

The Death of a Salesman in a Flat World

David Moffett

Ron Konecny

University of Nebraska at Kearney

INTRODUCTION

Willy Loman, in Arthur Miller's *Death of a Salesman*, was at the top of his game for years. But, the game changed and Willy did not. Willy had an opportunity to change from a traditional door to door salesman and embrace a new position overseeing some gold-rich land in Alaska. Willy, being fearful of change, rejected the opportunity. Modern salespeople face the same dilemma, not with a gradual predictable change but with a tsunami-like change in the sales landscape.

Thomas Friedman in his book, *The World is Flat* presents a case for globalization that is personal and competitive. The ever increasing pace of globalization is displayed by Friedman with accounts of outsourcing in India. The rate of information exchange online and the pressures put on business to perform certain tasks from remote venues is explained by Friedman, "This is not a trivial revolution. This is a major one. It allows for a boss to be somewhere and his employees to be someplace else" (Friedman, 2007, p. 92). This paper addresses the impact that globalization has on the modern sales force.

PURPOSE

The traditional salesperson follows the generally accepted seven steps of selling. These seven steps are; identify & qualify prospects, pre-approach, approach, presentation, handling objections, closing, and follow-up (Ades, 1989). The different tasks that the salesperson performs in each one of these steps have traditionally been strictly defined. This paper will illustrate how these tasks are being dramatically changed by the rapid "flattening" of the economic environment.

In each of the seven steps of selling the focus of the conscientious salesperson has been, and always should be, to build a trusting relationship with the customer. The key word here is relationship, because building relationships is at the very core of selling philosophy. The "flat world" does not create a relationship free environment, it merely changes the way those relationships are built and maintained. The tools and the technology that the salesperson uses to build these relationships are changing at a brisk pace. Today's salesperson must embrace these changes and learn to compete in this new global economy.

TEN FACTORS OF GLOBALIZATION

Friedman explained in his book what he interpreted as the major forces that have led to globalization and ultimately the world flattening phenomenon. These ten “flatteners” have come together to enhance the speed and intensity of business globalization (Friedman, 2007, pp. 51-199).

Collapse of the Berlin Wall

The Berlin Wall collapsed on 11-9-89. The ultimate effect of this event was the eventual opening of the world’s closed economies and their ultimately joining the capitalist revolution. Economies that have traditionally been closed to the world markets are now open and eager for business. For the salesperson this means that three billion new buyers and sellers have suddenly been added to the global marketplace.

The World Wide Web and Netscape

The development of the internet and ways to access it was revolutionary in scope. This allows people to author, collaborate, and send material around the world without leaving the comfort of their home or office. Now, the modern salesperson can communicate their products, services, and ideas on a world wide scale any time of the day or night.

Workflow Software

The continual development of software allows business and people to share ideas and work on projects using the same familiar medium. “It enabled more people in more places to design, display, manage, and collaborate on business data

previously handled manually” (Friedman, 2007, p. 79). Salespeople are now free to focus on business communication and not the mechanics of managing computer networks.

Open Sourcing

This permits the source code for software to be made available to the general public. This relaxing of restrictions allows many users to change or create new versions of software that can be customized to their individual needs. This creates a culture of open and disperse decision making which allows the splitting of business processes into disperse groups that collaborate to complete many different projects. This salesperson now has access to more and better decision making software.

Outsourcing

Created mainly by the fiber-optic revolution, outsourcing gives companies the potential to move parts of their decision making processes to remote environments. Some examples of outsourcing are tax preparation, medical record interpretation, and appointment scheduling. This allows businesses to split various service and manufacturing processes into different components so that each is completed in the most cost effective manner. This is one of the most cost effective weapons for the modern salesperson. Many processes too costly or time consuming can be moved to more productive locations.

Offshoring

Although this particular process has been in existence for many years it still

allows business to manufacture products most efficiently. Traditionally, offshoring moves manufacturing jobs to more cost effective locations. "Offshore countries attract companies for a possible relocation of production processes through extremely low worker wages. Particularly, mass production processes seem to be highly appropriate for relocation. However, while the impact of wage reductions can be directly estimated, an appropriate determination of additional cost consequences proves to be a complex task" (Bock, 2008). Friedman argues that another motivation for Offshoring is to gain a dominate foothold in foreign markets without worrying about trade barriers (Friedman, 2007, p. 146). Lower-cost offshore-production enables the salesperson to offer a more competitively priced product to their customers.

