



PUTTING THE

PERFORMANCE

IN SALES PERFORMANCE

Four pros share their secrets for winning over even the toughest critics

BY STEPHANIE CLIFFORD

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OME ENTREPRENEURS are all about sales. What's not to love? You're out there showing the world this thing you've thrown your life into. Plus, you get the indulgence of room service, the frequent-flyer miles, and the dependability of chain restaurants. Of course, some entrepreneurs abhor sales. What's not to hate? People challenge your product, and there are the scratchy sheets at cheap hotels.

the delayed flights, and the creepy déjà vu that comes from eating in, seemingly, the exact same Fuddruckers in Phoenix and Billings and Atlanta. But whether you love or hate selling, the biggest nightmare is a bad sales presentation: You realize things are going poorly, and the clients just want you gone. You see their eyes gazing at the ceiling, they're yawning, and your frantic race through your PowerPoint has no effect. You're bombing. Well, cue the laughter and applause. We've found four entrepreneurs who know all about sales performance. Marketing man and brand expert Dann Ilicic has the effect of a magician, surprising clients with props and food. Selina Lo racks up sales by getting to know her targets and tailoring each presentation specifically for them. Peter Click barely mentions his product in his presentations, focusing instead on how he'll increase his clients' profits. And then there's Tom Szaky, who believes the key to a good sales performance lies in rehearsing a pitch over and over and over again. As for surviving Fuddruckers, we advise loading up on the free pickles.

FASTEN YOUR SEAT BELTS

How do you stand out in a field of larger competitors? It's showtime!

YOU PROBABLY haven't heard of Wow Branding. Most of Dann Ilicic's would-be clients haven't, either. His tiny seven-year-old branding and marketing company has seven people and less than \$1 million in revenue, and it has to compete with giant ad agencies and consultancies for clients. But, judging from the reactions of his clients, his presentations seem to be connecting: "We were so blown away by the whole thing," says one. "I don't think it could be better," says another. "Dann

unquestionably knocked it out of the park compared with the other firms, and they were really high-end firms with spectacular portfolios," says a third.

To earn such kudos, Ilicic follows a simple approach: Razzle-dazzle 'em. In fact, he is thinking of adding seat belts to his board-

room chairs and requiring clients to strap in before they watch his presentations. "We can't bore anybody into signing a check, so we like to make it engaging," he says.

Ilicic starts by making something as elementary as an RFP response interesting. He gives the clients what they ask for, but he also has them fill out a Wow questionnaire that asks who Wow's up against for the job and what the potential client's biggest frustration is. That helps Wow, which is based in Vancouver, hit the right notes. "If my proposal addresses your frustration directly, it's like, 'These people understand me,'" Ilicic says. Then Ilicic dresses up the RFP response itself. For an agricultural company, Ilicic stamped green thumbprints throughout the proposal; for a vitamin company, he bought vitamin containers and replaced the labels with a message about Wow. "The last thing we want to do is be gimmicky," says Perry Chua, creative director at Wow, "but we do want to be memorable."

Ilicic and his team spend about 50 hours preparing a sales pitch. While they don't present brand concepts—it's too early, they don't know enough, and they don't want the clients objecting to small stuff—they do like to impress clients with the depth of their research. They'll call low-level employees, past customers, and especially companies that have chosen not to do business with the client, Ilicic says,

staffers at various offices and even clients. "He just blew us away," says Straus. "It was a brilliant move on his part because he wasn't asking us what our imagery should be"—he was learning what the image in the market already was.

At presentations, Ilicic tries to talk about Wow as little as possible.

Instead, he records clients talking about Wow and what it did for them and then plays those recordings. And of course he tries to make things fun. The Wow team might bring Red Bull or popcorn to a presentation, or it might reveal the suggested name for a new company on a cake.

Most important, Ilicic tries to surprise prospects. And he remembers that companies tend to be sensitive about their images. "Imagine if someone was going to tell you who and what you were," he says. To get the clients out of that defensive mode, he once walked into a meeting with Advance Group Conference Management and said his firm had managed to obtain a branding project for the company's biggest competitor. I'll show you what we've learned, he said, and this will all be public in a couple of weeks, but first you have to sign an NDA. He then launched a multimedia presentation that showed the competitor's branding overhaul. Rose Ironside, the managing director and co-owner of Advance, remembers thinking, "Dammit, why didn't we think of that?"

After the presentation, Ilicic did the big reveal: Wow hadn't really obtained a makeover for the competitor; it had created it for Advance. He had moved Ironside and her group away from defensiveness and into jealousy. "What a smart technique," Ironside says. "It gave us a whole new perspective."

