



## BY WAY OF INTRODUCTION

As many of you know, Frank Lee is completing his last commitments prior to his retirement. I would like to introduce myself as having the honor of being Frank's successor at International Ag University (IAU). In addition, I am proud to continue "Sales Tips."

I grew up on our family farm in southern Alberta. My wife and I operated a large custom pesticide application company for many years. After that, I held various positions in short-line farm equipment dealerships, including sales, sales management and dealer principal. For a few years, I left the agriculture industry for a sales position in the trucking industry and the oil patch. Recently, I have spent a great amount of time with Frank to complete IAU and fully understand the programs.

The following article is based on a real situation that was presented to me:

Charles has been farming all of his life—50 years and counting. He loves farming and is considered successful. Charles' son, Randy, joined the farm a few years ago. Randy has a young family, works hard and actively contributes to decisions on the farm. His responsibility is increasing every day. Through structure changes of the farm, Randy is getting ownership. Charles will never really retire from farm life, yet he looks forward to the next generations making it a way of life.

The operation consists of about 2,000 acres of land, half of which is irrigated, 450 bred cows and 2,000 steers in a feedlot that can hold 3,000. Charles has been careful over the years when it came to expansion, but it is now possible. Debt is at a comfortable level, but land prices have escalated.

There have been tough years. While others were losing their operations, Charles was able to stay afloat through hard work and smart business decisions.

Those tough years didn't allow for keeping up with equipment purchases. In the past six years, the father and son have invested more than \$1.5 million to update the line. There were a few new pieces purchased, but most of it was current, well-maintained, low-hour, used equipment. The dealership where they had long-term relationships is now part of a large multi-store organization that brought along many changes and new practices. Charles and Randy understood why the changes were happening, but they felt the new ownership structure didn't understand them as a customer anymore—and all the familiar people had moved on. So, they have been doing business elsewhere.

**I'm looking for a combine.** Jesse is a salesman at another multi-store dealership and sold Charles and Randy the last few pieces of equipment. These trades were the largest purchase ever done in all of Charles' farming history.

"Jesse, we need a combine for fall. You know what we need—low hour, non-fleet, well maintained conventional combine, only a few years old," Charles said. "I'll give you a fair chance on this, providing the price is competitive."

Jesse replied, "Charles and Randy, I appreciate all the business. I'll see what I can find for you. Harvest is still a few months away. I'll have something for you."

As harvest approached, Jesse presented several options to Charles and Randy. To Charles the prices seem high, and they started hunting for other options.

Jesse finds a combine that fits most of the criteria and presents it. "This is everything you are looking for except that it was part of a fleet. The cash price is \$240,000." Charles and Randy think about this for a while, "Jesse, thanks for the option, the fleet part bothers us. We are going to see what else is out there."

Jesse, thinking quickly, said: "Well, there is another option. You could buy our old combine back and use it until the right one is found, then trade it back." Randy interjects, "I would really like another combine. We are going to start looking."

Soon, Randy found a combine exactly like they wanted: 400 less hours than what Jesse offered, similar condition, non-fleet and, best of all, \$80,000 less. To Charles, the decision was not hard.

Charles had a call to make: "Jesse, we found a combine." As Charles filled in the details, Jesse erupted, "How dare you not buy from me! My sales manager is going to lose it on me for not selling you your old combine back. You owe me!" As Jesse continued, swearing, Charles had enough and hung up on Jesse.

Have you had a similar experience? I am interested to hear your perspectives on what went wrong and how to move forward. How would you deal with this situation from the standpoint of a dealer principal, sales manager and salesman? I look forward to receiving your responses.

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