Supply Chaining

Businesses can use available technology to cut costs, making the distribution of products more efficient and speed up the shipping process. Today's salesperson can use the savings here to gain a competitive advantage on the competition. "Key for a purchaser is to understand not only whether the distributor provides technology, but also how it's used to integrate within operations to drive cost out of the supply chain. Ultimately, it's what you're both trying to do. (Avery, 2007, p. 34)"

Insourcing

Some companies can split off some particular processes allowing others that are more efficient to perform these tasks. Shrinking the logistics and minimizing the

costs of product replacement and repair will permit the salesperson to offer better service to their clients.

Informing

The modern search engines of the internet are examples, such as Google. Any and all kinds of research can be done more efficiently and effectively using these modern search engines. The salesperson can use these to increase their effectiveness many times over.

Steroids

Steroids are the personal digital equipment that helps to increase the speed and effectiveness of all modern business processes. Some examples of these would be cell phones, iPods, instant messaging and video conferencing. All of these ultimately increase the communication effectiveness of the salesperson.

Although, each of these flatteners is causing major changes in the world business economy, none of them by themselves are creating the globalization of business on the scale that is taking place now.

The Triple Convergence

Friedman observed that it was the coming together of the ten factors of globalization in a particular way that allowed the globalization of business to thoroughly spread. Categorically, it was the convergence of the New Platform, Horizontalization, and the Opening of Closed Economies.

A "New Platform" was created with the advent of Workflow Software. The Internet along with many of the other

globalization factors completely changed the way that many companies conduct business. The ways that customers are found, communicated with, and ultimately serviced is much faster paced and farther reaching than ever before.

Because of the New Platform, the traditional way of business to business interaction has changed dramatically through "Horizontalization". No longer is it necessary to communicate in the traditional vertical channels of organizations. Now, new technology is allowing companies and customers to do business horizontally, For example, almost all of the major airlines are letting customers make their own reservations, assign their own seats, and print their own boarding passes.

The "Opening of Closed Economies" rapidly changed the pace and power of globalization. China, India, Russia, Eastern Europe, Latin America, and Asia have introduced new players into the global marketplace. These countries did not open the door to the global market; the power of globalization opened the door for them. Now, three billion people that were once shut out of the market have complete and total access to it.

Although, these changes are viewed favorably by most business experts, the effect of globalization on the U.S. economy is not without detractors. Thom Harmann says, "So called conservatives and flat-world globalists have bankrupted our nation for their own bag of silver, and in the process are selling off America. (Hartmann, 2006)"

THE STEPS OF SALES IN A FLAT WORLD

Obviously, the globalization of business has, and will continue to affect the process of selling and the way that salespeople go about selling. Although,

there are many models of the selling process, most sales managers will basically agree on the seven step model. We propose a modification of the traditional seven steps of sales to the flat-world four steps.

1. Identify and Qualify Prospects, Pre-Approach
2. The Approach
3. The Presentation
4. Handling Objections, The Closing, Follow-up Activity

The activities that the salesperson performs in each of these steps are radically affected by the changes associated with globalization and the "flattening" of the playing field in the world business economy. Salespeople must react quickly to the changes or find themselves on the outside looking in. A warning to the traditional salesperson comes from Colleen Stanley who writes, "Ever had a sales person or sales manager who's not open to new ideas? That is a dangerous situation in a flat world, because decisions need to change as new information comes in. And information is coming in at a faster pace than ever (Stanley, 2007)." So, each step will be analyzed and traditional sales methods will be compared to the new changes.

Step 1. Identify and Qualify Prospects, Pre-Approach

The first step of the sales process involves finding potential customers that may have a need, or want to purchase a company's product or service.

The traditional sales manager relies on printed products such as the Thomas Register to locate other business customers that might need a particular product. Also,

trade publications and trade journals are readily used on to find new business. Traditionally, trade shows have also been places where new trade can be found. All this involves a considerable amount of time, and a large output of effort for the sales people.

