Good Communication Skills
- ✓ Confidence
- ✓ Resilience & Persistence
- ✓ Creativity
- ✓ Charisma

A salesperson has a greater chance of a successful sales call when they demonstrate:

1. The ability to gain and keep a new customer's attention in a single conversation lasting an average of ten minutes or less.
2. Use of **probing questions** to gain information about the potential customer, the product application, and what advantages or challenges the customer may have applying your ingredient. A probing question is an open-ended question that nudges prospects toward revealing more information about their situation. Learning about a prospect's needs, wants, budgets, and many other things is often the best tactic to guide the prospects toward buying.
3. Use of **qualifying questions** to understand if customer apprehension comes from price, quality, quantity, timing of the delivery, and/or your company's integrity. For example:
 - a. "It's too expensive." Qualify to find out by how much.
 - b. "It is more material than we are interested in." Qualify to understand by how much and how that may be overcome.
 - c. "I might have interest." Qualify to better understand if their likely odds of buying are closer to 30% or 70%.
4. If the potential customer is not a good fit for the product you are attempting to sell, you can still gain value from the conversation by **networking** to get names of other companies and contact people that the customer may be aware of. This perpetuates forward progress, and you can use the existing person as a referral (I got your name from John Smith at ABC Company).

Challenge

You have a very desirable product and you have identified that the value added application is for livestock starter feed. Apply as many skills as necessary in an effort to close the deal (make the sale). If you recognize that you are not getting interest from the prospect you must quickly transition to learn more about the application of the product, why it may or may not be a good fit, price relationships, and other helpful information. Keep their attention by not wearing them out and attempt to re-approach the sale with the best sales strategy based on what you have and what you know from the conversation.

If you sense that you will not make the sale you need to transition the conversation one last time in an attempt to network with the customer to get referrals. This is typically where the prospect wants to terminate the conversation so you need to apply the right skills needed to keep their attention, make them comfortable to share information with someone they just met, and have a desire to be supportive and help you. Only the best approach will bear fruit so bring your "A Game". You will get results commensurate with your creativity and approach.

The contestant will be rewarded for:

- Best application of effective sales skills and strategies listed above.
- Closest to closing the deal and/or best approach to get referrals.
- Managing the 10 minutes the most effectively.
- Energy, attitude, and effort.