

Upsize

How to build a bigger  small business

March • April 2019 \$3.95 www.upsizemag.com Minnesota

HOW TO BE HEARD

Business group partnerships, speaking opportunities help small business build strong voice at the Capitol



"Start out by going to your party's local committee hearings to find out what people are doing. Go online and start looking at some of these bills. Watch Almanac at the Capitol on Channel 2."

— Todd Mikkelsen,
RM Group LLC

BOOSTING YOUR BUSINESS

Experts share thoughts on raising revenues,
pushing profits

By Andrew Tellijohn

Photographs by Jonathan Hankin

Train your sales team so they are working with prospects to find and solve problems instead of just plowing forward with a list of solutions that the target company might not need. Make sure your finances are not only accurate but detailed enough so that you can figure out what is working and what isn't. Build your company to be different than anyone else on the market – and have fun doing so.

These were among the insights shared by a panel discussing strategies for boosting revenue and increasing profits at the Minneapolis Club in Minneapolis hosted by Upsize magazine and Rick Brimacomb's Club Entrepreneur.

Changing the sales mindset

Scott Plum, founder and president of the Minnesota Sales Institute LLC, started selling real estate in 1987. He did that for 15 years before starting his company, which aims to improve the performance sales people get from their behaviors.

Whether those sales people are coming to him for assistance by choice or they are referred by their boss, Plum says he thinks it's important to get them thinking the right way.



Rick Brimacomb, ClubE

A lot of sales people I talk to were taught at a young age not to talk to strangers. Others were raised to believe it's not polite to talk about money. "How's that going for you as a sales person?" he asked. "These beliefs have a direct impact on the behavior. These behaviors give us the results. I believe every result we have starts with the behavior. What are we doing and what are we not doing. And that starts with the belief system we start with."

Those perceptions are important, but so is altering



“There’s a great world out there to be had where we have so much opportunity. We have to get after it. We have to be ambitious and believe in ourselves and we need to grow. We have to do something different. Let’s go do cool stuff and not try to be just like everybody else.”

—**Ron Leander**, Leander Limited

the way sales people prepare for their meetings. If they meet with a prospect armed with nothing but information about the solutions their companies offer, they risk insulting their counterpart by insinuating there are problems that may or may not exist.

Instead, sales people should work together with prospects to identify problem areas and then see if any of their products or solutions can help meet a need: Be a problem finder, not a problem solver.

“I teach sales people to get on the same side as their prospect and work together on a problem, work together toward a goal,” Plum says. “When you do that you are collaborating, you are committing and you are going to have a customer for life.”

People are most important

Plum and Ron Leander, founder and CEO of Leander Limited, both agree on the importance of finding the right people, training them well and doing what is necessary to keep them around. It’s expensive at times, but it’s also vital to the health of a good organization.

“We get things done through others,” Leander says. “Building that right organization where you’ve got a group of rock stars, people that have an itch they can’t scratch, they’re just never going to give up and they’ve got curiosity. There’s no better way to build ROI than that.”

Leander says building a strong culture is important and that employees should be team players. Whether a highly compensated sales person or not, he says, everyone within the company must be working toward the same end goal.

WORKSHOP: Revenue

If you find people who will do that, they will do anything for you, even when times are tough, he says, adding that if they are only in it for the money they're likely to leave when hard times hit.

"One of the keys to sustain growth is hanging on to our people and developing them," Leander says. "So, as we look for them, we really want to look for cultural fit first."

On the sales side, that retention can be helped along with proper training that will help sales people excel and then by never capping their compensation when they do good work.

"Offering incentives for sales people to go beyond expectations is a good way of investing in them and maintaining retention," Plum says. "Looking at ways to recognize sales people – if you can put an ad in a publication and you can honor a sales person ... that really is a good incentive."

