HOW WINNERS SELL

SECOND EDITION

21 Proven Strategies to Outsell Your Competition and Win the Big Sale

DAVE STEIN

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For Vivian, Jessica, and Robyn

Advanced Praise for *How Winners Sell* Second Edition

"An important perspective on professional selling in a business-to-business environment. A salesperson's professionalism and business attitude is as important as the valuable strategies and tactics found in this updated second edition. Dave Stein does an excellent job. A valuable read."

—Ric Steere, Vice President of Sales, Vision Service Plan

"Stein's *How Winners Sell* second edition delivers with a comprehensive and updated view on the 21 selling strategies and how they can lead to successful enterprise-wide selling. An easy read, it should be kept close at hand as a 'Thee Reference Guide' to successful selling."

—Tom Miller, Executive Vice President, Intermec Technologies Corporation

"From simple to complex sales . . . an easy-to-follow process for success. Another home run, this one targeted at selling to today's more savvy buyers, whatever echelon they occupy. A great read!"

—Diane S. Mitchell, Sr. Marketing Manager, Bayer Healthcare

". . . is to B2B selling what Betty Crocker is to cooking—indispensable. Regardless of whether you're a novice salesperson, a seasoned professional, or a sales leader, Dave Stein's new book is essential reading. Keep one under your pillow, and don't leave home without it!"

—Tom Stigler, Corporate Vice President of Sales, The NPD Group, Inc.

"*How Winners Sell* is a 'must follow' guide to transform a salesperson into a successful business person who gains return access to the executive suite."

—Kelly Blomquist, Director, Americas Marketing, PTC

"Transforms salespeople into trusted business advisors. A must-read for all of my new hires."

—Greg Brown, Director, National Accounts, WebEx Communications

"My entire sales team used the first edition of *How Winners Sell* to develop a winning approach to selling that has made a difference where it's most important: in our bottom line. However, the selling environment we are in has been quickly changing, and along with it, the recipe of how to make the sale. With the second edition, Stein has once again done a superb job of articulating those essential elements that will drive sales success in this New Economy."

—Robert Heise, Vice President and General Manager, Richardson Electronics, Ltd.

Praise for the First Edition

"If you want to master the art of selling, don't read this book—use this book!"

—Anthony Parinello, author of *Selling to VITO* and *Think and Sell like a CEO*

"This book is a real treasure trove of proven, practical ideas you can use to increase your sales immediately—in any market."

—Brian Tracy, author of *Advanced Selling Strategies*

Contents

Preface

I completed the manuscript of the first edition of *How Winners Sell* on September 7, 2001.

Not only did the shock of 9/11 weigh heavily in my decision to delay the original January 2002 publication date, but I also wanted time to observe and comment on how the economy, still in a downward spiral resulting principally from the March 2000 technology crash, would affect those of us who sell. The first edition was finally published in May 2002, with the recession far from over.

Acclaimed as highly relevant and rich with content, *How Winners Sell* swiftly attained the position as the number one bestselling sales book on Amazon.com. I was astounded that it attracted not only the readers with traditional selling jobs, whom the book had targeted, but also those in unexpected industries and positions: insurance salespeople, pharmaceutical and other sales reps working in health care, commercial and residential Realtors, financial planners, trial lawyers, entrepreneurs, investors, bankers, business owners, CEOs, corporate marketing executives, job hunters, executive recruiters, retailers, physicians, and others.

Then Enron, WorldCom, Global Crossing, and a growing list of other companies imploded due to mismanagement, ineffective corporate governance, and the severe business slowdown. With businesses continuing to postpone, eliminate, or reduce initiatives, investments, and expenses, the entire business environment was in turmoil and getting worse.

Fortunately, even during those tough times, demand continued for me to speak, train, and consult on my strategies from *How Winners Sell.* As the months and quarters passed, I found myself focusing on helping my clients upshift for selling in the New Economy. We were attempting to overcome the nearly incalculable drag resulting from the combination of a down economy, increasingly demanding and powerful buyers, considerably less business predictability, leaner organizations, desperate competition, and tighter budgets. Plus, as a result of SOX—the Sarbanes-Oxley Act of 2002—we faced considerably more accountability and aversion to risk—even fear—among executives. This environment demanded new levels of proficiency in C-level (as in CEO, COO, and CFO) and board-level selling skills.