HOW TO RESPOND WHEN YOU HEAR

"We can't afford your price."

DANN ILCIC

We present three price options in our proposals. If they still say we're too expensive, that means we haven't demonstrated the value of what we're doing. Nothing's expensive if it provides you a return greater than the cost.

PETER GLICK

If I hear it in isolation from one customer and have not heard it from others, I'll bring that to their attention. But I'm always mindful of anything market-specific. What works in Atlanta might not work in Portland, Maine.

SELINA ED

I definitely don't give a discount on the spot. I listen and find out why we're perceived as too expensive. But as the CEO, you never go down to the level of pricing discussion. You want the customer to believe your account team has authority.

TOM SZAKY

We usually don't get an objection with pricing because we try to figure out what the objections will be way beforehand and address those at the front of the meeting. If they still push back, I always want to know why so I can learn. Maybe we didn't look at the market well enough.

PETER CLICK CLICK WINE GROUP

DO THE MATH

Ultimately, the bottom line is the bottom line

PETER CLICK did not look as if he was about to sell wine, standing with a grim expression in a Manhattan conference room and asking a techie to adjust a PowerPoint screen. In fact, Click had not even brought wine to the sales meeting. He had decided to go against industry norms, and rather than discussing his brands or his labels or the taste of his wine, he was going to talk numbers. Plain numbers. Numbers that might seem sleep-inducing. But the point was that he, a supplier, was seeing things as his distributors did. That made it a very exciting presentation for a distributor like Charles Merinoff, who had seen a preview and was so taken with it that he'd brought Click back to pitch Merinoff's lieutenants.

Click is the CEO of Seattle-based Click Wine Group, which mostly sells \$9 to \$15 wines under labels including Fat Bastard and Clean Slate to distributors like Merinoff's Charmer Sunbelt Group. Click Wine made the Inc. 500 list in 2003 and 2004 but sales have hovered around \$30 million since then, so Click recently took control of his sales staff, hired a few new people, and changed his approach. He's trying to see things from the distributor's perspective. "We're a little independent guy," says Click. "We've got to be different. If we don't do something different from, 'We've got this wonderful line, and look at my label, and the soil is like this'; if we can't actually demonstrate business reasons why retailers are going to want to carry our product, then we're just like everybody else."

At this December meeting in Manhattan with Charmer Sunbelt, one of the largest distributors in the nation, with about \$3 billion in sales, Click greeted the execs and called up his presentation. His 48-slide PowerPoint began by describing the distributor's business challenges, setting himself up as someone who really understands their needs. At this meeting, he discussed issues such as rising fuel prices, retailers that squeeze their margins, and health insurance costs. He then reviewed the ways Charmer measures performance, with gross profit, case sales volume, revenue per delivery, and so on. The slides were simple, and Click casually chatted through each with just a glance or two at the screen. Next, he turned to his own company, but rather than going into its history or mission, he stuck to numbers. He discussed his single-SKU strategy (with just one SKU for most brands, it's easier for distributors to manage), broke out the millions he's put into marketing, and showed research from ACNielsen and *Adams Wine Handbook* supporting his price points.

He then detailed why Click is a good partner, explaining his approach to financing and commissions. For example, suppliers like Click are expected to give what's called "marketing spend" to distributors for promotions and discounts. These are usually billed so that distributors don't

get the spend until after the wine has sold at retail. But Click now gives those discounts up front, which means distributors won't have to waste time on collections. "The energy that we spend in collecting that money," said Merinoff when he saw this slide. "I mean, it sucks the life out of the organization."

Click used his commission structure as a selling point, too. He explained that he pays his salespeople based on depletion—that's how much actually sells at retail—rather than on what they sell to distributors. That means that for salespeople and distributors alike, the goal is the same: retail sales. Their interests are aligned. "Well,

"We've got to be different. If we can't demonstrate business reasons why retailers are going to want to carry our product, then we're just like everybody else."

that is a change, a nice change," Merinoff responded.

Interestingly, Click also called attention to his biggest mistake from the previous year, which seemed to engage the Charmer people more than almost anything because, again, he was discussing a situation from their point of view. Click had launched a brand that was a bit of a risk. It had a shrink-wrapped label so you couldn't see the liquid inside, had multiple SKUs under the single brand, and was priced relatively high, at \$14.99. He thought it was radical; it didn't sell—a fact the Charmer guys, who had been among the first to raise questions, knew all too well. Now, as Click admitted that his product was a lemon, they all became attentive, leaning in and watching carefully. He outlined how he had re-



HOW TO RESPOND WHEN YOU HEAR
“You have to
change a
few things.”

