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The Costell Sell

Aggressive, do-anything-for-the-close salespeople don't rate with Josh Costell, whose theories won him a big job.

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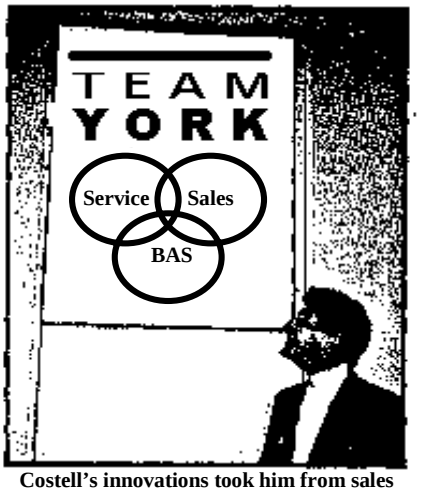
Josh Costell didn't want to talk about himself. Not that he's shy about personal topics, but because denigrating conventional sales tactics that focus more on product than customer excites him far more. He laughs and says that he'd happily credit a magnetic personality for his recent appointment, at only 30 years old, to national sales manager of York Air Conditioning's Engineered Machinery Division at York, PA. But it really happened because he found a new way for the division to sell, replacing tactics with strategy – an innovation he discovered when, at 24, he rejected colleagues' explanations that "you're a high-energy, personality" as flattering but empty.

Previously, as national sales manager of York's Maintenance and Energy Services Group, an arm of the division he now heads, Costell built a sales force from 6 to more than 50 and doubled the close ratio from 3 out of every 10 jobs quoted (the industry average) to 6 out of every 10. It all happened because he dissected rather than accepted his early success, asking customers why they gave him one contract and not another, searching for why one sale took two weeks while a seemingly identical one took five. Costell, a tall, lean man with a twinkle in his eye, remembers that, in the beginning, "Selling was like having a lock to open. I listened and happened to choose the right tumblers. But I didn't want the tension of picking a lock each time. Somewhere there was a combination, like eight-six-twelve, which would open the sale automatically."

Such a metaphor is in character. Costell was always taken with numbers, no doubt the foundation of his exceptionally logical, goal-oriented approach to problems. This orientation led him to expose the illogic of classic sales techniques just as, at 19; he



Costell's innovations took him from sales manager of one circle to all three.

dared question the path of medical or law school expected of him. His father's reaction was "Then you're on your own financially," Costell left a comfortable Long Island home for Florida. By day he dug ditches with men so macho they wouldn't even wear gloves. By night he attended community college with "swollen roast beef hands." Contrasting the finite limits of his body with his brain was what Costell needed to clarify his objective, and in short order he graduated from the University of Florida with a 3.7 grade average in management. A few years later he'd refute that same kind of macho gloves-off mentality of asking salespeople to prove their mettle by trying to sell ice to Eskimos.

Just five weeks into his first sales job, the district sales manager confidentially advised him to leave: Costell was too talented to be shackled by the company's seniority policy. Three days later he was hired by M.C.C. Powers, a heating, ventilation, and air conditioning company, and, as they say, the rest is history. The only non-engineer in his training class, Costell, a dedicated runner, memorized equations by using flash cards during his daily 5-mi jog. Within a year, Costell was No. 5 in the national sales force of 100 and within two years was manager of the service branch of the year.

When York's air conditioning division began looking for its first national sales manager, Costell says the company's then director of field operations, Sherman Turner, told him, "You're too damn young, too damn inexperienced, and you've got the job." Without ever having held a regional position, Costell found himself a national sales manager for a Fortune 500 company that sold industrial and commercial air conditioning systems, along with upgrading and maintenance services, to engineers, contractor, and building owners.

To Costell, traditional techniques encourage salespeople to believe that getting maximum information from customers jeopardizes rather than helps their sales. For example, take a salesperson who knows he can save a customer 20% on his energy bill with a York air conditioning system. If the customer's stated objective is to cut costs, the salesperson is falsely secure in having a hot prospect. But if the salesperson had probed properly, he'd have asked the customer, "How will attainment of your objective be measured?" (always a pivotal question in Costell's strategy). And, upon discovering the customer will only consider his cost cutting goals as met when he saves 30% on his energy bill, the salesperson would waste no more valuable time.

The classic salesperson, Costell believes, fears that, by investigating the customers' objectives, he'll discover they can't buy. So instead he asks such yes-no questions as "Will such and such interest you?" and ends up with what the customer thinks he needs, not the objective he wants to achieve. This way, the salesperson allows the customer to dictate his own, usually unprofessional, ideas of how to meet his objectives. Such how-to ideas are always very specific-compared to the broadness of objectives-so the salesperson boxes himself

in with specifics which are highly unlikely to exactly match his product or service.

