

Not selling, but consulting

Through verticalization, Global Sources builds expert sales teams with industry-specific knowledge. These 'consultant sales' teams are further supported by the company's dual management matrix.

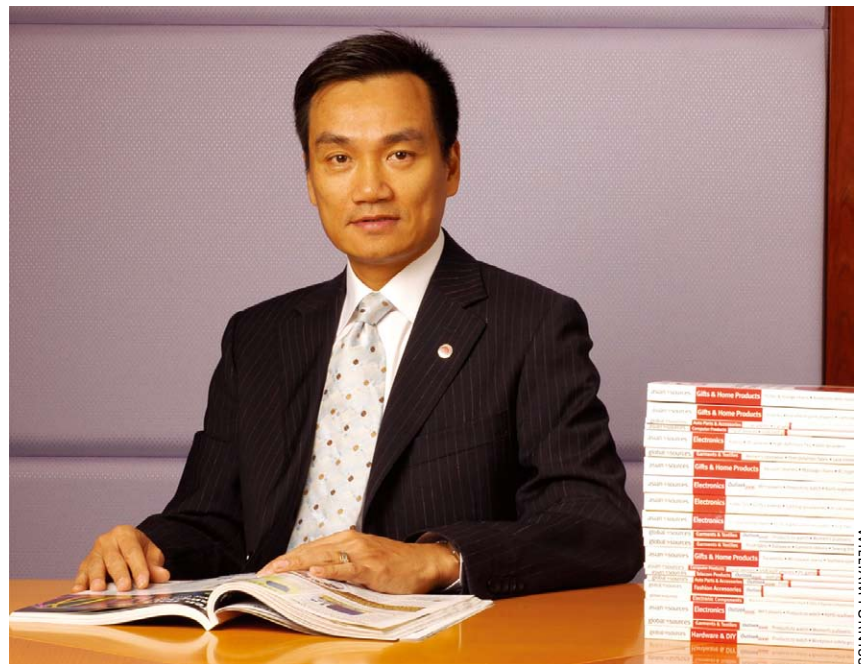
Celine Wei

When talking about Global Sources, the word most commonly used by buyers and suppliers is 'professional.' It's a simple, but meaningful description.

It reflects their recognition of Global Sources' expertise and experience – the company has had a laser-like focus on international B2B trade for 35 years. It's also an endorsement of Global Sources' products and services – namely, its industry-leading, multi-channel export marketing platform. But, more importantly, it expresses their high regard for Global Sources' frontline sales team – clients see them as consultants adding value to their business, rather than just salespeople.

As for the company's products and services, its export marketing solution has set the industry standard. "Because we offer such a high-end solution, it requires our account executives (AEs) to go beyond the function of sales. They have to be sales consultants," said Spenser Au, Global Sources' President of Asia Sales.

"For AEs to act as consultants,



WILLIAM FURNISS

Spenser Au, who started with Global Sources as a salesperson, requires AEs to be 'sales consultants.'

they must find common ground with clients before they can give any useful advice," added Mark Saunderson, President of Global Sources' Electronic Business Unit (EBU).

In order to build sales teams with deep, industry-specific knowledge, Global Sources' sales department is divided into several dedicated groups. The company currently has nine trade magazines and online

marketplaces, and each of them has an independent sales team. Global Sources focuses on training expert team members who can add value to each client's business.

Services: Expert and customized

In 1978, Spenser Au joined Global Sources (At that time, called Asian Sources) as an AE for *Electronics* magazine. At that time, he was

just 23 and the youngest AE in the company. The first lesson he learned was to become a partner to his clients rather than simply selling advertising space to them.

During the 1970s, most Hong Kong suppliers relied on trading companies to export. They were not accustomed to using trade magazines like the ones published by Global Sources. Under the circumstances,

When Au started with the company, it already had three specialized magazines – *Electronics*, *Hardwares* and *Garments*. “If an AE were involved in several verticals rather than dedicated to one, his knowledge of each industry would be 10 meters wide, but a centimeter deep. This would not be enough to provide any meaningful support to our clients,” he said.



CHERYL YAN

Mark Saunderson requires his AEs to find “common ground” with clients.

sales teams not only had to explain the importance of international trade, they had to convince clients to start exporting directly.

“Due to the complexities of global trade, it’s important that our AEs play the role of consultant, providing real solutions to suppliers’ problems. Sales teams must become experts on international trade, while staying on top of business and marketing trends. Otherwise, it is very difficult to add value for our clients’,” says Au.

Au himself is an example of someone who practices ‘consultant sales.’ Two years after joining Global Sources, he was appointed sales manager of a newly-launched trade magazine called *Timepieces*. After several months of studying the industry, he could quickly advise clients on the European country where a timepiece would be most marketable, based on its price, design and features. He even became an expert at watch repair.