DANN ILCIC

We usually accommodate these requests: proposals are rarely perfect. Sometimes, if the clients are uncomfortable, we'll ask them to take smaller steps than what we've proposed. For example, we'll do a brand workshop with them for free, and if they don't get value out of it, they don't pay, and we both walk away.

PETER CLICK

If it's feedback on the label, we listen. If their retailers aren't selling something, they'll have a reason why, and if we hear it often enough, we'll change it.

SELINA LI

I dive down to see why they need what they ask for. I would know whether it's something that's in our plan or not, whether it's doable or not. You offer alternatives; if they feel there's no alternative, then it's just a business decision: Is this business worth your doing something out of the ordinary for this customer?

TOM SZAKY

We tell them the rules of our product development: It has to be made and packaged out of waste, it has to work better than competitors' products, and it has to be priced well. If they have an idea that works within those constraints, we'll do it, hands down. We'll make almost any change for a large retailer. For small retailers, we unfortunately can't afford it, but I never just say no. I say, For us to change a label will cost this, and if you order a truckload, we can consider it, but if you can't, we can't. The important thing is to give a reason, and then they understand.

acted—he had lowered the price point and was rethinking the label. When he said he would either revamp it or kill it altogether, they shot approving looks at one another. We're a small, nimble company, Click told them, and we're not tied to brands or vineyards, so we can clean up our own messes rather than making it the distributor's problem.

Finally, Click got into the nitty-gritty of the distributor's numbers. Before the presentation, he'd asked them for financial information like average price per case (when clients refuse, he substitutes regional or national averages). He showed a side-by-side comparison of Click's numbers with the average Charmer numbers in areas such as revenue per case, gross profit, and revenue

per truck. He then showed how much money the up-front marketing spend adds, since that reduces the distributor's cost of capital. At slide 42, Click summed it up, projecting how much in marketing spend and gross profit Click would add to Charmer's P&L—and how much Charmer would have to earn to increase its bottom line by that amount without Click Wine.

Heads were nodding. Once Click concluded, Charmer chairman Ray Herrmann weighed in: "I'm impressed you're talking about us rather than about yourself; we all make the mistake of blowing our own horns in these presentations. Everyone here and on the telephone is most impressed with what you've done here. My compliments."

FIND THE FOX

Someone on your target's team wants to help you

SELINA LO rarely has an easy sale. She sells an imperfect product—a newfangled wireless router that handles video, voice, and data—to U.S. and global markets that aren't always geared to multimedia Wi-Fi. As she puts it in her sales presentations, "We make the worst case suck less." But the CEO of Ruckus Wireless, based in Sunnyvale, California, seems to be up to the job. When she was vice president of marketing at Alteon WebSystems, she was a major force behind its \$8 billion acquisition by Nortel in 2000. At Ruckus, which had revenue last year of \$7 million selling the router and other wireless products, she has enlisted telecom customers from Belgium, the Czech Republic, and Hong Kong and has gotten \$30 million from investors, including Motorola and Sequoia Capital.

Lo's plan starts well before the meeting, when she unleashes her sales team to find what she calls "the fox." The fox is Ruckus' ally in the customer company, and it's usually a technology person who's unhappy with the current provider or is excited about working with Ruckus. The fox tends to be instrumental in setting up the first meeting. For her initial presentation, Lo selects the Ruckus attendees carefully, based on the names and titles of the client's attendees. If she's seeing a CEO, just she and her sales guy are usually enough. If it's a more technical group, she'll haul along a systems engineer or the CTO.

Lo then checks out everyone she's meeting with, reading their bios and Googling them to see where they've worked. "You don't want somebody to think you checked out their entire past," she says, but "you try to strike up more links between you and that person." While she takes the personal side, her sales team takes the strategic side, reading through the company's press releases to find which other companies they work with and looking for transcripts or videos of top executives talking at conferences where they might say what their "pain points" are. That lets Lo aim her PowerPoint right at the customer.

"Some people just want to sell you something," says Scott Ulsaker, video business manager for Pioneer Telephone in Kingfisher, Oklahoma. Ruckus "wants to know what works best for you. Their desire to work and integrate with us has probably been second to no other company we've worked with."

