



A CUSTOMER STATE OF MIND

COMPLEX SALES: THE IMPORTANCE OF STRATEGY, METHODOLOGY AND SYSTEMS

There are many sales professionals active in the field of complex sales. Although a number of them are highly successful, many fail to deliver the results desired by their employees. Less than 15% of sales people possess the ability to effectively engage new business, 70% are perceived as average and have room to improve and 15% should probably choose an alternative career path.

Gartner has researched that companies that contribute to business success from the customer's perception realize growth, while focusing on ever-improving service only leads to retention.

Do you recognize these traits of sub-optimal sales professionals?

- **Poor preparation:** More than 80% of sales professionals do not thoroughly prepare sales calls. They go into the call without a well thought-out strategy or tactical plan and 'wing it' relying on their social skills and good relationship.
- **No understanding of the importance of 'rapport':** The sales professional's primary focus is on verbal communication. However 90% of the communication is non-verbal and this creates a disconnection between seller's and buyer's approach.
- **Superficial listening skills:** Most sales professionals use more push (talking) than pull (asking) in their communication style, which results in a feature dump. The pitfall is failing to comprehend the drivers and needs of the customer and an inability to identify the most appropriate 'value added' approach.
- **Making assumptions:** Many sales professionals assume all customers have the same degree of 'willingness to buy'. Another common assumption is that customers with a similar profile have the same needs. Consequently, the same 'pitch' is used for all customers.
- **Not understanding the psychology of sales:** People buy for different and not always obvious reasons, so it is important to understand the customer's beliefs, intentions and strategies. Some sales professionals exhibit the tendency to exaggerate the strengths of their relationships and display an ignorance of customer values, needs and personal wants.

This whitepaper aims to clarify the influence of the tangible side of sales: the establishment of processes, tools and systems that solve many of the above mentioned challenges. These elements link the buying motives to the psychology of sales and thus strengthen the customer's felt need for change and the development of a preference for your solution.

The wins of developing a sales strategy aimed at solving these challenges

Since most companies operate in a turbulent and challenging environment, it is somewhat puzzling that many companies do not have a well-defined sales strategy, the strategy to win new business. We believe that there are three good opportunities in an evolving marketplace:

1) Having a sales strategy is the foundation of all sales activities.

A well-validated sales strategy means that the sales force makes action plans in line with the prevailing situation and drives the majority of day-to-day activities in the direction of winning large complex sales opportunities. Confidence is enhanced by knowledge and multiple scenarios can be evaluated. This may take some time in the beginning, but a failure to create and follow a validated sales strategy costs far more time and effort.



2) Managing complex opportunities becomes easier with a sales strategy. In a constantly changing environment the demands of dealing with multi-level decision making units and handling politics, more and more competition becomes manageable. Sales strategy needs to be much more than a reference used to validate tactical decisions; it should be in the hearts and minds of everyone in the selling team. If this is truly the case, activity can be quickly and appropriately adapted to meet changing circumstances in the customer's environment.

"THE BIGGEST WASTE OF A SALES PERSON'S TIME IS THAT THE SALES FALLS THROUGH."

3) Having a sales strategy enables us to go through a 'Discovery - Make Choice - Action' loop (the iterative process).

In order to discover, we need to open our minds to all possibilities, eventualities and requirements and not be constrained by conventional wisdom, status quo or the past. Many times a sale has been lost due to the tendency to make assumptions, this is why it is important to recognize assumptions and challenge them. We can only choose from that which we discover, as a sales strategy helps you to open your mind to multiple possibilities and realities.

The end of all this should be an action plan. A strategy without actions doesn't make sense. Many sales professionals have difficulty in translating strategy into appropriate actions and this is when tools come in.

Why should you use sales tools?

If you define a common sales process with shared tools it enables the implementation of correct customer focused strategies. This will significantly elevate and standardize sales capabilities, improve time-management and motion within the sales organization and introduce a level of accountability and review in the execution of the sales process. But remember, no system can replace the strategic thinking, business acumen, experience based insight, vision and intuition of top of sales persons.

"EVERY FOOL WITH A TOOL IS STILL A FOOL."

Top performers always seem to adopt the right tactical approach and to get grip with political and cultural movements within organizations. They instinctively know how to deal with complex situations and don't need a system for that. Sales excellence is a craft. Nonetheless, common processes and systems are essential to develop a highly professional sales organization, which is needed to attract and retain these top performers. A key result of a good sales strategy is the need to discover and approach stakeholders outside the sales persons usual network. This step outside of their comfort zone can prove to be a real challenge. The framework given by a well-developed sales strategy is an aid to gain the confidence needed to perform this vital task.

How should multiple level sales 'Decision Making Units' (DMU's) be handled?

Many large organizations appoint delegated authorities (DMU's) to make decisions, most often defined by the size of the proposed investment. When managing a multi-level sales opportunity, the likelihood of success is improved by developing a relationship with the highest authority level (Power Sponsor) for that specific sale. Sometimes a buyer has veto power, but will still have to follow a formal path on the way to granting final approval. In some cases the DMU consists of a committee of decision makers that act as a single entity. Our experience with a global medical device supplier illustrates a trend of increasing sizes of DMU's, made up of stakeholders from multiple hospitals, acting as a single entity. This increases the negotiating power of the customer as they can drive down prices in return for larger deals.