I worked directly with sales managers, marketing executives, professional services practice managers, customer service executives, business development executives, divisional presidents, strategic account managers, scores of sales teams, many VPs of sales, and literally dozens of CEOs in North America and Europe in intensive individual and group sessions. We won a lot of deals. We lost some, too.

Although I have sold through economic downturns before, working through this recession with my clients provided me with an even deeper understanding about what it takes to win.

So as I considered writing a second book, I realized that as relevant as *How Winners Sell* remained, my efforts were best spent revising it so it would be of even more value to you now than the first edition was to my readers back in May 2002.

This second edition presents brand-new, relevant content covering critical skills: selling to boards of directors, mitigating perceived customer risk, building personal brands, the reasons why salespeople lose deals, handling Requests for Proposals (RFPs), leveraging politics in your customers' organizations, devising unbeatable sales strategies, best practices for flawless execution, and how to more effectively lead and manage your virtual sales team. These chapters will better leverage your efforts, no matter what sales methodology you use.

Read this book serially, or jump around to what will help you win business now.

Not every strategy will apply to you, but if you take a gem or two from this book and they increase your ability to sell, you'll make quite a bit more money and, from a personal perspective, you'll have contributed back to the underappreciated profession to which I have dedicated this phase of my life—sales.

I've given you my best effort in this book. I've held nothing back, and I've taken no shortcuts. You deserve nothing less.

Acknowledgments

Thanks to those who contributed in one way or another to the second edition of *How Winners Sell:* Bryan Abboud, Burke Allen, John Andrus, Ray Bard, Al Barrenechea, Mike Campanelli, Jim Doukas, Diane Engel, Ralph Engel, Will Flash, Paula Fleming, Peter Gamar, Tom Glaza, Megan Grennan, Rick Hartung, Deb Howard, Steve Kayser, LaVon Koerner, Chuck Luffer, Dr. Paul Mangiafico, Linda Mazzei, Snowden McFall, Angel Mehta, Jeff Morris, Tim Noonan, Alan Obsatz, Ann Obsatz, Paul O'Dea, Tony Parinello, Ari Pollack, Alex Polner, Ed Roach, Claudio Romano, Steve Rooney, Jim Schappert, Aidan Stack, Lee Marc Stein, Steve Waterhouse, Mark Williams, Debby Young, all the winners I've had the honor of working with, and my clients for whom those winners sell.

Thanks to Mick Stevens for his wonderful cartoons, each of which saved me at least a thousand words.

Special thanks to Michael Cunningham of Dearborn Trade Publishing, who got behind this project in a big way.

And of course, most important, thanks to my incomparable wife, business partner, and best friend, Vivian, for all the encouragement, support, insight, persistence, grunt work, and all-too-frequent sanity checks.

SELLING

What Worked Then Doesn't Work Now

You sell business-to-business. Chances are you've been in this for a while. Long enough to know that it's changed—a lot. Long enough to know that selling is more challenging than ever.

Your industry, whatever it might be, is more competitive than ever. New products and services come out faster and change more frequently. In many cases, supply has far exceeded demand.

Your customers are more demanding: they want more information, more options, bigger discounts, and better service. They know more about price, quality, capability, reliability, and their options and alternatives.

The New Economy and the resulting reductions in budgets have placed burdens on those who make decisions to invest in your products or services. Relationships alone aren't enough anymore. You've got to be ready to justify why they should buy what you are selling—all the way up to your customer's board of directors.

In many industries, buyers are requiring us to change the packaging of how we used to provide products and services. What used to be larger purchases and long-term commitments are being reduced to smaller and short-term ones. They'll rent, rather than buy. They'll buy one now and another next year, but only if everything works out as you say it will.

Our customers' organizations themselves are less stable. Mergers, acquisitions, and corporate downsizing have played havoc with the relationships you've built in your customer, client, and prospect accounts.

Organizations are leaner—perhaps meaner. It's harder to get appointments with those who write the checks—the real buyers. They have little time for golf. Now they are playing hardball.

Our governments have stepped in. Executives and boards are now formally accountable to their shareholders. They are more careful and slower to make decisions, because sometimes the risk of doing nothing seems to them far less risky than doing something and making a mistake.