Such efforts, Lo believes, can be harder for a woman. "When you're a woman walking into a room of guys, which is probably 98 percent of my engagements, it can be a negative," she says. "But you can turn it into a positive." She often finds that the customer's tech guys will push her on some issue they don't think she knows, but if she responds well, she wins their respect. "When she gets up there, she really knows it," says Bob Payne, one of her VPs of sales.

At the meeting, the Ruckus team attacks the room like a well-trained squadron. First, Payne introduces Lo to the highest ranking client. Just to make sure, he jots down everyone's names and uses them in conversation so his teammates get them right, too. Lo sits across from the highest-ranking person on the customer's team; "you want to be able to look that person in the eye," she says. And Payne sits a little behind his customers, on their side. That makes it easy for them to whisper questions to him during the presentation. More important, it lets him watch when they take notes. If he sees them add a question mark to something, he'll jump in to clarify the point.

Lo tries to augment the presentation with some schmoozing. "You have to establish your competence and your credibility, and then it's time to know them personally," she says. Especially if the fox isn't high-ranking, she'll arrange a dinner with him. "Having a dinner with that guy is usually very useful," says Lo, "because he feels like, Wow, you are the CEO, and you would spend dinner with me?" She tries to win his loyalty and also get the scoop on his company. Whomever she's having dinner with, she always watches her alcohol intake—to make sure it's high. "Being able to outdrink your customers is a big plus," Lo says.

Lo's competitive side comes off as charming to most. But when she offends a client here and there, her sales guys step in to soothe feelings. Anyway, that competitive streak lands more clients than it loses.

HOW TO RESPOND WHEN YOU HEAR

"You guys are too small."

DAWN ILICIC

Those guys are too big. You're a small piece of business to them; to us, you'd be huge.

PETER CLICK

We have to earn our stripes, is what I say.

DEBORA LO

That's the No. 1 thing the CEO should address. When people don't think you're going to stick around because you're too small, your background matters. You have to let them know this is not the first time you've run a company. You explain who the investors are and that you have strong financial backing. You go over your team and their credentials.

TOM SZARY

We assure them we've fulfilled orders for the largest retailers in the world, and we've never, ever missed an order. So I tell them, Do a test and try it out. See what you think.

TOM SZAKY TERRACYLE

PRACTICE, PRACTICE

Never stop refining your pitch

IN MID-NOVEMBER, it was time once again for Tom Szaky to rehearse his sales presentation. Szaky is the 25-year-old Princeton-dropout CEO of TerraCycle, a garden-products company based in Trenton, New Jersey (see “The Coolest Little Start-up in America,” July 2006). Through constantly refining his pitch, he’s managed to get his products into Wal-Mart, Target, and Home Depot. Sales in 2006 were \$1.5 million, and he’s projecting \$6 million this year. In fact, his sales presentation is so good that Wal-Mart Canada recently brought him to its supplier fair to instruct would-be vendors on how to approach the retailer.

Szaky’s an energetic charmer who’s constantly selling TerraCycle. To everyone he meets, he gives an easy smile and the one-liner that what TerraCycle does is make stuff from worm poop. Then, usually, he’ll ask for feedback—what did you think of that? What fertilizer do you use? Do you use organic stuff at all? Whether the responses come from buyers, from VCs, or from his seat-mates on flights, he incorporates the comments into TerraCycle’s presentation. “Every time we get some feedback,” he says, “it’s like, what can we do better?”

Szaky has had his main product, all-purpose plant food, in Wal-Mart for a year, and it has performed well enough that Wal-Mart reordered it for 2007. He has also recently convinced Wal-Mart buyers to sell his fertilizer and seed starter (Wal-Mart assigns buyers to narrow product categories, rather than to, say, garden as a whole). He believes his new product, potting mix, is maybe his coolest product yet, and he can rattle off why it beats its competitors in quick sentences, barely pausing for breath. He was recently in Bentonville, Arkansas, the Wal-Mart hometown, trying to persuade another Wal-Mart buyer.

Szaky, dressed in a John Deere cap, corduroy jacket, and frayed oxford for the big meeting—“I don’t know, the way I look at it is, I’m all about the product and not about how we dress,” he explained amiably—had already gone through several dry runs of this meeting, considering pacing, thinking about when he’d tell jokes and what role Eric Smith, his VP of sales, would play. Now, after touching down in Bentonville, Szaky wanted feedback from Terra-

Cycle’s distributor, Central Garden & Pet. He and Smith met with John Emmons, the VP of Central Garden’s Wal-Mart team; Emmons’s job is helping suppliers sell to Wal-Mart, so he’d have up-to-date information on what the retailer wants.

