

SHADOW PROJECT

WITH BLADE GREENWOOD

FROM

ELITE WARRANTY



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BUS M 454 – PROFESSOR BONE

Introduction

Background of Company

Elite Warranty was started about 10 years ago by Sid Bastian, a BYU graduate who had a degree in Physical Therapy but decided to start his own business. Elite Warranty is a B2B car warranty company that is based in Salt Lake City but is established throughout Utah. The company has 3 salesmen who are each in charge of an area in Utah, and instead of phone calls they usually make personal visits. I met Sid through a mutual friend and he referred me to one of his salesman, Blade Greenwood, who is in charge of the area of Utah Valley through St. George. Blade took me to several auto dealerships - some of which already do business with Elite Warranty, and some that had never been visited before.

Background of Sales Person

Blade Greenwood is from Sandy, Utah and went to the University of Utah. He worked in the construction industry for 20 years after being recruited by a car dealership to be a car salesman. He worked there for about 5 years before being approached by Sid, who was impressed by Blade's selling abilities and wanted to recruit him to work as a salesman for his own company, Elite Warranty. Blade has been working there for 6 months, and even though he is relatively new in the B2B selling industry, he sells remarkably well due to his easy going personality and his several years of experience of working in an auto dealership. He has been on the buyer's side before and so knows how to sell to them.

Products Sold and to Whom

Elite Warranty sells car warranty packages to automobile dealerships throughout Utah. They have coverage deals that come in three main packages – Standard, Premium, and Superior. The dealerships in turn sell the packages to customers that are buying cars. The dealerships make a deal with Elite Warranty that when they sign up they agree to advertise Elite Warranty in their office (including the use of posters and brochures), and heavily recommend buying the coverage when making a sale. Elite Warranty has a few customers that exclusively use their service, and other dealerships that use it along with one or two other warranty companies.

Product Knowledge and Selling Skills

It is extremely important that the people who sell Elite Warranty not only know their own products, but also those of the competition. Many times with car warranties the buyer would point out a feature that the competition offers, and the salesperson would have to be able to know when to continue with the sale and bring out their own features, or to back off and accept that the competitor's coverage may be better for that particular case. Knowledge of

automobiles is also needed in order to recommend the best coverage plans for each type of vehicle according to make, model, age, etc.

To sell warranty coverage, the salesperson must not be so focused on the one time sale that they sacrifice a future relationship. Sometimes it is better to forego one sale and show the buyer that you are honest and trustworthy rather than slime your way into getting the initial sale but sacrificing future trust. Thus, a salesperson needs to be patient and keep the entire picture in their mind. The buyer-seller relationship is crucial, because the more the buyer likes the company and its products the more they are willing to insist to the car buyers that Elite Warranty is the best coverage plan to get. Many of the buyers that we stopped by had a good relationship with Sid, the owner, and they constantly asked how he was and commented on how great of a person he is. It is evident that being personable and honest is critical in developing relationships and being a good salesperson.

Sales Visits

Strengths and Weaknesses of Selling Presentations

Blade did not make any sales calls; instead, we just drove around the Provo/Orem area (mostly on State Street), stopping by several auto dealerships. We visited 4 different dealerships – three of which were existing customers and one of which is a new establishment and one Blade had never been to before.

Strengths: Blade did an excellent job of breaking the ice and establishing trust early on. He was non-intimidating and adaptable, and seemed to have very good relations with the buyers. There was one dealership we visited where the owner had agreed to sell Elite Warranty coverage plans, but when we visited him he still had not sold any. Blade did a good job of sympathizing with him (talking about the bad economy and the difficulty of selling cars), but also gave him encouragement and confidence that he could sell cars even in a tight economy. Blade was confident but not overbearing, and I felt like the buyers could open up and be honest with him about their concerns and objections. He also did a good job with SNE. For example, Blade let the buyer who had not sold anything know that he was planning on coming back in two weeks to check up on him again. He did the same with every other dealership we visited, and I felt that was an effective way to further motivate the buyer.

Weaknesses: Although Blade was excellent at developing trust with his buyers, sometimes I felt like he could be a little more aggressive. For example, the owner of the new dealership we went to had a couple of comments on how the competitor (Alpha) had a better deal with a certain coverage plan. Blade agreed that he was right. After we left the dealership, he

commented that the buyer would figure out on his own (after reading the pamphlet we left him) that Elite Warranty really did have better and more affordable coverage overall, it was just manifested in different coverage plans. I thought instead of letting the buyer figure it out for himself, it would have been more effective and powerful had Blade brought that up during the visit.

