

O N S A L E S

SALES TRUTHS

WHAT WE KNOW ABOUT HOW YOU SELL



**TRUTH #3
PEOPLE BUY TO GAIN PLEASURE ... OR OVERCOME PAIN.**

WHY IT'S TRUE:

Because it's the same for every type of product. Is the husband buying jewelry for his wife, or the woman buying herself a diamond bracelet ... are they looking for pleasure or trying to overcome pain? Perhaps the guy is in the doghouse and flowers just won't cut it this time. And maybe the woman has just wrapped up a messy divorce or just got fired from a job.

PLAN OF ACTION: Show that you care.

Sympathize with the pain of the guy who says, "Boy, am I in the doghouse!" You might respond by asking "How big is that doghouse?" When people know that you understand and care about their pleasure or pain, you're on your way to closing a very nice sale.

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POWER PLAN



Straight commission plans are risky, but lucrative.

Shane Decker explains how to make yours work.

GOING WITH a straight commission compensation plan can be like being a power hitter in baseball: either you hit a home run, or you strike out. If the upside is huge, the risk is high as well.

But the greatest power hitters in baseball — the cream of the crop — are generally also among the league leaders in batting average. Why? They minimize their mistakes by playing smart. A good store owner can do the same, using the benefits of straight commission to knock sales out of the park, while maintaining a consistent level of high performance through "smart play."

Straight commission can work, but you must have rules. It only takes one "customer hog" or pre-judger to ruin the sales floor for everybody. Here are the rules you should have in place to make straight commission work:

▶ If you close it, you get the commission. Just because someone else said "hello" doesn't mean you split the commission.

▶ A customer shows up with a salesperson's business card, asking for them by name in regards to a specific piece. They're not there, so someone else sells them that piece. The original salesperson gets the commission. No split.

▶ A customer shows up with a salesperson's business card, asking for them in regards to a specific piece. But they're not really sold yet. The salesperson on the floor winds up selling them a different piece. Now it's a split.

▶ If you are working with a customer and have to T.O., it's a split

(unless it's just a quick assist — then there's no split).

▶ Add-ons are tricky. In some stores, the salesperson who closed the add-on gets the commission for that piece, even if the customer came in asking for a different salesperson. In others, the original salesperson gets the commission for the add-on, because it's impossible to know whether they would have closed the add-on sale or not. As store owner, it's up to you to choose which rule your team will follow, and stick to it.

Either way, what goes around, comes around. Each salesperson must scratch their teammates' backs when they're not on the floor, because the situation will be reversed. That's why working under straight commission takes incredible teamwork and honesty.

The same concept applies with T.O.'s (Team Opportunities) and Team Selling. Studies say that when a customer is properly T.O.'ed, the closing ratio can go up as much as 50%. With a team sale (two people working in tandem to make the sale), that goes up to 60%! And wouldn't you rather have half of something than all of nothing?

Greed takes over when a salesperson lets someone walk because they don't want to

share. Anyone who's not a team player must be terminated, executed, run over with a Mack truck. Otherwise, they become a poison to your operation, no matter how good a "closer" they are.

And watch out for pre-judging. Some commissioned salespeople try to wait only on the people who look like they have money, passing up those that don't. Customers will see through this and you'll find your referral business plummeting. When a salesperson is "up," they're up ... period. No matter *what* the customer looks like.

That said, straight commission does give salespeople the ability (and incentive) to develop a personal trade.

Straight commission also offers the chance for "stretch goals." This means that a sales goal is set each month, and if the person (or team) hits that number, then they receive an additional 3-5% commission, or even double commission! Staff will try much harder to hit such a goal, and if they do, everybody wins.

Just like a World Series caliber baseball team, it takes a great manager and sales team to make straight commission work. Everyone has to be on the same page, every day. But if you can do that, your closing ratio will be 5-10% higher than a salary-only store. And what would one more sale out of ten do for your bottom line? Sounds like a championship store to me!

SHANE DECKER has provided much sought-after sales training for more than 3,000 stores worldwide. He can be reached at (866) 424-2472.

STRAIGHT COMMISSIONS REWARD POWER HITTERS.

