

# Winning Equipment Demo Programs

## *Contents*

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Demos Work .....	2
Qualification Counts.....	3
Young Equipment’s Advice for Successful Demos .....	3
Lessons Learned in Demos .....	4
Enlist Your Service Techs in Demos .....	5
Scheduling Tips .....	6
Bull Sessions Work, Too .....	6
Following Up.....	7
Results Speak.....	8



**\*Editor's Note:** While this report was originally published in the April/May 2010 Issue of *Farm Equipment*, the concepts, statistics and principles referenced in its content still apply to today. Large and small dealerships alike continue to use it as a reference tool during annual sales meetings.

## **Farm equipment dealers share well-thought-out approaches to on-farm demos — and how they're achieving an average close rate of 69%.**

It's not every day that a decline for an interview gives birth to a feature story, but the following pages are one example. When asked about his company's successful demonstration process, one *Farm Equipment* subscriber replied that demos were his biggest competitive advantage. "Others do such a poor job that I'm reluctant help fix their problems," he says.

That is enough motive for any writer. So, what you have before you are pointers from farm equipment dealers on what works for them in their on-farm equipment demo programs.

While most dealers admit they don't do as many demos as they'd like, their results speak for themselves. The average post-demo close rates for the dealers you're going to read about is 69%. It reached as high as 90% among those most disciplined in pre-qualifying customers.

On-farm demos allow the customer to see the equipment in action on his land. They allow the dealership to showcase its knowledge and service expertise. They open the gate to farms of a different machinery color. Dealers can demo a tractor and implement at the same time, often selling both in one day. And dealers report that even when they don't consummate a deal, they've often earned a "last look" from the farmer.

Speaking of the power of the on-farm demo, Bob Dinsmore, Ceresville New Holland, Frederick, Md., says, "A prospect that's never used a piece of equipment can sell himself with a good demo."

### **Demos Work**

There was near-consensus among the dealers *Farm Equipment* contacted that demos not only bring great sales opportunities, but can close deals on the spot. "Demos are very important for new customer conversions and new equipment designs," says Roger Olson, Brandt Holdings, Fargo, N.D.

Don Van Houweling, Van Wall Equipment, Perry, Iowa, agreed. "If you want to get a good margin and not just sell a commodity, demos are essential. It's basically a requirement for a conquest sale." A number of dealers also cited their importance for shortline equipment that may not be as widely known.

The commitment to demos is readily visible at many dealerships. *Farm Equipment's* 2009 Dealership of the Year, Saskatchewan's Young's Equipment, has two dedicated product specialists who have full demo

## Young Equipment's Advice for Successful Demos

Young's Equipment, 2009 Dealership of the Year, follows these tenets of a successful demo, shared by Corwin Mang:

1. Know your product.
2. Know your competitors' products.
3. Show up well-prepared with a machine that's ready and properly equipped for the job you are about to do.
4. Be there ahead of time so you can walk around the machine with the customer to ensure he's familiar with the machine he's about to run.
5. Get the customer in the cab and make sure it's set correctly. Stick around to make sure he's comfortable with the machine and its controls.
6. Get out of the cab and let him run it by himself. He'll need some alone time to relax and get comfortable. Don't go too far away; be in the field in case he has a problem.
7. Don't talk about the machine unless you're knowledgeable about it. Farmers may know more than you do.
8. Give them some time to run it. The longer they run it, the more comfortable they'll be and the odds for a purchase will increase.
9. Make sure you get them answers to any question or concerns that arose during the demo. A callback with an answer shows them what your service is like. It also gives them a chance to ask more questions.
10. Follow up with a quote immediately — while the customer is still excited about the new product he's just run.

responsibility as part of their job description.

Straub International (Great Bend, Kan.) orders equipment designated specifically for demos. "We order the equipment with the best features so we can really show it off," says Ron Straub. "We won't allow the equipment to sell until the end of the growing season to allow time for demos. The equipment is eventually sold to a demo'd account at a price under what a new unit off the line would be."

Birkey's Farm Stores' Mark Foster, *Farm Equipment's* 2007 Dealership of the Year, says suppliers can help tremendously in a dealership's ability to demo. "Our sales staff always wants more units to demo, and Case IH understands the importance of demonstrating our products and has developed programs where they participate financially."

## Qualification Counts

The biggest mistake with demos, say some dealers, are made back in the office, before any equipment is loaded on the trailer. Because demos are costly — considering dealership man-hours, travel time, fuel, machine hours — pre-qualification can be the most important decision. The customer you demo for should be one serious enough to buy.

“You’ve got to qualify the legitimacy of the customer,” says James Taylor, Hillsboro Equipment, Hillsboro, Wis. “Doing a demo for the sake of doing it isn’t fruitful.” Young’s Equipment’s Corwin Mang adds, “Every one wants a demo but you’ve got to stay with customers that you qualified as a possible sale.”