In the new flat world new business customers can be found by using the Internet. The new salesperson can surf the World Wide Web for customers that are a “perfect” match for a product. Even more economical, Outsourcing is also a way for sales managers to find new customers. Specialized companies can do the “leg work”, and find new prospective customers. It does not matter whether outsourced information collection is in Bangor, Maine; Bangalore, India; or Beijing, China.

When qualifying prospects it is very difficult for traditional salespeople to get certain specific information, such as financial data. The conventional approach has been to use suppliers, bankers, professional associations, and current salespeople to find this information. Once again, this is a time consuming and expensive approach.

Qualifying prospects in the flat world is, again a matter of being familiar with the World Wide Web. Information that sales managers need, such as legal, and financial information can be easily found and verified using the Internet effectively. So, a sales manager that has embraced the new global technology can save time and money when it comes to finding and qualifying potential customers.

In the traditional pre-approach step of the sales process the company is trying to learn as much about the prospect or business as possible. Special focus will be

on product or service needs and who is responsible for the buying decisions.

Traditionally, determining needs and identifying who is responsible for making the buying decisions is a difficult process. Most of these answers are usually obtained by personal contact with financial institutions, current sales representatives, suppliers, and trade organizations. This involves using a considerable amount of time and people resources to obtain the information.

In the flat world the answers to these questions has already been obtained in qualifying and identifying prospects while using the Internet. If the sales manager knows their responsibility, then finding out product and contact information is simply an extension of the duties that were traditionally performed in the first step of the sales process. Often, a sales manager will push these extra duties onto the salesperson. However, for only \$1500 per month, these duties may more efficiently be outsourced to a personal assistant in India.

Step 2. The Approach

This is the first personal direct contact with the potential business customer. Traditionally, some more qualifying is done in this step. Also, finding out the prospect’s values is an important part of this step. Some further qualifying may also be necessary.

In the traditional selling world the approach is all about determining what the potential customer places value on. Most often sales people talk about quality, savings, special discounts, service, and delivery when trying to add some extra value to a product or service. These are the traditional ways that sales managers add

product value. The short-coming of these methods is that they usually cost the seller money in either the short or the long run.

When using the flat world philosophy it is not necessary for the sales manager to give money away to add value to the product. The sales manager can focus on special concepts that add value to the product without costing the seller money. Using modern technology the sales manager can offer the customer rapid product information any time that they need it. The customer's risk is reduced because of the security of instant feedback. The sales manager can assure the customer that Total Quality Management (TQM) will be practiced. Logistics are simplified and more easily understood. The supply chain can be customized and streamlined using the available technology to save money for the buyer and the seller. The development of a partnership between buyer and seller is enhanced with the ease and speed of electronic communications. It is much easier to build a partnership based on trust when communication and information flow freely.

Traditionally, further qualifying may be necessary. Usually, financial statements, credit reports, and related topics are discussed with the buyer at this time. They are never easy, are always uncomfortable, and run counter to the partnering and trust concepts.

Today's flat world technology and communication has allowed the sales manager to do all the qualifying that is needed without the irritating use of customer supplied financial statements and credit reports. The modern sales manager can focus their time on building a true trusting partnership with the customer.

Step 3. The Presentation

The sales presentation should focus on "problem solving" and "partnering" and not on simple "product selling". Negotiation and communication skills are critical in this step. Special emphasis is usually placed on unique services and benefits the seller can deliver.

In the traditional sales world the problem solving approach still focuses on those things that cost the seller money. The sales manager is still dealing with quality, savings, discounts, service, and delivery options. The only way to solve the problem, sell the product, and add value for the customer is to give up something up front.

When selling in the flat world the sales manager is focusing on problem solving. All those things that add value and solve the customer's problem are stressed. The sales manager focuses on the importance of rapid information, risk reduction, TQM, logistics, supply chain management, partnering, and personal communication. All these things can be offered to the buyer while reducing the seller's cost.

Normally, in sales somebody wins and somebody loses. In the flat world everyone wins in the sales process. A partnership has been built on a foundation of communication and trust. The seller receives money for solving the buyer's problem. Because of the value that the seller has added, the buyer has received more for their money than just product. Therefore, both buyer and seller "win".

