

# beating the internet effect

Last month in Fantasy Sales League (FSL), you took command of a mortgage banking firm fighting to survive in an imploding industry. You embraced the strategy of the unstoppable mindset and guided your sales force in outmaneuvering competitors – and won.

This month you are up against another tough challenge. This time you are the president of a 25-person Web design company called The Grassroots Web Project.

The business is facing the most significant threat it has ever faced: Your entire industry is being commoditized.

You've seen it coming. A new generation of Web design companies has sprung up with increasingly cheaper deals. Competitors are even offering Web sites for free in order to sell hosting packages. For a quick check on what's going on, try this: Google the phrase "free Web site," and you will get half a billion page results.

What does this mean? Simply, the Internet has become to you what Wal-Mart is to consumer product-makers. It is an enormous marketplace in which potential clients can find whatever they are looking for, at the lowest possible price. Like Wal-Mart, the Internet is forcing commoditization, causing what Charles Fishman calls "the Wal-Mart effect" in his book by the same name.

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The *Wal-Mart Effect* describes the economic effects attributable to the business practices of the world's largest retail chain, including local effects, such as forcing smaller competitors out of business and driving down wages, and broader effects, such as helping to keep inflation low and productivity high. Only manufacturers who are willing to cheapen their brand (for example, Levi Strauss sells a separate, lesser-quality line, with the Levi nameplate, just for Wal-Mart) can hope to compete in this great race



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to the bottom price.

The Internet Effect has the same impact. Zero loyalty. The lowest cost wins.

So, how are you going to leverage your sales team to get your company out of this mess?

Jim Wier showed the world one way to do it. Wier, CEO of lawn-equipment maker Simplicity, is the man who famously said "no" to Wal-Mart when the big-box retailer wanted to sell his Snapper brand lawn mowers in its stores.

In the outdoor-equipment business, Snapper is known not for huge volume but for quality, reliability and durability. Wier recognized the importance of this reputation, and also knew he had a special sales force in his independent-dealer channel, which accounted for 80 percent of annual sales. He refused to undercut them and turned down potentially hundreds of millions of dollars in Wal-Mart revenue.

Your fantasy company, The Grassroots Web Project, also has a differentiator worth defending. Your unique value proposition has always been your ability to understand clients' business needs and to create Web sites that integrate high-end design with sophisticated functionality specific to those needs.

And you also have people worth defending. Good, coachable, intelligent salespeople who have come a long way under your guidance, both individually and as a team. How

Seen in:



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you prepare and train them to leverage your differentiator will make all the difference in beating the Internet effect.

So here's the play. It's your weekly sales meeting, and you tell your team that they are no longer selling Web sites. From now on, everyone will spend 100 percent of their time building trust.

"How the hell am I supposed to do that?" your top performer, Julia L., asks angrily. "I joined this company to sell Web sites, not build trust."

Building trust is more important than selling Web sites, you tell her, because that's the only way we can establish value. And to the group, you explain: Of course, we could make a lot more money selling high volume, cheap Web sites. We could be like Wal-Mart. But that's not why we're here. We're Grassroots – we're here to create a community for the businesses who need us. That's so much bigger than selling Web sites. It makes us different. And it's our greatest strength.

"I get that we are a community-builder and that there's value in building trust," another top performer, Jacob W., says. "But how can we communicate that to our prospects?"

Smiling, you introduce the idea of selling assessments as a means of enrolling clients. You explain the distinction between closing clients (solving only clients' immediate needs) versus enrolling them in your ability to help them, long-term, fulfill their missions and goals. Your drive is to become a partner, not merely a vendor.

Enrolling clients, you tell the team, starts with understanding what's most important to them. To discover this need, you must be willing to go deeper than what they first say they need and match these needs with the

value you can bring. The assessment is a vehicle to help you develop this deeper level of trust. Use the assessment to explore their goals. Share the results. And then build something – together.

Any questions?

Inspired, your team goes after it. They understand that in building trust, they are creating long-term, sustainable revenue that reflects the very soul of what Grassroots is all about: a community, growing together as one, in good health and prosperity.

So you won. Looking good, fantasy player. That's two in a row.

See you again next month.

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