Making Sales Transcript

Episode 5 – Startup Survival Podcast

By Peter Harrington

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Speaker 1 (<u>00:06</u>):

Hello, and welcome to episode five. My name's Peter Harrington, and this is your startup survival podcast.

Speaker 1 (<u>00:21</u>):

Having navigated the issues of trust and effective communications, we've arrived at a critical waymark. For many startups, making sales is a Broad Stand moment. It is the point on the journey when the walking stops and the climbing starts. Unfortunately, many startups don't prepare for the climb. Fear of failure, lack of skills or lack of a market oriented approach, prevent progress. But I want to help you. I want to equip you with the necessary knowledge, skills, and mindset, so you can make the climb, make the sales, and as a result, make your startup a success. In this podcast and with the help of my special guest Richard Hughes Jones, I want to share thinking, research backed ideas and proven sales behaviours that work. But before we strike camp, I must thank some of the growing band who continue to provide wonderful podcast support and feedback.

Speaker 1 (<u>01:22</u>):

Please excuse title emission. As far as I'm concerned, you are all stars. So big. Thanks. Go to Tom Cooney, Tom. Seriously. Thank you. Yasmin Aggour, Sadek Farrag Alison Price, Simon Brown, Alice Eddy, Rob Edwards, Caroline McCall, Rhys Piers Palmer, Nicole Dupree, Derek Utley, Kate Beresford and the very generous Mahan Tavakoli. A crisis typically creates financial pressure and it's all too easy for businesses of all sizes to unwittingly transfer that pressure to customers. In other words, people are sold to in a way that makes them feel pressured to buy. Unfortunately, this behaviour won't sustain your startup, but whatever your venture, this episode is all about showing you a way forward. So your startup thrives. There are no quick wins and easy solutions, change takes time and focused work. So let's get going. My name's Peter Harrington, and this is your Making Sales Startup Survival Podcast.

For this episode, I went in search of someone who has both started their own company and explored the challenges as well as psychology of selling effectively. And I'm delighted. I found Richard Hughes Jones, a startup and executive leadership coach. For reasons you'll appreciate Richard is keeping his social distance, in this case by about 200 miles.,

Speaker 1 (03:00):

And my fan producer Duncan isn't here with me in the studio either. But the magic of technology is a wonderful thing. Hi Richard, how are you? I'm great, Peter. Thank you. Great. Okay, Richard, when we chatted off air, you heard me rant a bit about my frustrations with the way many people in sales



behave and the image that gives selling. You probably appreciate more than anyone, why the theme of this episode is such a hot topic for me. But perhaps before we talk about that, do you want to share a bit about your background?

Speaker 2 (<u>03:31</u>):

Yes, of course. So I'm a business and leadership coach. I spend a lot of my time working with startup and high growth businesses. So that's combining my background, as a management consultant at Deloitte, with interesting human psychology, and having to start and grow my own business, hopefully I can bring all that together and offer some valuable insights.

Speaker 2 (<u>04:04</u>):

But let me, let me grab the bull by the horns and put my coaching hat on Peter. Tell me why, why are you so frustrated with the way that people sell?

Speaker 1 (<u>04:16</u>):

Oh, I see. I see what you did there. Well, I just find that so many people who try to sell to me either on the phone or if I'm in a shop, obviously not during lockdown, they make it obvious really. They're thinking about themselves first. They tend to talk at you. And there's the people who try to be your best buddy, you know, when they're talking to you for the first time, you know, they don't really show they are listening and they might ask the first question and look at you. But after that, you know, you can tell that they're not really thinking about you, they're thinking about the sale, they've given away in their eyes or, or what they say or don't. And often as well, particularly on the phone, they're going on a script and all of it, just, I just find grating and, and the fact that why isn't there better training, why don't we make salespeople more professional at what they, what they do? I mean, do you, do you share those views, Richard?

