

7 mistakes entrepreneurs should avoid

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Vanessa Bluen MD of integrative training consultancy The Consultant Powerhouse.

Cape Town - A significant paradigm shift needs to happen in terms of how businesses relate to their clients, according to a leading business consultant.

In an ever expanding and digitally connected economy, the intelligent and switched on clients of today will demand commercially-savvy advice and long-term partnerships to assist them in achieving their business goals, said Vanessa Bluen, managing director of The Consultant Powerhouse.

According to Bluen, smart business leaders know that building relationship capital will boost the bottom line, in a long-term and sustainable way. "Relationship management isn't a new concept, but it's an idea that is still half-baked in most

organisations," said Bluen.

"If businesses are to grow, they need to accept that change is necessary, and they have to change the way they engage with the client," she said. "Forward-thinking entrepreneurs are recruiting client-relationship personnel on the basis of their deep consulting skills rather than their product knowledge."

Bluen's 7 mistakes to avoid

Bluen said there were seven things that people in sales continued to do despite research that proved they could kill their ability to commercialise an idea:

1. Sell, sell, sell

The biggest mistake of all. You don't like to be sold to – you like to buy. Your clients and customers are the same.

Create an environment where they want to buy.

No matter how great you believe your idea to be – sadly few others will have quite as enthusiastic a view. Take the long-term view: become a trusted advisor to business leaders by helping them grow their companies – before you talk to them about your idea.

2. Compete on price

A race to the bottom. If you focus on cutting prices at some stage there is nowhere left to go. Price dropping is not temporary; it sets a new price point in the market.

Most clients who push you on price are actually pushing you on value for money, and that is a very different thing. Focus on value and to do that you need to know the value they are looking for.

3. Persuade by presentation

Johannesburg media guru Richard Mulholland calls it "Death by Powerpoint". I have never had a client say to me "I wish you had just one more slide".

Powerpoint is a safety blanket for the presenter and as Mr Dugdale senior once said: "It is the best way of getting information from the notes of the presenter to the notes of the audience without going through the brains of either".

Engage in a two-way conversation, not a one-way lecture.

4. Focus on the product or service

Regardless of what your idea or product is, you need to be able to bring value to the client or customer by adding ideas and insights, which will help him or her in their business.

To do that you need to understand and care about their world. If the client is a dentist, you need to know about everything from equipment suppliers to employment agencies for dentists.

If your client is a mine, you need to know about everything from grout pumps to union leadership. And you need to know about competitors, business threats and industry best practices. While your client may be a specialist, you need to be a generalist in his/her industry.

5. Rely on social relationships to win work

Business is no longer about golf handicaps and wives' names. If you think that's the way to charm yourself into a client's budget, well, the word that comes to mind is "insincere".

Yes, care about your client as a person, where it's relevant, but you're in the meeting or on the line because you have something of value for the client. Know what that value is before you make the call.

6. Try to seal the deal in the room

If you try to push a sale in the room, you will probably alienate the client. If you already had the right relationship then they have probably bought you even before you came into the room.

If you do not, then they will probably make the decision after the meeting when they reflect on how much they trust you.

7. Focus on problems

Many sales people are fixated on identifying a challenge, which their offering can fix. That drives a negative and narrow conversation and relationship.

Focus instead on what the client wants to achieve and on possibilities. Change the level of thinking and relationship to one which opens up your understanding and the relationship.

* The Consultant Powerhouse is an integrative consultancy at the forefront of creating training and development practices that inspire new ways of thinking and relating to others, as a means of building relevance and trust in a distracted economy.