In 1974, Global Sources launched *Electronics* – its first specialized magazine. As of February 2006, the company offers nine industry-specific trade titles. In the years between, Global Sources stable of publications have continually evolved and adapted along with markets. Some magazines have been retired, some have been merged, while others have been split into multiple titles to serve niche markets. For example, *Electronics*, *Electronic Components*, *Computer Products* and *Telecom Products* all originated from an earlier title, *Electronics*.

Saunderson said, “We provide specialized services to specialized industries. Publications are driven by the buyers’ need to quickly access industry information. For example, mobile phone buyers and electronic component buyers have completely different sourcing requirements.” Saunderson believes that verticalization of Global Sources trade publications is an important element of professionalism. Without it, he says Global Sources would become “a messy grocery stall.”

As Global Sources further verticalizes its media, AEs are also able to offer suppliers more channels through which to reach buyers. In 2003, Global Sources launched the China Sourcing Fairs adding trade shows to its print and online offerings. This multi-channel trade platform enables sales teams to tailor a completely customized solution based on each client’s marketing goals.

“Learning about a client’s product



GLOBAL SOURCES

Spenser Au (right), one of Hong Kong's youngest sales team members then, was also one of the company's three brightest sales stars.

positioning and marketing objectives is essential to develop an effective, customized solution for each," says Saunderson. He emphasizes that before introducing any service, AEs must know a client's primary export markets, unique selling points and competitors.

"An AE must also know the problems and challenges faced by clients in each industry. Only then can he can find common ground with his clients."

During his 15-year career at Global Sources, Saunderson has found that clients appreciate if AEs come in with knowledge of their business. "It gives you a starting point to build a relationship. If you just keep talking about how good your services are, clients will not listen for long," says Saunderson.

Today, two problems facing Asia's suppliers' are increased competition and excess supply.

"As export marketing becomes more challenging, it is essential that we continue to provide better services for our clients, helping them differentiate themselves from their

More often than not, emotional intelligence accounts for the larger proportion of an AE's success.

competitors," Au stressed. "We can only succeed if our clients succeed."

He says 'consultant sales' means that AEs must stay in close contact with clients – in some cases playing the role of export marketing department. One reason is that a client's business and objectives can change quickly. For example, due to a market shift, a client might suddenly change focus from the US to Europe. AEs should be available to immediately provide useful suggestions on product lines, export

strategies and marketing. To do this, an AE must make great efforts to study their clients' industry.

Human resources: Development and training is essential

Global Sources AEs work hard. Many top managers started as salespeople on the front lines. Few will ever forget the experience.

"After several hours of preparation in the morning or the night before, sales team members must leave the office at 9:15 am, take a bus, and visit five to six clients everyday, rain or shine," said Au. At one point during his early career, Spenser single-handedly served more than 50 clients.

At present, Global Sources has more than 500 AEs across China, all of whom work as hard as their

predecessors. "We appreciate our sales teams. They're instrumental in achieving our goals, and they are the face of Global Sources to our clients," said Saunderson. Global Sources' culture places great importance on sales. The company offers the industry's highest compensation and excellent career opportunities are made available to AEs. Great emphasis is put on recruiting the kind of talent able to provide clients with 'consultant sales.'

While it's helpful for new AEs

to possess industry knowledge, it is not the most important hiring consideration.

“When applying to be part of the Telecom Products sales team,

“ Every AE should set a goal to learn something new each time they visit a client.”

it’s helpful if you have a degree in the telecom field. However, in my view, that only accounts for about 30 percent of your success,” said Saunderson. He believes the best AEs possess excellent communication skills and a strong capability to deal with frustration and rejection. The ability to simply listen and smile, are important as well.

In a ‘consultant sales’ role the most important qualities are the ability to learn and develop. Au is inclined hire fresh university graduates. “They are young, enthusiastic and willing to learn. Even if they do not have related work experience, they can adapt quickly to Global Sources’ work environment and sales philosophy.”

At Global Sources, the primary goal for new AEs is to learn how to understand each client’s needs and provide customized solutions. The company offers intensive training programs designed to improve these skills.

First, all new AEs receive basic orientation training. Besides learning about the company’s marketing services, industry-specific training is given, covering everything from

market trends to individual products. For instance, AEs focused on electronics will learn how devices such as LCD TVs, MP3 players or digital cameras work. They also

need to know who the major industry players are and where technologies are headed in the next two years.