Speaker 2 (<u>05:15</u>):

I do share those views. Yes. Peter. If that's your experience, it's my experience. I think that we, I think we, I think we know a lot more about the art and science of what makes for good selling these days as well. And I think it's moved on from the traditional idea of the pushy salesperson, telling you why you need their product or service to an approach that's far more nuanced and it would be good to talk that through with you.

Speaker 1 (05:57):

Yeah. And I think that, you know, there are, there are plenty of examples of great selling. But I think overall sales still has a bad name. And I think the, there are implications for entrepreneurs and people starting out in business. And I mean, for me it is the fact that people's experience of selling or people trying to sell to them. It, isn't a nice one. you know, buying from these people, isn't, isn't pleasant, but that's what they think sales is. So they behave like that bad salesperson. I think there's that problem. What do you think?

I agree with you on those points? I think fundamentally for a lot of people, the majority of people, entrepreneurs included sales is hard. But sales is such a core component of entrepreneurship, that is

just something that you, if you're not already good at, it's something that you, you have to get good at. You simply cannot build a business without selling your product or service.

Speaker 1 (<u>07:18</u>):

It is where, you know, obviously where all the rejection lies and it is hard because it reminds us of being rejected. Definitely happened to me many times, but we have to get through that, but it is hard, but unfortunately many, many people, certainly a lot of startups I've known, spoken to, they come up against this wall and they don't want to go through it, or they're not quite sure how to develop the skills and the understanding. So perhaps we really should sort of unpack that and take this forward.

Speaker 2 (07:52):

Yeah. So that resonates, and that resonates with a lot of the conversations that I have with clients around busting through the bar, the psychological barriers, if you like. As I said, I think it's, unless you are someone who is naturally comfortable with sales, it can be hard, but even then there's ways of improving

Speaker 1 (<u>08:19</u>):

To go through or rather go up and over this wall that sales presents, Richard and I will be talking about the issues of questioning and listening, as opposed to talking at people to be an effective salesperson. I can't stress the value of questioning and listening enough, but many startups and freelancers struggle to understand how and when to start the questioning and listening process. So what's the answer. Well, being curious about what others think right from the outset is the best state of mind. And when I say outset, I don't mean the point in which you create a service or have built your product or worst of all, or just about to meet your first real customer. To help you make sales, you need to be asking for feedback about your idea, your proposed work, or your prototype at the Genesis of your startup journey. Ideally, you'll be questioning and listening to people who fit within your target market or segment.

Speaker 1 (<u>09:20</u>):

But finding these people at the very start is not always straightforward. Whilst you have to be careful about asking for opinions from friends and family, because they are unlikely to be really completely objective with their responses, these people do provide invaluable question and answer practice. It's a place where you can learn about the practical value of open questioning, listening effectively and developing your curiosity skills. And the good news is you won't have to sell anything at this point. You just want feedback. But, but when people tell you things you don't want to hear, or don't like resist defending your position or your product or service, just be more curious. And later on, you'll hear me share the very best question in sales. If at this point you still remain unconvinced about the value of questioning and listening. Take a moment to think about this exercise.

Speaker 1 (<u>10:27</u>):

Imagine yourself as an amateur Potter, and think about your new idea as a piece of wet clay sitting on your Potter's wheel. But instead of making something you want to create, your hands have to make what others require. So what kind of pot do you end up with? With the benefit of research and feedback from others the chances of making something the market wants, what others require are very high. And if you do this, the resultant selling should be straightforward. People will like what you have to sell because you have already tuned in to the market. But if you only make what you want to make and ignore the others, the chances are you'll make something you love, but whatever you make is going to be much harder to sell because you fail to focus on the market. And in a nutshell, many, many businesses fail early because they don't want to listen. And to be honest, the lack of desire to listen is typically driven by a fear of being rejected. But life in business is so much easier if we create and then seek to sell things people want to buy.

Speaker 1 (<u>11:54</u>):

Okay, so let's get this issue out on the virtual table that, that isn't in front of us. Richard, what are the behaviours that make an, you know, make for an effective salesperson? Or what, what would you say?