Remember all those sales principles and strategies you learned in those training courses your employers have put you through? All those approaches and techniques you read in books? All those tips, tricks, and secrets you picked up when you were new on the job and learning fast? Gone.

Well, not exactly gone, but changed. Different. Some of them still work, but you have to think about them differently, use them in new ways. Others, you've already figured out, are now as stale as week-old bread.

Yesterday's answers just don't seem to fit today's selling environment. They don't answer today's questions.

How do you differentiate yourself?

- How do you keep people from treating what you sell as a commodity—so you can compete on something other than price?
- How do you build credibility with the people who make decisions?
- How can you get a leg up on your competition?
- How do you survive as a sales professional? How do you thrive?

Buyers are smarter these days and tougher. Some are a lot better at buying than we are at selling. Many companies avail themselves of buying services, employ reverse auctions, and provide their purchasing and procurement departments with big bonuses for getting the most out of you when it comes to price and terms.

Buyers remember all the approaches salespeople have used on them over the years, and they know how to grab the advantage. They're aware that a lot of the sales talk they hear is just hype, and what they know makes it more and more difficult for you to compete. It's a buyer's market, and unless you are selling something truly unique, it will remain that way.

Did I say hype? You bet. There's more than there has ever been—more companies hyping more and more stuff, trying to grab the attention of the same audience, with no end in sight. Look at today's business-to-consumer marketing: automakers' deep discounts, airlines' fare wars, telecoms' come-ons, broadcasters' program teasers, not to mention the all-out dirty battles associated with political campaigns. It's the same in business-to-business sales. This is hypercompetition, and it's a new ballgame.

What's happening? Why has competition become so frantic, so desperate, and so cutthroat? One reason is that too many companies are competing for the same business. Other companies have set unattainable revenue goals for themselves, thereby forcing the people who sell for them to perform unethical, if not self-destructive, acts. Buyers themselves have added to seller desperation. They often demand that we sell to them only through their designated committees, with Draconian rules: no contact with any executives, talk only about what is in the requirements documentation, show up when we tell you. . . . You know the drill.

Our competitors have expanded their product and service offerings to grab more market share or, in desperation, to maintain the dwindling share they have. Product companies have wrapped their products in services. Service companies have productized their offerings. All this is an increasingly futile attempt to avert the trend toward commoditization with which we are all dealing daily.

Other factors and trends influence your everyday performance. Companies you sell to, as well as companies you sell for, know you are reachable anytime, anywhere—at work, on the road, at home, in the shower, at the Little League game, even on vacation. 60 × 60 × 24 × 7 × 52. So everyone expects you to be on call, available, and informed—your employers, your clients, your prospects, as well as your family and friends. A good friend of mine, who is a superb sales executive, tells his sales professionals, with a glint of humor in his eyes: "You can take a vacation anytime you want, so long as it isn't during the last three months of any quarter."

Although no longer new, the other—the really big—influence on the way we sell is the Internet.

Ready access to information is a powerful tool. People who might buy from you can go online and, in a matter of minutes, find out everything they need to know about your company, your products or services, your customer satisfaction track record, your competitors, your company's financial position and its products and customers, and what companies in their own and other industries are doing to solve the same problems and meet the same needs. Suffice it to say: buyers are informed.

You've heard that time is money. Well, information is big, big money. Even if you're not selling technology or technical support services, in this era of the Internet, you have to view information as capital—a liquid asset. If you don't know the value of information, where to get it, and how to use it to win sales, you'll find it tough to stay in business. Here's why.

- You can't tell your clients much they don't already know about your company. You may be out of the running before you walk in the door, before you can even respond to their Request for Information (RFI).
- Your clients have the lowdown on their own customers, suppliers, and competitors. This information gives them an advantage over you, unless you know as much (or more) and can present a credible business case for improving their business that they haven't already considered.
- Your clients can easily obtain information about products or services that compete with yours. This has the effect of turning what

you're selling into a mere commodity, forcing you to compete on price alone.

All of this—new buying trends, the pull of commoditization, the economy, the slowing down of the decision-making process, the degree of information available to our customers, the abundance and desperation of our competition—is very, very bad news for us sales professionals, you say. Yes, it is. But I've given you the bad news first to get it out of the way.