Much discussion has taken place about ethics and integrity in the traditional sales environment. Customarily, ethics has always been a concern in sales transactions. This is because the system was closed to

the flow of information. Before the Web, blogs, databanks, and the like, there was not a way to get good, timely information about a product or seller. Consequently, there was difficulty in establishing a genuine trusting relationship between buyer and seller.

Now, in the flat world ethics is less of a concern because sales people and customers are in system that is open to the flow of information. There is information about sellers and buyers that is readily available to anyone. Buyers and sellers both know more about their counterparts than ever before. Therefore, the environment is more trusting and open to “partnership” building. Again, an international personal assistant or outsourced firm can supply this information.

Step 4. Objections, Closing, and Follow-up

The last traditional steps have been combined since they are “post sales” and are usually run together. Objections should be expected. They are usually caused by miscommunication. Closing is simply obtaining the buying decision. Follow-up may be the most critical stage of the entire sales process. Special attention to detail is important, because building a lasting relationship is the goal.

In the traditional selling world objections, questions, and any follow-up necessary is usually handled by personal visits from sales people. These “ground pounders” have to handle all complaints, miscommunication, and product questions by personally visiting the customer. Sometimes, this is not timely because personal visits have to be scheduled and distance could be a factor. This could be especially true if the seller is on one

continent and the buyer is on another continent.

In the flat world, a team approach can handle objections, questions and the necessary follow-up. The buyer can have immediate access to anyone in the sellers company by cell phone, e-mail, or the Internet. Timely, accurate information can be given to the customer wherever and whenever they need it.

THE BIRTH OF A SALES LEADER

Yes, we are seeing the death of a salesman. But, it is the death of the traditional salesperson. What is emerging is the birth of a new type of salesperson, the sales leader. Of course, being a sales leader in the new global environment requires a greater variety of skills than before. This warning comes from Patrick M. Byrne of Logistics Management, “The new reality is that global operations simply are what any company must do well to remain competitive – that is, effective global operations are now the entry ticket for being successful in a World is Flat arena (Byrne, 2007).” So, the new sales leader has an obligation to their company to constantly re-educate themselves in management, technology, leadership, risk reduction, TQM, and supply chaining.

First, the sales leader must be a manager of people. Building a team of professionals to service customers and their accounts is a complex process. People from sales, research & development, design, engineering, accounting, manufacturing, and shipping will all have to work together as a team to deliver value to the customer. The salesperson was traditionally left out of the loop. Whereas, the sales leader is an integral part of business operation.

Secondly, the sales leader must be technologically savvy. The sales leader must take advantage of the latest and greatest technological advancements in communication, processes, regulations, information, product developments, and world economic changes. This will mean a constant retraining regimen and consistent information gathering.

Third, a successful sales leader must lead with a vision. Leadership starts with vision. So, setting goals and objectives will become an important part of the sales leader's identity. But, when setting goals the sales leader must also remain flexible and ready to adapt to the changing external and internal environment.

Fourth, a sales leader must reduce risk. Risk reduction is important to both the seller and buyer. The way to lower risk is to have a system of free and open information exchange. This will require the sales leader to set up a system of information interchange that will allow a customer to contact the seller anytime with a question or complaint and receive an answer from the seller immediately.

Fifth, the company and the sales leader must be totally committed to Total Quality Management. Again, this concept is dependent on the free and open flow of information. TQM has its roots in team building and constant incremental improvement. The sales leader must coordinate with a team to develop feedback system so that product changes and improvements can be communicated in the proper manner.

Finally, the supply chain must be totally understood by the sales manager. There are so many instances where material movement can be made more efficient. Whenever possible the sales manager must work

through a team to improve the manner in which product gets from the suppliers to the ultimate customer. These improvements will increase efficiency and ultimately profit.

CONCLUSION

Other than the threat to sales people, how can we be anything but optimistic about how the flattening of the world will impact business? Until recently only about 1/3 of our planet has been involved in the buying and selling of products. Now, suddenly the other 2/3 or about 3 billion human beings are able to be a part of the business process. This is not a "win – lose" business transaction anymore. We are standing on the threshold of the most exciting time for business sales managers in the history of our planet. The power of technological change has supercharged our global business environment by geometric proportions. This century holds a great deal of promise for those sales leaders that are willing and able to adapt to the new globalized business environment.

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