Speaker 2 (<u>12:04</u>):

So I think we were talking about an approach that shifts from telling and pushing a product and service onto someone, this is why you need my product or service to one that is more reflective. Being more curiosity led and understanding that person's problem, and then helping articulate how your product or service can help solve that problem for them.

Speaker 1 (<u>12:46</u>):

Yeah, I agree. And there's no doubt about it when someone talks at you and seems to be talking and talking, that is what creates pressure. And I think that's what people talk about. You know, they, they don't like a sales situation because they feel under pressure because someone's talking at them or maybe, you know, they're asking them questions, but the questions are so leading, they feel like they're just being put in a corner where they're going to have no choice, but to go, yes, your product or service is great. And where do I have to sign? But if, you know, if we can turn the idea of selling on its head, as you say, and being curious, and look, we're not there to push we're there to see, you know, where there, is there a problem that what we have can help solve? And therefore at the root of this is asking great questions. Does that make sense for you?

Speaker 2 (<u>13:47</u>):

Absolutely. So I picked up Daniel Pink's book to Sell is Human before this conversation, and he did a quick experiment with the word, the words that people most associated with the word with sales and selling, and he found that word was pushy. Is that a true connotation of a sales person?

Speaker 1 (<u>14:17</u>):

Yeah. And I was talking to someone just the other day. I asked him. Have you got out and talked to people about what you've got, because it sounds great. And he genuinely said, Oh, no, I don't want to do that because I don't want to appear pushy. And it's like, well, if you don't get out, you're not going to sell anything. And the other thing is, is look, there is a world of difference between going out and meeting people and asking them for feedback and what do they think of what you've got and can it help - and being pushy because you are telling them what you've got. And it's just a question of developing those nuanced skills that you mentioned earlier. Of course, with asking questions, comes listening. I imagine you do quite a bit of work on listening in your professional job, Richard?

Speaker 2 (<u>15:04</u>):

I do. And those professional coaching skills actually align very closely with the sales process. If you had to narrow it down to two things, I would say asking good questions and listening to the answers. And when I say listening, I mean really listening sort of really deeply listening to what that person is saying.

Speaker 1 (<u>15:39</u>):

So there are different types of listening. Is that what you're saying?

Speaker 2 (<u>15:42</u>):

There are different types of listening. So various definitions. People talk about the five levels of listening, which is worth a quick Google. People talk about principally active listening. So that is listening to really understand what that person is saying to almost get inside their head, to be able to empathize with what they are thinking at the time know whilst they are talking to you rather than simply listening for the sake of, you know, in one ear, straight out the other.

Speaker 1 (<u>16:19</u>):

Yeah. I think the other thing, I, I'm sure you've got a view on this as well, is that principally, the most important person in our own world is ourselves. And if we've got a chance to talk about ourselves, you know, we, we like that. But it also has to be backed up by the fact that the other person shows interest and looks at it. Maybe they, they take notes if it's a, it's a sales situation. And I think when we feel good, you know, we're much more disposed to like that person. I don't think these are difficult skills. And certainly for me, when I've been in sales situations throughout the last 30 years, it's far easier asking questions and listening rather than trying to remember scripts and things to say, and it's certainly far more relaxing, listening and tuning into what the other person is saying is, is that fair?

Speaker 2 (<u>17:23</u>):

You're absolutely spot on. We love talking about ourselves. And I say, we, I mean, humans, it's just very natural to us. So the strange irony that you often see in the sales is that the sales person feels like they need to be doing all the talking. The irony is that if they actually hand that over to the person that they're trying to sell to by asking some good questions, and then let them do the talking, let that person being engaged in themselves that often creates a more powerful sales process.

Speaker 1 (<u>18:09</u>):

Yes. And I think, you know, the person talking, I, the buyer let's call that person. They feel they're giving information, the person's listening and they're developing rapport. And therefore when you develop rapport, you develop trust. Because there's, empathy there. And of course, this was all talked about in, episode three. I think before we move on from this subject. I think it's fair to share what are good questions because we've talked about good questions. And the best question in my mind in sales is simply Why. Why did you say that? Why asking the person you're talking to, to give a deeper explanation for what they're saying? Obviously it has to be said with the right tone. I don't think a short sharp WHY! is going to go down too well in a meeting, but why, and what is important to you and what are the challenges you're facing right now?