Nonverbal Communication

I learned just how much nonverbal communication influences the whole environment of the room. Blade is very laid back and easy going, giving big smiles and warm handshakes. He sits back in his chair, relaxed and comfortable, rather than sitting up-right and rigid. I noticed he also communicated a lot with his hands. This relaxed demeanor made people feel more comfortable around him and made the environment more casual. The downside to this is when he was talking to a particular buyer from Cougar Auto who was more intense and rigidly professional. The buyer was expecting assertiveness and directness, and I believe the laid back and casual nature that Blade portrayed may have been inappropriate in that particular circumstance. On the sales visits I realized how much of a difference nonverbal communication makes in the interactions with buyers, and although there was an exception, I thought Blade used it in an effective way.

Objection Handling

There were several objections that came out throughout the day. Blade said this was a normal occurrence; however, there was one buyer that had caught him off guard. We stopped by Cougar Auto, which was an established buyer, and found that they had hired a new manager. This manager had a very different personality than the former one, and was attacking Elite Warranty and the coverage plans left and right. He was almost yelling when he found out that the company was self-insured and didn't have an excellent coverage plan for a Mercedes. Blade took the attacks very well – he stayed calm and collected, even agreeing that the competition had a better coverage plan for the Mercedes. He actually recommended that the buyer go with the Alpha Warranty for that car, mentioning that the whole focus of Elite Warranty was maintaining the loyalty of Cougar Auto, and to do that he was willing to let that sale slip. I think the buyer gained more respect for him after that, because they left on good terms. All in all, Blade did an excellent job of overcoming objections – remaining calm and composed and sacrificing the immediate sale for long term trust and loyalty.

Closing and asking for the order

Although he did an excellent job on scheduling the next event, I felt Blade could have done a little better on closing the sale and making sure that all concerns were resolved. Although we set up future visits with the buyers, no deals were closed and I felt like the buyers effectively

got away with 'stalling' and avoidance of commitment. It is possible that by committing the buyers to sell one or two coverage plans before the next visit would have given them more drive to do so. However, the fact that Blade let the buyers know that he was coming back (and when), it created a timetable for them to try and be more effective.

Ways Elite Warranty maintains relationships with customers

It is incredible how important relationships are in the car warranty industry. If the buyer doesn't like you or your company, they could easily go with the competitor. Every single dealership we stopped by the buyer asked how Sid (the owner) was doing. Sid is very persistent at stopping by the buyers' dealerships just to make sure everything was okay – he had built up tremendous relations with all the buyers. This follow-up and demonstration of consistence was key in the relationship between the buyers and Elite Warranty. Since Blade was relatively new, he was still working on building relations with the buyers. One way he does this is by buying cans of soda out of his own pocket and keeping them in a cooler in his car. At every stop he makes he offers everyone a soda. Blade mentioned that it was just a little appreciation gift for their business, but added that they have come to expect it on every visit, so sometimes it gets a bit spendy. However To me it was a genius idea that helped Elite Warranty become more 'sticky' in the eyes of the buyer.

Buyer Interview

I interviewed Mr. Erasmos, from Erasmos Auto on State Street. Erasmos Auto has recently started using Elite Warranty exclusively, and I wanted to see exactly why. It was interesting because the owner was very reluctant to talk to me at first, asking to see my BYU ID to prove that I was a student. Mr. Erasmos could not speak English very well, and it was interesting how he completely opened up after I started just speaking to him in Spanish (by the end he actually invited me to a party that weekend to celebrate his son coming home from a mission!) It just confirmed to me how important it is to be able to relate to the buyer and help them feel more comfortable around you.

Why they buy from one company rather than another

Mr. Erasmos told me that they decided to use exclusively Elite Warranty because he has only had good experiences with Sid and Blade. He pointed out that they have always been honest, which can be hard to find in the used car sales industry – some warranty companies will fail to come through with their promises if the customer is in need of car repairs. The most important thing to Mr. Erasmos is having that support from the warranty company when a customer calls in who has had an accident and needs to get his car fixed. He never has to doubt that Elite

Warranty will deliver, and has no hesitation recommending the company's packages to customers and friends.

What are the main benefits they look for when buying?

Mr. Erasmos said he likes warranty companies that have many options. For example, Elite Warranty has 3 different coverage plans, but also is willing to be flexible and adapt to each individual customer. He gave the example that even though there are competitors that have better deals on more basic coverage, Elite Warranty has the best offer on the market for the 5 year, 100,000 mile warranty. Mr. Erasmos stated that he looks for honesty in the salespeople more than anything, but also takes into account the seller's reputation and experiences that other companies have had with the seller.

How does the salesperson influence their decision?

The buyer consistently emphasized the importance of the salesperson. He said that Sid had dropped by the dealership to see them periodically for over a year before they agreed to do business with them. Mr. Erasmos said that by then he had trusted Sid and felt like he knew him well enough to trust that his business would deliver, and emphasized that he had been so impressed by the quality and loyalty of Elite Warranty's service that he started selling their coverage plans exclusively.

