

O N S A L E S

MEASURE UP



Are your salespeople making you money? Shane Decker tells you the different metrics that will make the answer clear.

STUDENTS MEASURE themselves by their grades. Athletes track their field-goal percentage, pass completions, and sprint times to see how they've progressed. Throughout our lives, we're taught to evaluate ourselves continuously in an effort to improve. Why, then, don't more jewelers track their selling performance?

Yes, annual revenue tells part of the story ... but only a small part. To truly gauge the performance of your sales team (as well as each individual salesperson), you must regularly assess them in three areas: closing ratio, add-on sales, and successful T.O.'s.

► **Closing ratio:** For years, I've had stores sending me their closing ratios, and each percentage tells a different tale. Knowing yours will help you determine how to improve your team.

Buy a traffic-counter. Measure total entrances over a three-day period (I generally recommend a Tuesday through Thursday measurement). Subtract 10% to account for entrances by staff, delivery people, etc.

Now that you have a traffic count, tally the number of sales slips from those three days, not counting repairs. (A repair is a service, not a sale — unless you sold an item as well). If 100 people

came in, and you wrote up 30 sales slips, your closing ratio is 30%.

Closing ratios of 10% or less are downright dismal, and mean you need work in *many areas*. Getting 10-20% means you are okay at closing, but may need to work on romancing the product and closing throughout your presentation. Hitting 20-30% tells me you're closing throughout, but probably need more work on romancing the product and handling objections.

► **Add-ons:** As I've written before, the add-on sale is the easiest to close, but the most missed. Fact: 95 out of 100 tickets written by jewelers only have one item on them. This is a tragedy, because an add-on sale should only take about three minutes to close. After all, this customer is already in a spending mood!

Not only that, but add-on sales are *free*. You didn't spend *any* advertising dollars to make the add-on sale ... those went to make the first sale. So why not sell until the customer says he's done?

To track add-on sales, simply note how many tickets in the three days measured have more than one item on them. If three out of 30 tickets had an add-on, that's a 10% add-on ratio. You'll want to work on bringing that up in your week-

ly sales meetings. Consider: most add-on items are half the amount of the first item purchased. Therefore, if 50% of your tickets included add-on sales, your total revenues would increase by 30% ... with the same amount of tickets.

► **Successful T.O.'s:** In retailing, everything is about closing, making money, and generating profits. That's why the T.O. is so important — it's all about increasing your closing ratio by bringing in the right personality to close the sale.

To track your T.O.'s, set up "T.O. Teams" of two salespeople each. When a T.O. is called for, each pair works together to close the sale. When the three days are up, see how many of each person's tickets are team-sold. If a person closed 30 out of 100 tickets alone, but then added another 10 team-sold tickets, their closing ratio is now 40%! This is a *strong* team.

You may find that other people don't work as well together, and need to be shuffled. Generally, each given sales profile works best with another type (serpentine with missile, sneak with serpentine, etc. — see my article from March 2003 at instoremag.com for more details). And, when you're tracking each team, you know who needs what type of training.

With fewer people coming into jewelry stores, it's more important than ever that store owners raise their closing ratios and average tickets. But without proper information, you won't have a clue where to start. So buy a traffic counter, put on that sleuth hat, and begin solving the mystery of your selling performance!

SHANE DECKER has provided much sought-after sales training for more than 3,000 stores worldwide. He can be reached at (866) 424-2472.



BRAINSTORMS

NEW IDEAS FOR YOUR STORE

This month's brainstorm is designed for jewelers who have *lots* of money and *hate* winter:

Buy or open a Caribbean jewelry store.

Think about it — you can develop new management talent (and prepare for your own retirement), get out of the country during the toughest stretch of winter, enjoy a little time on the beach, and possibly even serve some of your regular customers on their own winter vacations.

SOURCE: *Instore*

TRUE TALES

STRANGE STORIES FROM THE FRONT LINES

"One time a funny old man came into our store. He didn't know where he was and he just wanted to rest. He sat on a chair in our showroom. Finally, after about an hour, I was tired of talking to him and had work to do. So I asked him where he was going and where he lived. He didn't *know!* After much probing, I finally got a phone number out of him. He said it was his friend's number and, if I asked, his friend would come and pick him up. I called and another very old man answered the phone. When I told him I had his friend in my shop and that he needed to be picked up, the old man on the other end of the line said: 'Oh, you mean you have Wilbur there?' Figuring this was the end of the saga, I said with relief: 'Yes, I think so.' Then the man answered: 'I'm not picking Wilbur up, he's a *nuisance!*' and hung up on me!



HE CAME, HE SAW, HE NEVER LEFT.

LARA BERGSETH
IDAR JEWELLERS; VICTORIA, BC, CANADA