Speaker 1 (<u>19:10</u>):

I think are all good questions, but I think it's also important to mention as well, is that people don't buy products or services. People only ever buy dreams and dreams in our head happen in the future. And therefore, in order to get people into, a kind of buying mode, a place where they're comfortable with making a purchase, they have to be thinking about that future. And I think that when that happens and they can envisage the problem that your product or service might solve, they're far more likely to want to work with you. Does that sort of have any sort of connection with your, with your work with, with leaders or psychology Richard?

Speaker 2 (<u>19:53</u>):

Absolutely. If you can tap into the emotion that someone is feeling, then that puts you in an incredibly powerful place, and obviously it should be done for the right reasons and with the right intentions, but by understanding the emotional nature of the problem that the buyer might be having, that allows you to articulate how you or your product or service can, you know, can help them deal with that emotion.

Speaker 1 (20:38):

For understandable reasons. Many startups are fearful of sales meetings. It's the moment of truth. So let's imagine that meeting person on the phone or more commonly right now, online. Nothing is guaranteed in a sales meeting, uncertainty, abounds, salespeople worry about rejection, but buyers fear making a mistake and startups new to the situation often worry about the unknown. Like what's going to happen in the meeting. And how long have I got? Will I be asked questions I can't answer? Will the person I am meeting like me and what I offer and how much do I charge if I don't know their budget?

I'm going to tackle all these points, but we'll start with the last one first. And I'm grateful to Donncha Hughes and mentor and business advisor in Galway over in Ireland for raising this point. Donncha asks when price is negotiable and you don't really know the buyers budget, how do you maximize your earnings without jeopardizing the sale? It's a very good question. And there is no guaranteed route to success, especially if the buyer is cagey about the amount of information they are prepared to share.

Speaker 1 (21:54):

However, my advice is to always make price, a subject, to discuss at the end of the meeting, once all other issues have been covered, the more you can question and explore the buyer's problem and reasons for wanting to talk with you, the more the buyer talks and the more you build trust and rapport and as trust and rapport builds so the buyer becomes increasingly confident that you are someone with whom they want to work. Interestingly, as this happens. So the buyers own behaviour, changes. Buyers, relax, open up and provide more information. And buyers actually become more flexible about budget because in their mind, your value has increased because they like your professional approach. They like you, and they sense they can trust you. In short, they are ready to make a commitment, which could be a purchase. And if you're wondering how you can spot such buyer behaviour, let me share some clues.

Speaker 1 (23:08):

Sometimes it's obvious. Sometimes it's very subtle, but all human beings, unconsciously leak behaviour. In other words, body, language or tone of voice provide signals as to how people are

thinking. Effective salespeople know about and read these signals. And it enables them to say the right things at the right time with apparent, ease. Positive by a body language involves people leaning forward, smiling, and even laughing. People are more likely to nod in agreement with you. And if they are part of a group may look to others to get wider agreement with what you're saying. And in terms of tone of voice, buying signals include people talking more quickly and often with a higher pitch, because they are excited by the prospect of their problem being solved by you. Coming back to Donna's point, if we ask people about their budget, when they are showing clear signals that they want to progress, commit or buy, you are far more likely to get a clear and honest response and maximize your earnings.

Speaker 1 (24:19):

And when you ask about budget, be confident, clear, and succinct. Don't apologize for asking the question, just ask, sit back and be patient. And you'll be surprised how often you get the information you want. Of course, I must address the other three questions. You'll be pleased to hear their answers are more straightforward. If you're concerned about what's going to happen in a meeting and how long you'll have, clarify details in advance and check with the person you will be meeting. Most sales meetings last between 30 and 60 minutes, but it's important to know who's attending and what people expect of you in any meeting. If you get asked a question, you genuinely can't answer, don't worry. Simply say, you're not sure. And get back to the buyer within a day. You may, for example, be asked when can you complete the work? So, you know, I often say that I need to check with colleagues and then ask when they need the answer to the question.

