A NEW KIND OF CHALLENGE FOR SALESMEN

by *Michael B. Rothfeld*

In these days of shortages, one might suppose that salesmen could take life a little easier, letting customers come to them for badly needed goods and materials. In fact, though, salesmen have to work harder than ever. They are, in effect, required to administer complex rationing programs for many vital materials, including steel, aluminum, plastics, and synthetic fibers.

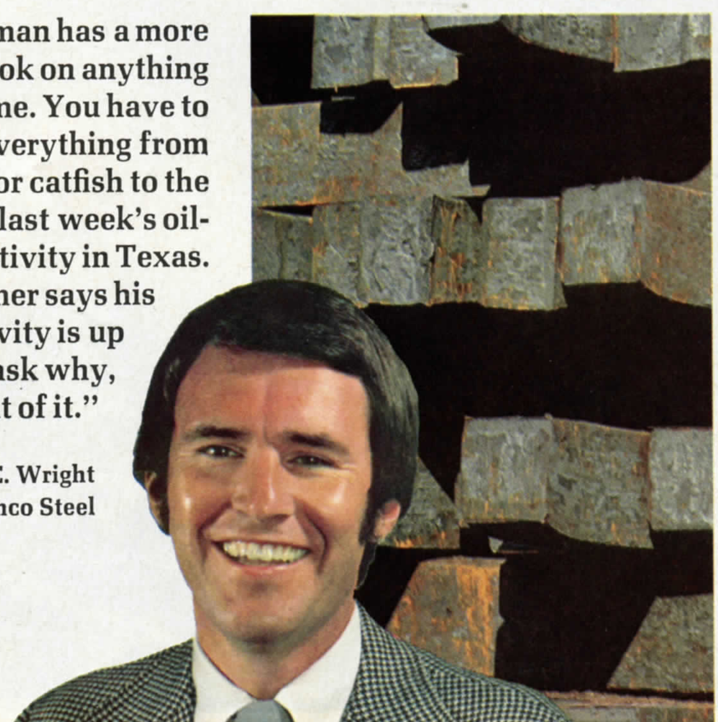
But while salesmen of scarce goods have become allocators of their products, they are aware that their markets could again become highly competitive. So they have to look to the future and deal graciously with purchasing agents—even the one who, upon being informed of a new rationing move, Telexed the salesman: "F - - - YOU. STRONG LETTER TO FOLLOW."

As four of the salesmen profiled in this article demonstrate, there are some advantages to be found even in shortages. They are proving adept at capitalizing on their temporary advantage over purchasing agents to enhance their own companies' competitive positions—for example, by extracting more and better information about the future plans of their customers.

The fifth salesman whose story is told here sells jet aircraft, a product that is still readily available. But he, too, must work harder than ever before, to allay customers' fears about getting enough fuel for the jets.

"A salesman has a more general outlook on anything you can name. You have to know about everything from fishing for catfish to the opera to last week's oil-drilling activity in Texas. If a customer says his drilling activity is up and I have to ask why, I'm out of it."

Charles E. Wright
Armco Steel



RATIONING STEEL IN TEXAS

An easygoing fellow with an affable grin, Charles E. Wright is no stranger to selling. Growing up in Kokomo, Indiana, as the son of a steel salesman, Wright held part-time jobs selling clothing, cameras, and meat. Following Air Force service and graduation from Colorado State University, he joined Armco Steel in 1967.

Now thirty-four, Wright is based in Houston, Texas, where most of Armco's market is energy related: companies that make everything from tankers to drilling rigs to electric-utility poles to nuclear-reactor pressure vessels. Steel has been tight in Texas since late last summer, and for the first time in his career as a salesman, Chuck Wright has been in the position of rationing steel among his customers.

Before the steel shortage hit Wright's territory, his job was in most respects

"On a demonstration flight, the pilot flies the airplane and the salesman always sits in the cabin with the customer. It's an ideal sales situation: a captive audience."

James B. Taylor
Cessna Aircraft

Each individual sales effort is called a "program." The big payoff for Phillips comes when a mill accepts a fiber program in time to produce its own samples for the January or June trade shows at which the mill tries to sell its products to retailers or institutional contractors. Phillips attends these trade shows and does what he can to increase his customers' sales.

The depressing part

The worst effect of today's shortages, Phillips says, is that he isn't able to try to enlarge his market. "It's depressing not to be able to pursue new business. I don't have one new product that I could use to start a new program with any of my customers."

