

Wanted: Sales Consultant

By Tom Junge, Iowa Field Director

***Wanted:** Equipment dealership needs professional individual to build customer base, maintain customer profile, develop relationships with customers, present features and benefits of products, provide solutions to customers, collect trade-in information, present quotes, close sales and assure customer satisfaction after the sale.*

Since I covered the need for a dedicated sales manager in my article in the October *Retailer*, I decided to go out on a limb and suggest a change in the role of a salesperson as well.

The job description for a sales consultant or relationship manager (as one dealer calls it) is similar to that of today's salesperson. Two tasks worth noting are building a customer base (cold calling) and maintaining customer profiles. Dealers report that these tasks are not being fulfilled today. Their salespeople are not calling on enough new customers or customers who own competitive equipment. It remains essential to the dealership that these relationships be established.

Three responsibilities you don't see included in the sales consultant's job description are 1) setting the selling price, 2) determining the value of the trade-in, and 3) estimating the reconditioning cost of the trade-in. In dealerships today, there is no set pattern on how these responsibilities are being handled.

Too often, dealers tell me that some of their salespeople consistently have lower margins than others, while some over-value the trade-in, and others only recover about half the reconditioning expense. Should we expect anything different? These are difficult tasks that require a lot of experience. Sales consultants need to know the customers' needs and serve as solution providers. You can't expect them to know all of the features and benefits of the products, as well as selling points against the competition, and still maintain the skills of a highly trained technician or used equipment buyer.

Imagine what would happen if we took the salespeople out of the equation on these tasks. What if the sales manager determined the selling price or pricing structure and value of the trade-in, and the service department assisted in determining the reconditioning expense for all deals? Even though the salespeople wouldn't perform these tasks, they could still prepare the proposal, present it and close the sale.

In simplistic terms, price becomes less of a selling or negotiating point during the quote presentation. Sure, the salesperson can come back to the sales manager, but it remains up to the sales manager to lower the price based on his superior knowledge of the used equipment market and the dealership's used inventory mix and level. It also takes the "farmer loyalty discount" out of the pricing equation. What do I mean by this? At a 20 group meeting, a consultant asked the salespeople what they would do if they won a million dollars. Almost everyone in the group said they would go back to farming. Why?

Because most of the salespeople in our industry have farmed or continue to farm. From the consultant's viewpoint, this reply makes you wonder where their real loyalty is – the dealer or the farmer.

The only other “judgment call” that affects the pricing of the deal is the estimated reconditioning expense. This is an extremely difficult task and should be left up to the experts of the service department. The service department people have service records to review and they understand what to look at. It is also my belief that it will be much easier for the salespeople to justify the reconditioning expense if the estimate comes from the service department rather than the sales department.

One dealer told me he implemented these changes in his sales department. He said half of the salespeople liked it, while the other half didn't. Some liked it because it took the pressure off of them for valuing the trade-in too high and saved them time in researching the used equipment value. They also liked not having disputes with the service department regarding reconditioning expense. One salesperson, referring to the price of equipment today said, “we're trading in houses every day and it can be quite scary.” The ones that didn't like it were the ones who felt they lost their authority to make a deal.

If you want to see this process in action, check out a large metropolitan car or truck dealership. The sales consultant greets you, provides information on the vehicle you are considering, collects basic information on your vehicle, and presents the information to the sales manager. The sales manager puts a value on it or they have their used car manager value it as if he is buying it from the new car manager, which is basically what they are doing. Once your vehicle is valued, the sales manager gives a quote back to the sales consultant or provides the numbers and the sales consultant prepares the quote to present to the customer and close the deal.

As a consumer, I preferred the old way of dealing with a salesperson because it seemed like I got better deals. These dealers changed for a reason and I have adjusted. As a side note, at one dealership the sales consultant showed off their new customer profile software. He was able to look up my customer information, which included complete details of the car (trade-in) I purchased from them two years ago. This substantially reduced the time required to value the trade-in.

Although an equipment dealership is not a car dealership, we seem to eventually follow their industry and processes. It only seems logical to have one professional approving the selling price, monitoring used equipment values in the industry and controlling inventory levels instead of 6, 10 or even 18 salespeople.

Let the sales consultants do what they do best – sell! Relieve the salespeople of the burden and very difficult tasks of determining the value of used equipment and reconditioning. Instead, let them cultivate new customers, develop new relationships and create new sales opportunities. For additional information, contact Tom at tomj@ineda.com.