

Relational Selling is a Big Deal

Relational selling is a great strategy that's falling by the wayside in a virtual world. Perhaps we've lost sight of the fact that our decisions have a big impact on real people. Ultimately, most problems are people oriented and most solutions are as well.



Connecting with your client unlocks unlimited potential.

I recently had the opportunity to talk with a sales executive, Bill Stallings, who's had considerable success in capturing new business by deploying a number of different selling strategies including relational sales strategies. Here's what he had to say:

Everyone will no doubt agree that the wonders of technology have had an enormously positive impact on every aspect of our lives. Consider the multiple means for instant communication on a global scale such as:

- social media

- e-commerce
- powerful analytical tools
- vast storehouses of knowledge
- and a multitude of other optimization tools

These all contribute to making our lives easier and more efficient. The world has become a much smaller place. With so much potential for life enhancements, it's easy to overlook missed opportunities.

In Business to Business (B2B) sales we have come to rely upon:

- automation
- remote call centers
- programmed or instant messaging
- virtual assistants
- Skype
- virtual meetings
- the standardization of protocols

Perhaps less noticeable have been the unintended costs that are hard to identify and difficult to measure.



Virtual operators and customer call centers often fall short in serving customer needs. Is it really a cost savings when the cost has only been shifted to you, the customer?

For the professional sales executives invited to the bidding processes of a Request for Quote (RFQ), the protocols of the process create great challenges in effecting change. How do I convince my customer to change their buying habits to favor my products or services?

For most buyers, protecting the status quo is a valid priority because change involves risk and cost. People don't like change. So there needs to be a compelling reason to justify putting the organization through the trauma and expense of change. The buyer is reluctant to change because of the risks of departing from status quo.

The key challenge for the sales team and sales management becomes:

How do we overcome these inherent sales obstacles to having a breakthrough with target accounts when the systems that we and our buyers have implemented are all working against us?

The "missing link" is now the human element. In many cases, deploying a sales strategy of relational sales may very well be the difference between status quo and discovering breakthrough opportunities. Developing new business is the goal.

When was the last time you captured new business at price levels higher than the lowest bidder?

Several years back I was working with my sales team on an RFQ from a major pharmaceutical company. They issued an annual RFQ for ocean transportation services from Puerto Rico to three distribution centers in the United States. Products ranged from over-the-counter medications to highly expensive life-saving drugs. Refrigerated and dry ocean containers were required and pricing had to include ocean and inland transportation services.

Every year, each of the four competing ocean carriers were invited to visit headquarters to present their bids in person for a targeted volume of business. Each ocean carrier sales representative was invited to sit before a transportation council seated behind computer screens at the end of a dimly lit room.



“I’ve attended bid presentations where I couldn’t even see the people behind a bank of computer screens,” Bill Stallings said.

At the designated time the ocean carrier representative presented their lowest possible bid knowing full well that the incumbent would bid last and be given the “right” of refusal to match the lowest offered price. I can think of no greater example of an impersonal setting and bidding protocol that devalues the relationship and services of a vital service provider while preserving status quo.

After three consecutive years of futile bidding, I changed our sales strategy.

During the year leading up to the RFQ deadline, my sales team

and I invested time in getting to “know” our target account in a way that we had not tried before. The buyer had insulated himself from any meaningful contact. However, there were still many people involved with the company, both internally and externally, that had insights, information, and impact on the decision making process. We talked with truckers.



Some of the best answers to complex questions can be found in overlooked sources.

We visited the distribution centers and got to know security guards, dock workers and warehouse supervisors. We observed the traffic patterns of product arriving and leaving the facilities. We got to “know” the people and what was important to them. These would be the people that would be living with the decisions of our buyer. Most were very open and willing to talk about their ideas and experiences. They were all trying to do the best they could for their employer.

In getting to better know and understand our customer, we learned that the three distribution centers were closing and would be consolidated into one location in a state more centrally located for the entire East Coast market. We visited the new location while it was under construction and studied

the logistics of how this one distribution center would handle the considerable volume arriving each week from Puerto Rico. We came up with many more questions than answers regarding the new facility. When the RFQ date arrived we went to the meeting prepared and determined NOT to offer any prices until we got several key questions answered.

Our buyer was stunned when I told him I wasn't comfortable offering a price for services that were not clearly understood.

After he chastised me for my lack of preparation, I explained that I did have a variety of pricing models to consider. But unless I received the answers to very critical questions pertaining to his business, it would be impossible for me to offer the "best" price. The buyer wasn't interested in answering any questions citing that the RFQ contained everything that was relevant and insisted on my delivering the best and lowest price. I held my ground.

Soon, a transportation executive who had been observing the process spoke up and said "OK, you're trying to make a point. What is your first question?"

I knew I might only get the chance

to ask one question so it had to be the right one.

“What is the capacity of your new distribution center for unloading inbound containers in one day?” Bill asked. The reply was very revealing about the buyer and the RFQ process.

“What does that matter to you?” he asked.

I explained that my competitor—their incumbent—had ships arriving every Friday at ports along the East Coast and each of the three distribution centers were accustomed to receiving 30 to 35 containers the following Monday for unloading.



Transport trucks line up and wait to drop off their shipping containers. This backup results in extra time and cost for everyone.

Since all of their volume arrived on Friday when services were provided by our competitor, this opened the opportunity for a real dialogue.

“Is your new distribution center capable of handling the combined volume of over 100 containers on Monday? If not, have you contemplated the hidden cost of per diem fees at the port? Have you thought about the detention fees from truckers for delayed unloading? And even worse, are you comfortable with one of your containers full of valuable medications sitting in a [Kmart](#) parking lot over night while the trucker is waiting for his turn to unload? Have you thought about overtime or an additional labor shift required if all containers must be unloaded on Monday? These “hidden costs” could very likely overwhelm any savings achieved through price reductions,” Bill said.

No one knew the answers to these questions.

It turned out that the new facility could only handle about 40 inbound containers from Puerto Rico on Mondays and they could get by with holding about 20 more containers over until Tuesday. Since our ships arrived a day earlier than the competitor’s there really was no other alternative other than awarding our company the remaining volume.

In spite of these RFQ conditions, we succeeded in capturing 40% of this accounts business at a price

level that was 35% higher than our bid the prior year.

It turned out that we discovered a value proposition that was much greater than permitted by the RFQ process. We would have never discovered this unless we had gotten to know our customer far better than we ever had before. We overcame the sales obstacles of the RFQ process by investing time in getting to know the people that would be most affected by the results of the bidding process.

Relational Selling is NOT about being *best buddies* with your customer.

It does NOT mean wining and dining the customer every month or spending “quality” time on the golf course. These are perks of the relationship, but are by no means evidence of a healthy relationship. Relational Selling is only one of many sales strategies. It’s something to deploy it in a surgical kind of way. It doesn’t work in every case, but it can be an effective sales strategy when properly positioned.



[Bill Stallings](#) is inspired to lead by example, succeed as a team, and motivate with integrity. His career spans over 20 years in the ocean transportation, intermodal, and logistics industry. He has achieved exceptional results in executive level sales and new business development roles, complimented with a strong aptitude for operations and customer service processes.

In every position held, as a sales manager, vice president of sales or managing partner, he has offered a solid track record of strategic and tactical management, assembling and developing high performing teams, and designing and implementing performance management and training programs.

He offers superb interpersonal and communication skills, useful in negotiating with a diverse clientele and in building meaningful and mutually beneficial relationships with all stakeholders while significantly contributing to the continuous improvement of bottom line results.