Good financials are fundamental

Struggling companies need to be realistic and have a good understanding of what their finances look like, Leander says. When he starts trying to help boost their revenues and profits, the first thing he does is make sure the books are accurate and detailed enough to illustrate what is working and what isn't. He talked with one business owner who indicated he'd gotten friends to put \$900,000 into his business to keep it alive. But the debt was not visible on the balance sheet.

"Two sets of books," Leander says.

One set showed the company being just \$500,000 in debt, leaving Leander thinking the company should be in better shape. The other set showed the debt "and it's never going to come out," he says. "In about 30 seconds I was out of there."

At another firm, he worked with an owner who was spending \$30,000 a year maintaining each truck in a fleet he owned when he thought the cost was

between \$5,000 and \$7,000 per truck. That owner also would make acquisitions of other companies with similar sales while not looking at the significantly different profitability levels of those acquisition targets.

"You don't care which one you buy with your million dollars," he says he told the owner. "Why would you do that? Stop doing that. Be thinking about what you do and how that fits into your overall game plan. Especially if you are doing (mergers and acquisitions) work."

In that same vein, Plum encouraged business owners to make sure sales people quit offering discounts in order to get prospects to sign deals. It's a shortcut, he says, and a costly one in that it hurts the company's financials in the long run.

When they bring back a prospect that is not a very good fit, we end up spending a lot of time with them," he says. "We end up cutting into our gross margin, which then affects our net profits because we're spending time with prospects that are not qualified because we don't have a clear value proposition."

When he's working with executives, Plum spends time focusing on the company's value proposition and getting sales people to build relationships through better conversations.

"Start by creating more opportunities, then leverage those opportunities," he says. "Every transaction is a chance to build a relationship."

Too often, he says, they end up cutting the price just to win the business. If it comes down to needing an incentive to finalize a deal, trade something, he says.

"What can you trade?" he says. "How about a testimonial? Are you willing to give us a discount? Well, maybe if you do a testimonial for us."

Have fun, push yourself, ask for referrals and grow.

Plum says one big but easily fixable mistake sales people make is an unwillingness to ask for referrals. Even at meetings that don't end in deals being made, if the conversation went well, prospects typically have no problem providing referrals.

"If you have a positive impact on the experience and you're working with someone that enjoyed working with you, guess what they'd want to do? They'd love to introduce you to somebody else," he says. "But we don't ask. We don't ask for an introduction."

Leander agreed that sales people and entrepreneurs, in general, have an unwarranted fear of asking for referrals that they should get over.

"Don't be shy about asking for introductions," he says. "People are happy to do that."

He adds that while there are times when financial, skillset or other shortcomings affect a business, there are others when entrepreneurs are held back as much

CONTACT THE EXPERTS

RON LEANDER is founder and CEO of Leander Limited: 651.636.6402; rleander@leanderlimited.com; www.leanderlimited.com.

SCOTT PLUM is founder and president of the Minnesota Sales Institute LLC: 612.789.5700; scott.plum@mnsales.com; www.mnsales.com

WORKSHOP: Revenue



“I teach sales people to get on the same side as their prospect and work together on a problem, work together toward a goal. When you do that you are collaborating, you are committing and you are going to have a customer for life.”

—**Scott Plum**, Minnesota Sales Institute LLC

by their own self-doubt as much as anything, Leander says.

Leander wants them to grow, make money and build their business beyond even their own expectations. That can lead to awkward conversations, at times, but it has also spawned many turnarounds.

“I like to challenge people by saying ‘what are you really capable of doing?’” he says. “I think you can do more than you ever thought possible. What I do is focus on getting that to happen for the people I work with.”

Leander then closed by imploring business owners to be creative and different and to have fun in their work.

“There’s a great world out there to be had where we have so much opportunity,” he says. “We have

to get after it. We have to be ambitious and believe in ourselves and we need to grow. We have to do something different. Let’s go do cool stuff and not try to be just like everybody else.”

Then, once they’re achieving success, he says, business owners should tell the world.

“Let’s set ourselves apart and differentiate,” he adds. “Then we’ll have a great story to tell and then go tell everybody your story. Don’t be shy about it.”