Speaker 1 (25:19):

Obviously, if you are asked a question that the buyer would expect you to know before the meeting started, be ready with an answer. For example, you may be a consultant and charge by the hour, your hourly rate isn't something that requires further research and consultation with colleagues. And finally, you will meet people who don't like you and or what you offer. I was once chased out of a building. Accept you won't sell to everyone. And everyone gets rejected. Remember the goal of selling is not to be everyone's friend, but it's very important you learn how to sell yourself. And this is an issue I wanted to explore further with Richard.

Speaker 2 (26:06):

So I think this is a really big and important topic. And it's easy when we think about sales to just think about it in terms of selling our product or our service, but actually in entrepreneurship, and this comes up time and time again, in conversations with clients is as a leader, as a, as a founder, as a CEO of a business, you are always selling yourself. You're always selling yourself as well as your product or service.

Speaker 1 (26:45):

Does that mean shouting the loudest?

Speaker 2 (<u>26:47</u>):

No, I don't think it means shouting the loudest, although that doesn't necessarily stop some people. Is it the most effective way of selling yourself? Probably not. So I have lots of conversations with clients around, for example, their relationship with potential investors, you know, they are raising money, but it is a sales process. How do you do that most effectively? And if you look at any early stage business, yes, an investor is very interested in the nature of the business itself and the potential for what that business could be. But it's very unlikely that they're going to enter into this long-term relationship with an individual that they don't have deep trust and respect for. So in that context, how are you building those relationships and selling yourself in order in this example that you can raise investment for your business?

Speaker 1 (27:55):

And I'm sure as well, it's the same when you are working with the colleagues or prospective colleagues in your organization. You know, you have to sell yourself to them too, but coming back to some of these deeper points, I'm particularly keen to sort of eek these out, particularly on the issues of influence and persuasion, which really is a lot of sales. Is there a, a text you would recommend people look at read or digest that would help them to understand some of the, what I would call psychological issues that are going on here? Richard,

Speaker 2 (28:29):

There definitely is. And just before I recommend it, I would just pick up on what something you said there, which is that under the hood of sales, an art and science to it, and the art things that you can learn and ways that you can develop in order to get better at it. The book that is superb on what these tools and techniques are, and the psychology underpinning. It is a book called influence by Robert Cialdini and it is one of my top five books of all time. It's, it's absolutely fantastic. It's was written about 20 years ago. Yeah. He went undercover, as a car salesman and, you know, I think various other industries to actually really get under the skin of how good salespeople operated and then he unpacked the, the kind of psychology of what their techniques were. And he explains it brilliantly in the book.

Speaker 1 (29:37):

Can you give us a flavour of what readers will find in key in his work?

Speaker 2 (29:43):

Sure. So, so he talks about what he calls weapons of influence and he outlined six of those weapons. One of them, for example, is the theory of reciprocity. If people do something good to us, we are highly likely to do something good in return. And that works even with small gifts. If someone gives you a small gift, the science actually shows that you are likely to give them something of higher value back in return.

Speaker 1 (<u>30:23</u>):

Wow. That is fascinating. And that chimes is I suppose, with why we get free apps on our smartphones, in the hope that we then buy the complete work later on,

Speaker 2 (<u>30:35</u>):

It does. Free apps, a free book downloads, for example, it's really interesting. There's some great books out there now, on when we think about, for example, growth hacking, which is obviously linked closely to sales. There are some really good books out there on the topic. Actually, when you

pick what is contained in those books, in my experience, a lot of it is underpinned in what Cialdini articulated 20 odd years ago.

Speaker 1 (<u>31:09</u>):

And certainly it's stood the test of time. It is absolutely true. Now what you've just said. And so you mentioned reciprocation any and the other one subject you'd just like to share with people

Speaker 2 (<u>31:22</u>):

Liking is another one he talks about. That's another one of his weapons of influence

Speaker 1 (<u>31:27</u>):

Liking. So how does that work?