Now, the good news: once you understand how to leverage all that is going on in the business world today, you can achieve sales success. Think about it. Companies are still buying. Investments are still being made in the products and services that you are selling. Sure, the boom times of the late '90s are over, at least for the forseeable future, but someone is winning that business. It's not gone away. Lots and lots of sales professionals are still out there and still making a lot of money. Understanding these challenges and having strategies to overcome them will put you ahead of your competition.

Here is an example: I said that access to information has left those of us who sell at a disadvantageous position. But here's the other side. There's so much information available now to your buyers, that the job of finding, evaluating, managing, and using it has become a limiting factor. Your clients don't have time to filter, analyze, and integrate what's relevant from all the data that's bombarding them. Classic information overload.

This infoglut is a golden opportunity for you. It gives you an opening to become a thought leader or, when you've really become a master, a trusted advisor for your client. You take on the job of sorting, interpreting, and winnowing the facts; you condense and present what's relevant to the company's bottom line. In the process, you become a valued coach, teacher, researcher, explorer, guide, and catalyst for change. Executives grow to depend on your experience, your commitment, and your ability to contribute to their company's success.

For an outsider, winning the position of trusted advisor is not easy—believe me, I know. But it can be done. To be a winner, you have to differentiate yourself from your competition in the way you use generally available information for your client's benefit. You have to demonstrate that you personally provide real value to your client—especially to key people in the company—and you have to be better at it than anyone else. That's what I mean by leveraging the conditions and challenges we face today in the business world.

This idea is not new, of course. Savvy sales professionals have consulted with their clients for decades. But how, when, and to whom should you provide the value of your expertise? These questions require new thinking. To become a sales winner in today's hypercompetitive, information-based, bottom-line driven, risk averse environment, you have to learn the following:

- How to manage information as barter
- How to establish instant, sustainable credibility with your prospect
- How to gain and maintain access to, as well as influence the thinking of, key people
- How to brand yourself as uniquely valuable to your prospect with Personal Capital, which you can leverage to win business
- How to protect your value proposition against competitive attack

The speed with which the business world has been transformed during the past few years has caught a lot of salespeople off guard. The instability of global economy, new levels of buyer power, new rules of business and competition, and the Internet have changed the requirements of your profession. If you have not yet fully adapted, I will remedy that—with this book.

HOW THIS BOOK WILL HELP YOU

My purpose in writing this second edition of *How Winners Sell* is to present a comprehensive plan with specific, relevant, and proven strategies and tactics that will give you an effective and lasting sales advantage. Here's what I will provide and how it will help you be a sales winner.

- I will explain what new skills you need to thrive in today's hypercompetitive business-to-business marketplace.
- I will propose new ways to apply the skills that you've already learned to give yourself more credibility with today's tougher, more informed, more experienced, and more risk averse buyer.

- I will provide new insights into deciding which sales opportunities are worth pursuing, so you can focus your attention, energy, and resources on the deals that you can win.
- I will coach you on leading a virtual sales team, so you can overcome organizational inhibitors that may be keeping them from achieving their potential.
- I will give you a template for creating simple yet powerful sales plans that will dramatically improve your win rate, job security, and earning power.
- I will show you what is important to top executives, so that you can gain and maintain access at that level when you need to—or at other levels, when appropriate.
- I will describe how to understand and discuss your customers' stated and unstated business issues to increase their interest and participation.
- I will suggest ways to earn privileges not available to competitors that will bring you insights into how to win sales.
- I will show how to recruit influential people within your accounts and train them to sell on your behalf when you are not there.
- I will demonstrate how to control the time, the place, and the rules under which you will compete, so you can outsell even the largest competitor.
- I will provide you with alternatives to gain control of customers' buying processes, including the handling of Request for Proposals (RFPs).
- I will guide you in figuring out your best source of leads and how to improve their quality.
- I will offer you proven ways you can effectively compete against ruthless competitors who slash their prices or negative sell.
- I will tell you how to learn crucial information about your competition that will help you win.
- I will explain how to increase the size of your opportunities, get prospects to close sooner, and spend fewer resources winning them, thus producing bigger commission checks for you, more accurate forecasting for your manager, and higher margins for your company.
- I will explain how to establish mutually profitable, personally rewarding relationships with your clients and colleagues.