Jeff Suchomski, Suchomski Equipment, Pinckneyville, Ill., says, “We must get to where we can see that the customer is a potential buyer not just one that says ‘I’d like to try that and see if it works.’ This translates to ‘I need it to get my job done and will give it back to you.’ We’ve had that a lot with hay tedders. We say, ‘Sorry, guys, these things work or we wouldn’t sell 12-15 a year.’”

One way to prequalify the farmer, says Rick Linenburg, Vincennes Tractor, Vincennes, Ind., is to ask him to pay for the fuel. “It isn’t so much about the cost of the fuel as it is a good way to gauge interest in a powered machine,” says *Farm Equipment’s* 2008 Dealership of the Year. He also gives each prospective demo candidate a quote for the machine prior to heading to the farm for a demo, which can also flush out the tire-kickers.

But even if a prospect is legitimate, demo-ing a machine that isn’t the right fit can cause more harm than good. “The demo must be specific to the customer’s use on a specific job to measure performance,” says Jim Keller, APM & S, Peoria, Ariz.

## Lessons Learned in Demos

According to farm equipment dealers, there are some key tenets in a well-run demo. These include:

- **Pre-determine the length of the demo** — “Let customers know that if additional hours are put on the equipment, there’ll be a charge,” says Duane Wallin, Central Implement, Greeley, Colo. Adds Fred Leach, GM, Cisco Equipment Sales, Odessa, Texas: “If a customer wants to try a unit longer than a few days, we put the unit on rent and allow them to apply the cost toward a purchase.”
- **The salesperson is always at the demo** — “The salesperson must be onsite when the equipment arrives and ride with the customer,” says Kent Lachman, manager, 21st Century Equipment, Alliance, Neb. Eric Reuterskiold, Janesville, Wis.-based Johnson Tractor, agrees, adding, “The salesman also must be there in the end to ask questions on how the demo went and try to close the sale.”

## *Enlist Your Service Techs in Demos*

Even if bringing service techs along on demos might hurt billable hours, some dealers say it's worth every penny. "We try to get our service professionals alongside the sales department for a great product demo," says Jim Reitzel, Liechty *Farm Equipment*

Johnson Tractor's Eric Reuterskiold agrees. "The most important thing is to have our most educated personnel on that equipment onsite at the demo. If it's a combine, our best, most-respected combine tech is involved in showing the customer how to operate the machine, and we put our best tractor tech on the farm for tractor demos."

It's also a matter of trust. "Service techs can answer more technical questions than salesmen, and customers don't feel pressured, they feel reassured," says Cathy Henson-Allen of Henson Tractor. When you have a quality product that impresses the guys in the shop, they make great spokesmen and salesmen."

- **Make sure the "right" customer is present, whether it's the owner, operator or influencing family member** — "Don't forget about employees," says Straub. "If the employees aren't willing to operate the equipment, it's sure to stop the sale."
- **Show the operator how to use it, then get out of the way** — "Let them get comfortable on their own," says Wallin.
- **Be accessible** — "If it's a one or two-day demo, follow up with the customer to ensure all questions are answered while the demo is still under way," says Leach. Straub adds: "It's best to go back in the cab after they'd done it a while and ride with them again."
- **Talk it up** — "Ask the farmer questions and make sure he does the same of you," says Josh Gruett, Gruett's, Potter, Wis., "and take notes of questions and objections."

In reality, the demo starts back at the shop, by first making sure your staff truly understands the machine. Adjust the unit at the shop, too, so everything is working properly when it arrives on the farm.

"You must know the equipment," says Brian Hartzfeld, Bobcat of Erie, Waterford, Penn. "The customer has been online and he knows what he thinks is important. You need to pick up on it and use it in the selling process." Bob Mitrovich, Rainbow Ag Services, Windsor, Calif., adds that you also must know the competitive equipment, and be able to state why your product is superior to theirs.

Gruett adds that the machine must be ready to go. "Nothing's more embarrassing than a disc mower with

## ***Bull Sessions Work, Too***

Not every dealership must participate in demos at the same level, says James Taylor, Hillsboro Equipment, Hillsboro, Wis., particularly if it already has high market share. “Both the manufacturer and customers want demos, but neither wants to fund them and then the demo machines still must be discounted. We’ve been able to take prospects to our customers’ sites and let the prospect get their insights from them. This word-of-mouth in a face-to-face setting with our sales person present proves even more valuable than a typical demo.”

the hydraulics hooked up backward and discs spinning the wrong way. Give it a test run.”

The demo isn’t the time to learn how to run the unit. “If the dealer representative and the customer both learn how to use it at the same time, that demo is done,” says Suchomski.