If you are unable to proactively influence all the key stakeholders before a formal Request For Proposal (RFP), your chances of success will be limited. You will be forced to be reactive, and will not be able to influence the customer's perception of their needs and are likely to be playing on fertile ground for your competitors. Basically you are too late.

In complex sales, luck needs to be taken out of the equation by enacting a well-validated sales strategy. All this leads to the next question:

How can you develop sponsors within the customer organization?

First of all you need to enter the sales process early. The customer's desire to make an indecent, unbiased and 'On Time' decision, based on a fixed set of requirements, means that by the time process is in full swing, the access to key decision makers is often restricted.



You can distinguish two major phases in a buying process:

1) Developing a willingness to change:

Divergent thinking: Believing change is inevitable; top of mind. In this phase the formal RFP is far into the future.

2) Finding the right solution:

Convergent thinking: Creating preference for your solution/company. In this phase a formal RFP is imminent.

Influencing the customer in the first phase dramatically improves the probability of developing an eventual preference for your solution. **So ideally, you sell the idea of change before offering your solution.** 'Solution selling' in this respect is outdated, because it is too closely related to the concept of selling features-and-benefits.

The general idea is that customer develop preferences based upon relationships established on trust and credibility. The question is: "Is this enough to close a sale?"

More often than not the answer is: “Yes”. There is a great deal of truth behind the old cliché: “Sales is about relationships”. Sometimes you do need more and nurturing reciprocity in the relationship becomes a key factor. Only if you engage early in the buying process you do have the time to achieve this. If you are a late entrant into the sales process you’re chasing the facts and are forced into a reactive mindset where everything seems to be urgent.

Is controlling the sales process and strategy important?

Yes, controlling the sales process and strategy is a very important task of sales management.

"TRUST IS GOOD, BUT ONLY IF YOU CONTROL IT."

Successful selling is per definition related to winning and losing. You don't want to lose. Being second after a selection process is the same as losing. The sporting adage of “being part of it is more important than winning” has no place in sales. It's a game you have to win; **you learn more from deals you win than those you lose.**



The importance of a reliable sales funnel

So it is important to eliminate uncertainty and reduce the time taken to win an opportunity. Having a reliable sales funnel (a device to manage deals from a lead to a final contract) is absolutely crucial; it improves the predicability of sales and is more and more linked to sales and operation planning.

Companies who are part of a private equity group or are listed on the stock exchange are ‘judged’ by analysts in terms of their capability to predict sales; especially in times of recession. Compelling reasons for having a well thought-out sales process are; seller and buyers risk management, sales activity management and scalable revenue generation.

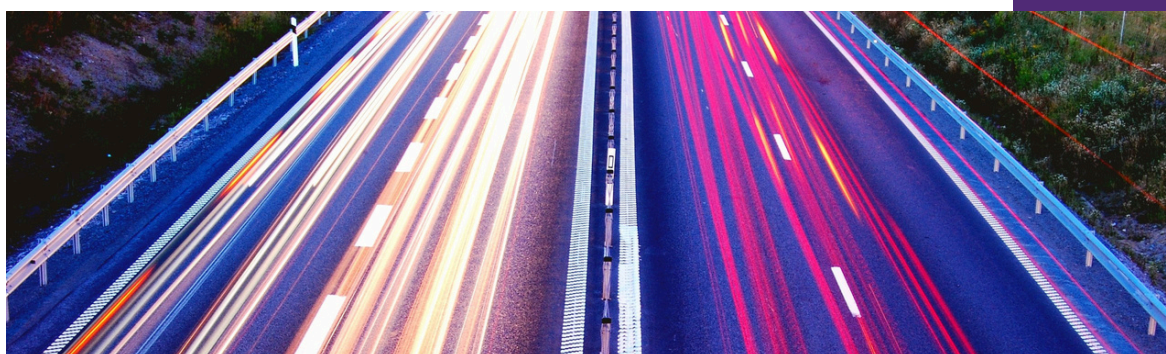
A solid and reliable sales funnel is fundamental to measure the health and quality of the entire sales process. It is remarkable how many large organizations routinely work without a well-controlled sales funnel management.

What is ultimately needed to build a strong sales strategy?

Much of what you need is described in this whitepaper. Because every company has a certain maturity level in sales, so you have to develop a company specific solution. In most companies there are already a lot of best practices available, but not always implemented in the right way.

The million dollar question is:

“Is it enough to have the skills to execute a sales strategy supported by internal common processes and tools, mature management using best practice sales funnel techniques and a framework for value proposition?”



About the Author

Peter Rademakers, Founder and Managing Director of Motion5, has a distinguished history guiding international companies through significant transformations. With a wealth of experience in over 100 multinational projects, Peter is an expert in Commercial Excellence programs across various sectors, including Healthcare, Pharma, Finance, Logistics, and Manufacturing.

Want to know more?

We are happy to support with any commercial challenges. Contact us via www.motion5.com or send an e-mail to info@motion5.com.



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