Secondly, regional sales managers conduct bi-monthly training sessions. Each of the nine vertical groups has its own regional sales manager, most of whom have served the company for more than 10 years and are experts in their fields. Au has always regarded regional sales managers as an AE’s most important resource in terms of vertical knowledge. He said, “John Ng, who has more than 18 years’ experience in electronics is a good example. Like the back of his hand, he knows what cell phone and MP3 suppliers are producing now and what features new products will have in the future. All regional sales managers should be experts on the past, present and future of their particular industry vertical.”

Thirdly, AEs build their knowledge and skills through the company’s online training platform. As an online marketplace operator, Global Sources is expert at providing information in an online format. Its online training platform includes in-depth materials specific to each vertical. Regional sales managers

upload the latest training materials on a monthly basis and AEs can log on to access this information anytime, anywhere. Global Sources’ market research department also monitors conferences and trade shows around the world for useful sales information and uploads it as necessary.

Finally, Global Sources magazines, websites and research reports are important sources of information for AEs. As a content provider, the company delivers the latest industry news and market intelligence in multiple media formats – all of which are made available to AEs for reference.

In addition to Global Sources electronics-focused export publications, Saunderson is also in charge of *Electronic Engineering Times- Asia* and *Electronics Supply & Manufacturing - China*. He says, “Unlike the four EBU magazines that promote China’s electronic products to international buyers, these two are aimed at introducing the latest electronic technologies into China. AEs can learn everything about China’s electronics industry from Global Sources own magazines - from design to sourcing and production, right on through to exporting.”

Global Sources also encourages AEs from different verticals to exchange information on a regular basis. Saunderson said, “Now, the greatest challenge for AEs in the electronics vertical is the fast evolution of technology. Just a few years ago, a cell phone was just a

communication device. Today, it's integrated with MP3s, digital cameras, voice recorders and lots of other gadgets. As technologies advance, AEs can no longer limit themselves to a particular product line. They must gain extensive knowledge of related product lines. Even AEs in the electronics sector need to learn something about fashion, as cell phones are increasingly becoming fashion items."

"The best AEs are those who are good at listening and learning." Au always reminds AEs that, aside from company-sponsored training, listening to clients is one of the best ways to expand their industry knowledge. "Every AE should set a goal to learn something new each time they visit a client." Spenser first learned about letters of credit and the operating principles of semiconductor chips from clients.

"Clients' scope of knowledge is often limited to their own product lines. But AEs can get a broader view of the industry by visiting different clients producing different products," he added.

"It's easier for your clients to accept you if you have something valuable to share. Knowledge enables you to cross the bridge from salesperson to consultant. It makes clients more willing to discuss their business on a deeper level with you." Au believes that any AE can become an expert on his vertical in just one or two years if they simply listen and learn from the hundreds of clients they visit.

Management: Matrix structure gives AEs dual support

Global Sources' AEs in mainland China are grouped based on their industry focus. They work from 44 sales offices across the region. They not only report to their regional sales manager, they report to their sales manager. This is the Global Sources management matrix. Au believes the matrix is an effective system for a company with so many offices serving so many industries.

In training and managing AEs, regional sales managers and sales managers have different roles.

Unlike the vertical-specific training provided by regional sales managers, sales managers focus on enhancing AEs' understanding of Global Sources products and services. They also provide fundamental sales skills training. Topics range from handling objections to double-call selling and other topics applicable to all verticals.

Typically, sales managers are in charge of the daily operation of their region, outlining monthly workflows and objectives for their AEs, as well as supervising client visits. While, regional sales managers are responsible for evaluating each region's potential for his vertical and focusing resources on regions with the best potential.

"Sales managers duties cover a broad scope, as they are responsible for all verticals in their area," said Au. "To support them, regional sales managers advise on what kind of training should be provided to a

certain AE; which prospects present the best potential; and which sales strategies will be most effective."

Saunderson, who is based in Manila and leads four regional sales managers, now spends more than half the year in Greater China working with sales managers. Today, Greater China is Global Sources' core market.

Au said, "Our sales management matrix ensures Global Sources' 'consultant sales' model is flexible enough to work across multiple verticals and regions. The model works particularly well in China where manufacturing is regionalized. For instance, electronics suppliers are mainly clustered in the south, while most gifts, home products and hardware suppliers are located in east and middle China.

In Q3 2005, Global Sources' revenue from China grew at a rapid pace, with year-on-year growth of 21%. However, competition in the industry is becoming more intense and the company cannot rest on its past successes. "Each day, front line sales teams represent the Global Sources' brand," said Au. To enhance leadership in the industry, Global Sources needs its AE to continue growing their knowledge and skills and to always remember their role is not just selling, but consulting.

If you have any comments or advice, please send e-mail to: ceceditorial@globalsources.com