Throughout the day, almost all of the buyers we stopped by mentioned how they 'liked' this salesperson or that salesperson. For example, with Cougar Auto the new boss said that a salesman from a competitor had stopped by previously, and the boss openly admitted that he 'liked' that salesman better than Blade. It was interesting to me just how much of an affect the salesperson can have on the buyer.

What makes a good, bad, and ugly salesperson?

Mr. Erasmos said that a good salesperson is one that will not sugar-coat things or put fluff into his sales presentation, and one who is thorough and honest when giving information about the different coverage plans. He also pointed out that he likes it when he knows when salespeople are coming and the fact that Blade always lets him know when he is going to stop by.

He described 'bad' and 'ugly' salespeople as being too pushy and obviously jumping through loopholes and doing whatever it takes to make a sale. He said he could usually tell when a salesperson is being dishonest and has had experiences in the past where those salespeople did not follow up with their agreement, and Erasmos has had to deal with angry customers because of that. He pointed out that there are so many warranty companies that he can afford to skip over those companies whose salespeople are just too pushy.

Summary – Main takeaways from the experience

I feel like I learned an infinite amount in just one afternoon of shadowing Blade. I gained a real life perspective on how B2B sales are and what is really important to be successful as a salesperson. Specifically, I have learned how sales is more than just a job, the importance of the buyer-seller relationship, the importance of a salesperson's confidence and ability to adapt to different personalities, and the work and persistence needed to close a sale.

Doing Sales is more than just a job: When I first met with him, Sid pointed out that many of his loyal buyers have also become his good friends. He mentioned that many send him personal Christmas cards, and some even invite him to barbeques and other outings. He said that his job is his life and that he had made so many friends because of it. During my shadow project I learned of the friendships that could be made through building trust and credibility and how those friendships influence many areas of life, not just the professional side. I learned that salespeople need to take their job seriously, really believe in what they are selling, and have the buyer's sincere interest in mind when doing a sales presentation.

Buyer-Seller Relationship: After hearing all of the dealerships ask about Sid and talk about different sales people that they like/dislike, I realized how important it is for the salespeople to have a good, solid relationship based off trust with their buyers. The relentless, pushy salesman may succeed in obtaining a grudgingly given sale, but he/she has compromised their future credibility and trust with the buyer. For some people, it takes a while to be someone the buyer can trust, and so once that has been reached it is imperative to not only keep it but build upon it.

Importance of Adaptation and Confidence: While visiting the various buyers, I saw first-hand every single kind of personality trait, from the amiable to the driver. I also observed the different reactions to the sales presentations and learned how important it is to be able to adapt to each kind of buyer. One of the buyers that we had visited was very amiable but had not sold anything, and it did not seem like the buyer really cared. Blade courteously but firmly reminded him of the commitment he had made, which seemed to leave the buyer with a larger resolve to put in more effort. On the other hand, when meeting with the obviously-driver personality of the owner of Cougar Auto, Blade had to give upfront, straight answers to be able to satisfy the buyer. It was intriguing to me to be able to see how important the ability to adapt is in a sales situation.

Confidence is also a key to success – a salesman must have confidence in him/herself, the company, and the products they sell. Buyers have a lot of questions, sometimes coming out as attacks, and a salesperson has to be confident and have the ability to stay 'cool' under pressure. I think it is also wise to be able to tell when a sale should be pushed (because of the knowledge

that the product will truly satisfy the needs of the buyer) or when it should be admitted that a competitor's product may be better for a particular need (thus giving up the initial sale but building up long term trust).

Required Work and Persistence: As I was watching the efforts Blade was making to close a sale and convince a buyer to sell from Elite Warranty, it seemed to take a lot of work. A lot of the dealerships already had deals with other warranty companies, and many of them seemed reluctant and unconvinced that they need yet another company. Also, one buyer mentioned the huge amount of salespeople that come into the shop every day, and how the salesperson needs to do something to set themselves apart in order to keep the buyer's attention. Blade explained that sometimes he needs to just be persistent and stop by the dealerships every once in a while before they warm up – mentioning that sometimes it takes months or even years to gain a loyal customer. However, in the end it is worth it because once their loyalty is gained (and if continued to be treated well) they will remain dedicated buyers.

I have learned a lot doing this shadow project. I do not mean to demean the things learned in the classroom, because they were valuable, but this experience has opened my eyes and I was able to catch a glimpse in the day of a salesman that could not have come from classroom-style learning. The shadow project was a valuable experience and it not only taught me skills on how to be a more effective salesperson, but also a better person. I don't think I would have been able to learn the things I have any other way.