

Chapter 15

OutSmart the Bidding Process

■■■ Are you spending untold hours researching products and submitting bids only to find out – **you didn't get the order?** I'm here to tell you there is a better way, a way that will make more money for you!

The easiest sales to get are those when your prospect or customer gets to know you, like you and trust you, but sometimes modern communication and the fast service that many orders demand, make that difficult.

Dream order or your worst nightmare?

Does this sound familiar? Just when you're least expecting it, you get a phone call from someone that found your promotional products company on the Internet or in the Yellow Pages. You've never met this person, but they tell you they need several promotional items quoted right away and for very large dollar volumes.

An order like this could make this your best year yet! You add up the numbers and you're picturing yourself vacationing at your favorite spot, enjoying the good life. In fact, it will put you way ahead of last year and in the big leagues. **Is this a dream come true or your worst nightmare?** That depends.

Winning bidding strategies

As a professional business coach, one of the things I do is teach people in the promotional products industry **how to sell more without cutting profits** and this is a scenario I hear about often. In fact, I've lived it. I've been a promotional products salesperson and business owner for more than 20 years. Early on, I spent countless hours on price quotations that never materialized. Then I designed a better way. One that works for me, and that I know can work for you too.

Learn how to tell the difference between profitable projects and 'walk aways'

Build a connection before the sale

Meet your prospects or, if that isn't possible, develop a dialogue with them over the telephone that involves more than just submitting a price quote. Get as much information as possible, before you decide if a bid is worth your time.

I've made it a rule never to submit price quotes to people I don't know or haven't at least developed a connection with over the telephone.

Develop niche markets and an expertise

Make sure your prospects and clients **call you for the best advice (and not just the best price) by identifying and targeting niche markets and developing an expertise.** The more specialized you are, the more prospects and customers will seek you out for your unique knowledge and skills, and the less chance you'll have of clients who are only price shopping.

Understand the purpose of the promotion

Get a handle on the **demographics and psychographics of the recipients before you submit a price quotation for a particular promotion.** Demographics refer to the age, race, sex and income level of the recipient. Psychographics refer to psychological factors that motivate the person receiving the promotion to take action. For instance, a person in her 20's will most likely be motivated by a different promotion than a Baby Boomer would. Your goal is to make sure your clients get the results they want - sometimes this may even involve steering them in a different direction.

Be clear about financial arrangements

Find out your prospect's normal terms of payment. Are they going to prepay or give you a deposit? What is the prospect's credit history?

I recently heard about a distributor set to sell a large dollar volume order to a new prospect, only to find out during the credit check that the prospect was in financial trouble and was in the process of filing for bankruptcy. Had he not insisted on a deposit with this large volume order, he would have been stuck.

While you're checking be clear on the payment arrangements with your supplier of choice. If you don't have open terms with the supplier you may need to finance the order yourself and that will directly affect the profit you make on the order.

Explore opportunities

What do you do when a customer wants to buy a particular item and the supplier isn't on your preferred list? Why not substitute a similar item from one of your preferred suppliers?

Your suppliers are your partners in success. They can provide you with case histories and ideas you may not have considered. In addition, they can apprise you of the best imprint methods and shipping considerations. Also, think about customization.

When you customize the products (special packaging, unique imprinting, or faster and more reliable delivery), your prospect is getting more from you than from your competition.

Make your quote stand out

Provide written quality and delivery guarantees. (Make sure the supplier you choose backs you up with this.) Also, provide a detailed company and personal profile that highlights why you're the best choice. Let your prospects know that you only work with the best suppliers in the industry.

Check your profit margins

You may have to cut your margins to reel in the big order, but at what expense?

Understand that this is a profit-driven business and it may not make sense to sell a large volume order unless there's enough profit in it for you. You'll know whether or not it's a worthwhile project by calculating your expenses, the time involved and the payment terms.

Understand your prospect's buying process

Many prospects may call you **just to go through the buying process because that's their company policy**. Find out how many people are submitting quotations. (Yes, it's OK to ask questions!)

Is the decision being made by a committee or by one individual? What is the decision based on: price, quality, delivery, an established relationship or other factors? Then decide if it's to your advantage to take the next step.

► Most importantly, know that in order to make money in this business you have to give your clients a reason for choosing you that isn't based on the lowest price.

And if you don't get the order – take heart! Recognize that not every customer is for you and that tomorrow's another day with new opportunities to explore.

Here's to less bids and more profitable orders!

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► *What Can You Do Now?* ◀

- **Prepare a checklist** that will help you separate the bids you want to respond to, from the ones you would rather send to your competitors.
- **Prepare a company and personal profile** that you can include with your price quotations to make your bids stand out from the competition.