It's also painful to lose a sale to a competitor who happens to have the right fiber in stock when a customer needs it. To keep his customers supplied, Phillips on occasion trades allotments of fibers with his fellow Monsanto salesmen or asks customers who have a temporary surplus of fibers to inform him so he can shift needed supplies to other customers. One point he makes on sales calls these days is that the mills with the best forecasting ability—and the willingness to share such forecasts—are the ones that can best assure themselves of a steady supply of Monsanto fibers.

KEEPING A SALES RECORD AIRBORNE

James B. Taylor's product is not a particular commodity, but a $750,000 jet airplane. And as vice president of Cessna Aircraft in charge of its commercial-jet marketing division, he has a sales staff of thirty working for him. That doesn't mean, however, that Jim Taylor is not very much involved in selling—particularly these days. Selling a business-jet aircraft has always been difficult. During the energy crisis, it's become something of an event.

With jet fuel being allocated by the federal government and its cost rising, potential purchasers of business jets have turned skittish. Cessna has had to abandon plans to increase production of its Citation jet from nine to twelve airplanes per month. "We're selling a lot harder," Taylor says. "There are people we think we'd have sold by now were it not for the uncertainty about fuel."

At fifty-two, Taylor is something of a supersalesman with quite a track record to maintain. During 1972, the first full year the Citation was on the market, it was the industry's biggest seller; Cessna sold fifty-one jets that year. Last year, Taylor sold eighty-one, for a new industry record. To do it, he developed a sophisticated marketing program that would make a business-school professor salivate. Yet its architect never set foot in college. A New York City native who grew up on Long Island and attended New England prep schools, he went to work as a line mechanic for Grumman shortly before World War II and then became a Navy flyer. After the war he went into airplane sales. He was in charge of selling Pan Am's Falcon business jets before joining Cessna in 1969.

Away from the amateurs

His marketing plan for the Citation was based on finding what customers needed and *then* getting the engineers to design it. Taylor also broke with company and industry tradition by establishing his own direct sales force, recruited from companies like Xerox and I.B.M., rather than selling through distributors—who more often than not are good pilots but amateurs when it comes to selling.

Backing up Taylor's selling force is a skillful marketing research and support group. Cessna can furnish discounted cash-flow analyses to help a customer evaluate exactly what a Citation purchase will do to his financial situation, or a detailed examination of the company's travel patterns. In some cases, if the Citation did not prove to be suited to a potential customer's needs, Jim Taylor and his salesmen have recommended purchase of a piston-engine airplane or even a competing jet.

Taylor has revised his marketing program to stress fuel economy. The Citation was designed for the average business trip of 300 to 500 miles with the normal complement of three to six passengers. Although it lacks the range and passenger capacity of Grumman's

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Gulfstream II or Lockheed's JetStar, and is not as fast as the Learjet, Jim Taylor is telling prospects that on a 500-mile trip, the Citation uses 12 to 71 percent less fuel at normal cruise speeds than any competing jet.

He also points out that the speed differential between the Citation and other jets on such trips is a matter of perhaps ten minutes; when there are air-traffic delays, the differential disappears. Moreover, he argues, the Citation has a slower landing speed than other jets, so it can use small fields away from congested air lanes, again saving fuel.

So these days, Jim Taylor's sales pitch is: "Keep your G-II or JetStar, but buy a Citation and save fuel. Use the G-II on a coast-to-coast trip. But for your average trip, say, New York to Washington or Chicago to St. Louis, with two or three passengers on board, use a Citation."

Fuel for new jets

Cessna salesmen inform potential buyers that although prices have risen, the supply of fuel has not been severely reduced by the energy crisis—because of airline flight cutbacks and more careful flight planning by business users. They provide both present and potential customers with a company-produced "Fuel-Facts" booklet that outlines the government fuel-allocation program, the Federal Energy Office's organization, and suggests fuel-saving operating procedures. Because government allocations are based on purchases made before 1973, Taylor offers helpful advice on whom to see in Washington to get fuel for a new jet.

Meanwhile, his salesmen have doubled the number of calls they make on potential customers, especially in energy-related industries. Oil-exploration companies and utilities look like prime prospects. And overseas, where Cessna has concentrated on the European market, salesmen are touching down more and more in such oil-producing countries as Iran, Venezuela, Indonesia, and Saudi Arabia. With opportunities like that, Jim Taylor has no fear that his sales record is going to be grounded. END