This rehearsal started, as do all TerraCycle presentations, with Szaky chatting excitedly about his company, and why he dropped out of college to start it. His theory is that if a buyer sees a TerraCycle

product right away, he’ll decide yes or no on the product without understanding why it’s special. So he starts with an explanation of why TerraCycle is unique—its packaging is reused soda bottles, its products are organic and made from worm poop. “We’re not just organic,” Szaky said, his eyes darting at a slide that outlined TerraCycle’s selling

points. Only late in the trial presentation did he show the potting mix.

“Okay. So at this point I’m going to pull out the binder,” Szaky said, referring to a one-and-a-half-inch-thick binder filled with press clippings, with all mentions of Wal-Mart highlighted in yellow. He was making the case that TerraCycle brings Wal-Mart good press, and he clicked to a slide that showed a newspaper clip headlined “Marietta Wal-Mart helping with charity,” which discussed how TerraCycle and Wal-Mart rewarded schoolchildren for recycled bottles.

Then, to illustrate that TerraCycle attracts new shoppers to Wal-Mart, Szaky showed a video of him talking at a Canadian college. He asked who in the room liked Wal-Mart, and no one raised a hand. He then talked about TerraCycle and showed attendees saying it made them think differently about Wal-Mart, and yes, they’d shop at Wal-Mart now. Emmons gave a big smile and nod. As the presentation continued, Szaky pulled out the mix itself, then a tomato plant grown with it to show how well it works. Szaky’s slides are simple, but his lively chatter made the presentation energetic; he seemed so taken by the potting mix that the listeners became interested in it, too.

HOW TO RESPOND WHEN YOU HEAR

“We can’t do it now. Come back in a year.”

DANWILICIC

I ask, What would it take for you to make a decision right now? If it’s, We don’t have the money, I say, Okay, what if you could pay us in six months? You can tell if they’re just hedging.

PETER CLICK

We’d come back in four months with more data from other markets, showing them opportunity costs—because they’re missing out. We have to be respectful of their comments when they say, I just don’t think we can add this now. But we can also say, Look, we understand, but you guys gotta see this data. Aren’t you intrigued now?

SELINA LO

If they say they can’t afford it until later, you talk to the account team to see. Do they not have any money right now? Maybe you can work a one-time deal for them.

TOM SZAKY

I say great and book the meeting. Then I say, in the interim, we want to grow with you. I ask, What’s the hurdle? Why would you not want to carry it this year? I push for a test or some small launch that takes the risk away.



Szaky's zeal extended to the details of how they'd price the mix. Emmons didn't think Terra-Cycle's suggested price of \$4.97 would work. Wal-Mart disperses its pricing among specific price points, Emmons explained. It generally avoids .95s and .99s, both because other retailers like Target and Kmart use them and because it doesn't think their shoppers are fooled by those prices. The .97s had lately been added to the list, Emmons said. He suggested \$4.88, which Szaky liked—

"Doesn't it feel like every penny is being squeezed?" After punching some numbers into the calculator, Smith agreed they could afford the cut. They'd use the fact that their slide still said .97 as a selling point—Szaky would say they'd been working on the price and had managed to knock it down.

The actual presentation took place in a one-story Wal-Mart building with low ceilings, dim lighting, Fox News on a TV overhead, cheap-looking maroon chairs, and two ATMs. It looked more like an underused regional airport than the nexus of American commerce. As 2 p.m. approached and one group of salesmen headed out, dropping their orange supplier badges in the depository, another group—including Szaky, Smith, and Emmons—clipped on their badges and headed in. Inside a tiny, plain room, they rolled through the presentation as planned, making note of the buyer's concerns and questions. When the three men emerged an hour later, they strode directly to a table in the waiting room. One of Smith's tasks during all pitches is

"Every time we get some feedback, it's like, What can we do better? Every time you present, you hone the presentation."

to watch the buyer and note whenever he looks bored or disengaged and to bring those observations to an immediate postmortem. Szaky picked apart what had gone well and what had gone badly. The buyer had seemed bored by a video clip discussing how Wal-Mart is embracing sustainability. Szaky also castigated himself for not preparing a merchandising mockup to show what a display might look like, something the buyer had requested during the meeting. Smith was nervous that the buyer didn't commit then and there, but Szaky saw it differently: "I think he's sold on the brand; his objections were more, go figure this out for me so I can say yes."

Within three minutes of walking out of the Wal-Mart building, Szaky was on his cell and his BlackBerry working on the merchandising mockup. Two weeks later, Wal-Mart agreed to do a test in 100 stores. **1**

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