

Five Strategies for Selling During a Recession

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published on BNET.com 6/26/2009

During an economic slump, it's tough for even the best sales professionals to close deals. Downturns prompt executives to slash discretionary spending as companies face intense pressure to show quick returns on investment and once-loyal customers eye cheaper competitors. But some companies still manage to close deals — or at least tee up for renewed sales in the inevitable rebound. Drawing on the **successes of IBM** and others, Howard Stevens, chairman and CEO of the HR Chally Group, and John Asher, chairman and CEO of sales training firm Asher, offer these five ways to make your sales organization a winner during a recession.

1. Don't Devalue Your Product

During the 1973 recession, as competitors panicked, IBM made an unusual move: It raised prices. Big Blue took this step after embracing the marketing catchphrase "Nobody ever got fired for buying IBM." "Most people think in tough times you have to give a special offer or cut prices," Stevens says. But that ends up devaluing the product — and the salesperson's reputation. When prices fall dramatically, Stevens says, customers start to believe they were overpaying at the regular price or that the product is so cheap because there's something wrong with it. Instead of slashing prices, consider offering additional services — such as longer guarantees or additional tech support — to make buyers feel like they're getting more value for their money.

2. Stay Calm and Focus on Solutions

One of the worst mistakes a sales professional can make during a recession is to panic, says Stevens. Sales reps who act too aggressive or too hungry to make a sale will scare off potential customers, who are already worried about the fate of their own companies — and their jobs. Instead of hysteria, offer calm, focused solutions. "In a downturn, people are more concerned about safety and security than they are about high potential and big gain," Stevens says. Sales pros should do **background research** to determine the biggest challenges and threats potential customers face, then shape their sales pitches around ways to minimize those threats.

3. Concentrate on Fewer Leads, but Contact Them More

Asher says his firm's research shows it takes an average of 12 "contacts" — including e-mails, voice mails, face-to-face meetings, and phone conversations — to make a sale. "That increases in a recession," he says. During a downturn it can take as many as 16 contacts to close a sale, because factors like tight credit and budget cuts lengthen the decision-making process. In a recession, sales reps should concentrate more of their efforts on a smaller group of potential clients. "The average salesperson will pick 50 prospects and give them just a little attention, usually quitting after three contacts," Asher says. "Elite salespeople will pick their top 10 prospects and give them 15 or 16 contacts."

4. Don't Neglect Your Base

Focusing on new customers is crucial, but don't ignore your existing customers or assume that they're safe. Make sure they know their business is appreciated, and spend as much effort reaching out to them as you do contacting potential new clients. After all, it's your existing clients who will carry you through a recession. "Losing them for the sake of new business will only cost you more in the end," Stevens says.

5. Upgrade Your Sales Force

Recessions often trigger layoffs or the closure of entire firms, which means that scores of sales professionals are looking for new opportunities. That's an opportunity for you to give your sales team more muscle. Asher suggests taking advantage of that pool of experienced labor and reorganizing your sales force to maximize its potential. His rule of thumb: Reassign or let go of the bottom third of your underperforming salespeople and replace them with fresh blood. But don't stop there. Employee training is also essential to boost sales in a recession. Assign senior sales managers, or even executives, to act as personal coaches to the sales force. Meet regularly with your sales reps to review your products and services, discuss strategies and setbacks, and keep people motivated.

- **For more on selling in a recession, check out BNET's [Sales Machine](#) blog.**
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