Speaker 2 (<u>31:29</u>):

We are more likely to do business with someone that we like. It's as simple as that. And if we like that person and we through, through this evolutionary processes, gain trust with them and rapport quite quickly, we are more likely to do business with them. So in terms,

Speaker 1 (<u>31:52</u>):

Sorry, Richard, I imagine the opposite also applies?

Speaker 2 (<u>31:57</u>):

Absolutely the window of a window of opportunity to create that relationship is actually small and much smaller than you think. We've evolved to pick up on even people's facial expressions, for example, we actually, we actually reach a decision subconsciously very quickly on whether we like or trust someone.

Speaker 1 (<u>32:23</u>):

Okay. So first impressions really do count in sales.

Speaker 2 (<u>32:26</u>):

They do.

Speaker 1 (32:28):

Well, look, this has been absolutely fascinating, Richard, and I think just like to sum up some of the key points, but certainly asking questions and listening is all about tuning in. And I think also being patient possibly something we haven't stressed enough, but you know, it's not a rush. And if you try and rush people into decisions, to decisions, they feel that is pressure and stress. So going at the pace of the customer being adaptable and, and no doubt as probably you and I, I'm certainly have, you know, we've made mistakes over time in the way we go and sell. You know, we therefore learn all the time and learn about people and learn how different buyers buy. But this last point you've mentioned this, this reciprocation I think is absolutely fascinating and particularly true now giving first and then, and in a crisis being generous rather than looking to take. And I think that helps to

build rapport, relationships and trust, and it's the right signal to be giving out any final points. Richard, before we have to say our goodbyes

Speaker 2 (<u>33:36</u>):

For me, Peter, it's building on what you just said about building trust and rapport. I think being deeply curious, asking great questions, really listening to the answers, really empathizing and understanding that other person's perspective, tip the balance from talking at someone to really listening to what they have to tell you.

Speaker 1 (<u>34:06</u>):

Well, I've listened to you, for the past half an hour, and I am deeply indebted to your wisdom and understanding of this subject. So Richard, thank you ever so much for joining us on the Startup Survival Podcast. It's been great to have you here.

Speaker 2 (<u>34:23</u>):

Thank you pizza and a happy selling. Everyone

Speaker 1 (<u>34:30</u>):

Talking with Richard really got me thinking. And in many ways I should recommend the genius of Robert Cialdini as this episode's book to buy, but that would be stealing Richard's cracking thunder. So I have another gem for you. If you can use the extra time you have now to read or listen to the suggested text, I guarantee you will be better equipped to get where ever you're headed far more quickly than you thought possible when this crisis started. As shared earlier, selling is made so much easier if your product or service is backed by appropriate research. And if you want to know the exact steps to take and questions to ask so that what you ultimately sell is what people want, then buy 'All in Startup' by the wonderful Diana Kander. Set in Las Vegas and written as a novel, this brilliant bestseller shows you how to be market oriented and focused from the very outset and Diana shares all the questions, word for word that you need to ask.

Speaker 1 (<u>35:44</u>):

In the next episode, which will be released on Monday the 22nd of June, I'll be sharing time with a crisis hero and young startup leader who has worked an average of 16 hours a day. Since this pandemic began. You'll be hearing Jon's take on what effective leadership really means. And after that, I'll be moving on to teamwork. And then the issue of money management.

Through all this mayhem, your feedback is not just welcomed. It's needed. Like you, this is the first time I've ever dealt with a pandemic whilst in business. So please keep letting me know your thoughts and questions via the Hitchhiker's guide to entrepreneurship blog or LinkedIn. I love to hear your views, whether it's good or get better. And finally, before we close huge applause and appreciation for my expert guest, whose details are referenced on the blog page. Thank you, Richard Hughes Jones.

My name's Peter Harrington.

And this has been your Startup Survival Podcast.

Go well. Stay safe. And thank you.