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One of the most common weaknesses we see in metal casters is the inability to sell. We mean really sell, not just book work. Oh, they're great at customer service but they just can't sell. Selling means getting a good profit margin and getting the order. Too often, sales people fail to fight for the price they need. In fairness to them, we have seen at times that they don't know what their costs are so they only think they are getting a good price. Here are the steps in really selling your castings.

1. Know your costs and verify them. In developing the job costing system for estimating someone usually determines how long each direct labor step takes. Metal casters are pretty good at identifying what steps are required to produce a casting and how long each step should take. Where they tend to fail is in not verifying the actual times compared to the estimated times. For example, a die casting molding cycle may be estimated at one minute. How long is the set-up time and how is that accounted for? How good is the shop at meeting the estimated times? Do they tend to beat them or miss them? These are adjustments that need to be accounted for in the estimating process.
2. Know what you are selling. If you view yourself as selling castings, you are setting yourself up to sell on price. Selling on price leads to low margins and unprofitable companies. What value can you add to the castings that helps focus the buyer away from just price? Do you bring design support/improvement? Do you love the difficult jobs others fail on? Do you manage your shop for very short lead times? Are you always, always on time with deliveries? Does your quality lead the industry? Are your costs really very low? What do you really do well? We know one Disa iron foundry that specializes in small castings – their average casting weight is under ¼ pound. Their whole system is set up to handle lots and lots of little pieces. On those size parts, they shine. If the part weighs more than two pounds, it doesn't fit their system.
3. Know what your customer or prospect is buying. A casting is only part of what they are buying. Sales people often seem afraid to ask questions that aren't directly related to the casting. If it's a new customer, why did they decide to come to you? Is this a new part or is it being made somewhere else? Are they satisfied with the existing supplier? Are they having quality problems? Are there delivery problems? Are they consolidating vendors? Is this a major purchase for them or a minor one? Who are the other bidders? You may not get an answer but if you ask the question in the right way, buyers won't be offended. Buyers don't just buy castings. Buyers may buy different things with different parts. A high volume casting with significant purchase value is probably more price sensitive than a lower volume casting. However, it is also more important to be on-time with deliveries and for quality to be good with key castings.
4. Train your customer, not (just) the buyer to buy value. This can be extremely difficult is the buyer is evaluated only on purchase cost reductions. Castings from India may be very inexpensive. A buyer who is rated only on purchase price reductions will tell you that poor quality is the quality department's problem, not his. Late deliveries? See the expeditors. In this situation, you can't train the buyer. You need to get to the person who can make the

decision to buy value. That means knowing and having the ability to access all key people within your customer's company.

5. Know your customer. What's important to them? How do they want their customers to perceive them? Who are key people dealing with all levels of purchasing and using castings?
6. Get off your butt. The ability to sell from your office is limited. The sales manager and all direct sales people should be on the road no less than 50% of the time in good times and 80% in tough times. Even if you are at capacity and don't need any more work. It is important to build relationships with your key customers, especially if they are serviced by a manufacturer's rep. Reps can be great tools in selling and servicing customers, especially the good ones. However, the best reps tend to make the buyers their customers, not yours. This makes you vulnerable if the rep should ever decide to jump ship. You need to have a relationship with all your major customers to insure they are your customers. Also, a good relationship will frequently give you a heads up if there may be difficulties coming. We've all seen major customers disappear quickly if management dictates offshore sourcing, a bankruptcy happens or the customer is acquired by a competitor. That relationship may also help solve problems. We watched a super-salesman deal with a customer problem regarding machining of a casting. The buyer called and asked the salesman to come in. The salesman went early. The guard knew him and let him in the plant unescorted – against company policy. The salesman went to the Superintendent to let him know he was on the floor. He met with the foreman and the machinist, determined what the problem was and, jointly, came up with a solution that worked for both companies. At the appointed time, he met with the buyer and presented the solution. That can only work if you have established a relationship and credibility with all levels in your customer.
7. Know the market price for the castings you are selling, not just your price. Especially if you are a low cost metal caster. We all know that low cost has the edge – especially if the low cost supplier also has quality, delivery and service. However, if you are the low cost supplier are you leaving money on the table? We knew an aluminum green sand foundry that was usually 10% to 15% below their competition. Because they were so well run and low cost they were still very profitable. Imagine how much more profitable they would have been if they raised prices 5% to 10%. And they still would have gotten the work.
8. Don't just roll over when the buyer asks for a better price (unless you've factored that in). It's a buyer's job to ask for better prices. If you know you will have to move a bit, build it into your first price. Set a minimum price that gives you a good margin and don't go below it to get volume.
9. Don't be afraid to lose an order – maybe even the customer. Some customers are a royal pain. If you know your profitability by job and customer, at least to the direct cost level, you can determine if you are willing to suffer dealing with them. This doesn't mean you can be cavalier with customers. However, if you know you are doing a good job and treating them right, then they should respond accordingly.

10. Different margins for different customers. Every customer needs to pay a fair price but some customers need to pay a fairer price. Does the customer have special needs or requirements? They need a larger margin. Are they one of the 80% of customers who provide 20% of sales, then the margin should be much higher. Typically, the castings they buy are not a big part of their costs and they are less price sensitive on those parts. Those parts, however, are often higher cost for you.
11. Establish a pattern of regular price increases. This is part of training the customer to expect price increases. We know of foundries that were afraid to raise prices when the industry was slow. All of a sudden, they found that to reach a reasonably profitable level they needed to raise prices 20%. Now that's a tough sell. Even if it's only 1% or 2%, get your customer in the habit of expecting price increases.