Conventional methods are reactive and tactical, like trying to hear tumblers click, Costell complains. He replaces them with a preplanned strategy for gathering information. The combination for unlocking sales, Costell tells his people, is to understand three things about the prospect and his company: (1) objective, (2) situational factors, and (3) recommended action. Never ask for situational factors, such as budget or time frame, before you've thoroughly investigated the customer's objectives, Costell warns. If you find multiple objectives, make the customer rank them so he is acutely aware of his final goal. York salespeople must also unearth all situational factors, such as technical, financial, and operational details. Only then can the salesperson successfully "recommend action." The phrase Costell uses for a close. Fail to either complete each step or take them in the correct order, such as recommending action before covering all situational factors, he says, and the sale will blow up in your face with objections.

Most people believe the measure of a good salesperson is his ability to handle objections. But, to Costell, objections are evidence of failure. "They are nothing more than unattainable objectives or situational factors you didn't focus on before recommending action," he says. Handling objections may show that a salesperson is tenacious and quick thinking, but not that he's disciplined enough to avoid what Costell, a sports fan, calls "slam-dunking" selling opportunities as they randomly surface. That's when presentations become choppy and manipulative.

Costell sits in the house that he had built. (He hates to inherit anything. None of his job titles existed previously either.) Here, the porch, wood paneling, and the wine rack are his own handiwork. He says he likes woodworking because "if the grain goes a certain way, you don't force it another-it's the same way with people." It isn't surprising then to find Costell so enthusiastic about not forcing salespeople into molds. "That's what people resist. My approach lets you be yourself," he says.

Destroying sales myths

Taking the mystique out of success is something of a mission for Costell. He's even writing a book that is based on destroying commonly held, sales myths. He points proudly to a man who, after five years of clerical work at York, became the No. 7 salesperson within a year of being hired.

Words like "primitive" and "idiotic" are not too strong when Costell is describing what usually passes for sales instruction. "I get emotional. Seeing so much incompetence kills me. Either we give salespeople tools and no blueprint or a blueprint and no tools and virtually say, 'You find out what you're supposed to do with them.' Then they get a manger who 'helps' them by pointing out what they are doing wrong. But if you focus on what they're doing right, the wrong atrophies," he says.

Training however, isn't even half the battle in Costell's book. "Most sales programs just get you pumped up, then abandon you with no tools and no reinforcement," he says. So Costell centers all sales force and management activity around preprinted review sheets and questionnaires that provide daily reinforcement and keep everyone "singing from the same sheet of music," as Costell puts it.

Most sales managers, Costell asserts, judge rather than influence performance because they focus too much on dollars sold "which is only the visible symptom of success or failure. But you have to work back to the cause," he says.

The answer, insists Costell, is what he calls a productivity profile which pinpoints four key success factors: Number of calls (evidence of planning ability); quote ratio (the number of calls needed to generate a quote – evidence of ability to identify and qualify market segments and recognize opportunities); close ratio (the number of quotes needed to generate a sale – evidence of ability to match the customer's objectives to his resources by use of the proper product or service), and the average dollar value of a sale – evidence of technical skills.

But these factors must not be viewed in isolation. It's how the four skills interrelate that is most meaningful, Costell emphasizes. He has quantified their interrelation in this equation:

Number of Calls ÷ Quote Ratio x Closure Ratio x Average Size = Total Dollars Sold.

Each month, quarter and year, Costell gets computer printouts based on this equation by salesperson, district, region and country. With it he evaluates the performance of salespeople and managers, as well as the effectiveness of his own strategy. For instance, even before a salesperson starts, he can be plotted against the average productivity profile for his job, based on historic data. Over time, the system allows the strengths and weaknesses of each individual's performance to be closely monitored and, when necessary, influenced. The overview afforded is equally important. The system immediately accentuates any significant trends, and Costell can maneuver his sales management program to alter any of the four factors as necessary to achieve corporate objectives.

A 'people' person

But reducing human behavior to mathematical equations doesn't make Costell any less of a "people person." In fact, 11 colleagues followed him to York because they believed in his methods, while Doug Gordon, a salesman at York before Costell arrived, says he's nearly doubled his sales by applying Costell's strategy. Gordon says, "Josh understands psychology. Before, we were managed by people who knew how equipment worked. Josh knows how people work."

Though he radiates charm and good humor, the overriding impression Costell makes is that of an awesomely logical, efficient problem solver. It's a ruling trait he acknowledges with his yearly habit of renting a sailboat with a group of friends (many of them co-workers) and island-hoping in the Caribbean for two weeks. "It's freeing. We sail for days, not caring where we end up. I'm reminded that life is a journey, not a destination. It's the going not the getting that counts," he says.

The message of sailing seems to have lingered. Two months after his latest vacation, while relentlessly expounding on strategic selling in his bare, impersonal office at York, Costell suddenly stopped and admitted, "I've always believed the shortest distance between a problem and a solution is a straight line. But recently I've realized you sometimes need to tack."

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