But a great demo doesn’t just mean smooth sailing in the field. Some dealers find the occasional problem can help sell, too, as they’re eager to show ease of adjustment and responsiveness and knowledge of the dealer staff. “You want to do the machine adjustment in the field as part of the demo,” says Linenburg. Van Houweling adds that the dealer can show value by being knowledgeable enough about that customer’s crop conditions to advise on what adjustments are needed.

Finally, says Gruett, “Bring the order book and ask for the sale. You don’t leave until you know what position your customer is in as far as purchasing goes.”

## **Scheduling Tips**

Scheduling demos is always a challenge. But Birkey’s Foster says it can be done if you qualify the customer, schedule everything in advance, and make sure both the dealership and the customer are able to devote the time for a proper demo. “The sales staff submits a list of qualified customers they would like to demo to and we schedule our demo units accordingly.”

Young’s Equipment has learned not to plan too far ahead due to the variables that can impact a demo. “By remaining flexible,” Mang says, “if the weather sets us back, it’s easier to reschedule.” Reuterskiold says his dealership gathers a list of prospective customers, calls a few days in advance of the demo time and asks if they’d be interested.

Lachman says his salespeople set up the appointments and coordinate the movement between customers. “I’m fortunate to have a sales staff that works well together and is willing to help out with the logistics of multiple demos.”

While dealers will often try to schedule demos for farmers in a one area to limit the travel of equipment and staff, Mang cautions against doing so. “You don’t want to waste time on the guy across the road just because you’re finishing up a demo at his neighbor’s. You’ll miss out on a demo with someone who has a better chance of buying.”

Bruce Kraemer, sales coordinator for Elmira, Ontario-based Walco Equipment, adds that it’s critical to ask two questions: Will the machine do what the customer wants? Does the customer have the proper power unit to operate the equipment?

## **Following Up**

When it comes to follow-up, Suchomski says you’ve got to know the customer. He shared how, after a baler demo, a customer asked what the next step was. His response was “We go argue under this tree.” Suchomski’s point is that the sooner the follow-up the better, and that if the farmer was pre-qualified and was impressed with the demo, he will buy. And dealers say the deal can be inked in the moments after the engine is turned off.

For demos that don’t result in an immediate sale, George Cooper, Cooper’s Sales, Marlow, Okla., says, “The dealer follow-up is the difference between a worthwhile effort and a less than satisfactory demo.”

Every one of the dealers stressed that follow-up must come before the farmer takes off his boots for the day. “You want to get the customer’s response that day so you can get quick answers to his concerns,” says Willson Wiggins, Ayres Delta Implement Inc, Greenwood, Miss. It’s also a good time to cover manufacturer programs, warranty, financing and trade-in details to try and tip the deal in. Above all else, say dealers, you’ve got to ask for the sale.

Most dealers also advocate that in-person follow-up. “We have good success if we can get the customer in to the dealership and can spend time going over the equipment from front to back, and discuss the demo,” says Mang.

Group demos present a more difficult follow-up process. Vincennes Tractor uses a registration process at the event and requires salespeople to phone all customers within one week. Leads identified at the event itself must be followed up within 3 days, says Linenburg.

Jim Reitzel, Liechty *Farm Equipment*, Edgerton, Ohio, adds that he uses a parts discount sign-up sheet to capture leads and purchasing intentions at group events. “We follow up ASAP while they’re still thinking about the equipment so we can overcome any objections they may have that might be preventing them from buying.”



Dismore summarizes his dealership's post-demo protocol this way. "The service manager follows up until the prospect buys or dies."

## Results Speak

The dealers *Farm Equipment* contacted had an average close rate of 69% in the months following their demo. The lowest reported close rate of the dealers was 40%, with one-fourth of the dealerships registering success rates of 80% or higher. This doesn't include the customers who pull the trigger on a purchase a year after the demo.

Lachman's dealership began a concerted demo push 2 years ago. "We did 10 demos and sold two new combines and one used one that fall, one of which was a competitive conversion. We continued the program this year and sold three more combines last fall."

Cathy Henson-Allen, Henson Tractor, Henderson, Tenn., reports that her last demo in November sold two tractors and loaders, in an area where sales had fallen 50% from 2 years earlier. She sees sales continue for 6-18 months after a demo.

Because Straub sells its demo units to a demo'd customer after the season, there's a win-win for both he and the customer. "This unit is discounted for the hours, and we get the unit sold before the interest-free terms run out from the manufacturer. I'm not certain what our close rate is but it's definitely worth the effort."

Van Houweling sums up the importance of demos to his dealership this way. "When the customer has not already experienced a similar product, I estimate that the combination of higher close rate plus the higher margin will double our total margin vs. that of a sale without a demo."



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P.O Box 624 • Brookfield, Wisconsin • Phone: 262/782-4480 • Fax: 262/782-1252 • [www.farm-equipment.com](http://www.farm-equipment.com)  
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