PLANNING IS CRUCIAL

In the past few years, I've worked with companies who understood the importance of sales planning but didn't plan, because they had adopted the most complex, unusable, planning tools one could imagine.

When it comes to winning sales, I believe in a logical, straightforward, and pragmatic process that starts with the general and ends with the specific.

1. Gain a thorough understanding of the prospect's business environment—the conditions and circumstances that determine what the prospect will ultimately buy.
2. Identify your intention. In selling, we usually talk in terms of an objective rather than a goal.
3. Once your intent is clear and unequivocal, devise the strategy by which you expect to achieve your objective.
4. Develop a set of tactics—the tasks, events, and steps required to successfully execute your strategy.

Notice that I'm following this structure in the book itself, with a slight modification: I have set a goal for you, not an objective. First, I described your selling environment as I believe it exists today. Next, I stated the goal for this book. In sales planning, we use objectives, which are generally expressed as hard numbers. Goals are loftier but softer and less specific.

The core of *How Winners Sell* consists of 21 chapters, each containing 1 proven strategy for achieving your goal, which is to outsell your competition and win the big sale. Why have I chosen this structure? Because I know you are busy and may only be able to read one chapter at a time. You'll see that I have presented the strategies in the order in which you will use them when preparing and executing a sales campaign. Within each chapter, I present tactics that will help you execute the strategy.

If your approach to selling has always been unplanned, you may feel daunted by the prospect of devising and executing a strategy by using specific tactics. Think of it this way: as a sales professional, you're not just the foot soldier; you're the general, too. Without both, few battles are won.

Part One

RETOOLING YOURSELF TO WIN

Let's probe into the inventory of skills, attitudes, and behaviors of the consistently effective sales winners. These people have been able to perform regardless of what might be distracting their colleagues and competitors. Like sailboat skippers catching the wind in their sails, they have managed to leverage forces that are out of their control and use them to their own ends.

These advantaged performers seem to navigate their way to success with most of the sales opportunities they pursue. They are CEOs of their own virtual sales corporations: evaluating, planning, communicating, executing, directing, probing, motivating, positioning, building relationships, competing, negotiating, learning, advising, and taking responsibility for everything that happens in their sales campaigns.

Sounds like the job description for a CEO, doesn't it? How well you perform these and other roles will determine how consistently you achieve sales success. To retool yourself for winning, you have to get an unbiased assessment of your skills, attitudes, and behaviors, then create and execute a series of simple strategic plans to achieve your goals in each area.

For example, if you believe that being able to read and interpret financial statements is a critical skill for gaining the advantage in selling, and it's a skill you don't have, here's how you would develop it.

- *Situation assessment.* Interpreting financial statements is a key skill, one that I don't have.
- *Objective.* Learn how to read and interpret key financial reports by March 15.
- *Strategy.* Attend a class on the subject.
- *Tactics.* 1. Get recommendations for classes.
  2. Schedule time in my calendar.
  3. Send in the registration along with a check.
  4. Arrange transportation to and from the class.

"HELLO, FRANK! NELSON PHELPS HERE, SALES-REP OF THE FUTURE!"

Part 1 of *How Winners Sell* is about what's inside—that is, what inner resources you can draw on and how you can develop them. When you have completed this part of the book, you will

- see the importance of objectivity and the risks of wishful thinking.
- have had an opportunity to evaluate your relationship with change.
- know the new critical skills that winners consistently demonstrate.
- understand how to leverage Personal Capital and how to use it to build your brand.
- have learned how critical effective communication is in selling to senior executives.
- understand the importance of business and industry knowledge.
- understand why some salespeople lose deals.

RECRUIT A MENTOR

A proven strategy that winners employ when having to adapt to broad new challenges and opportunities is to build a relationship with a mentor. A mentor is someone, usually an accomplished professional, who can provide you with a vision of success along with the strategies and tactics to achieve it. A mentor can serve as a sounding board and help you, the protégé, expand your network. The mentor can also give you honest feedback on your progress. Mentors provide broader guidance than coaches, who usually work on specific skills.

Do You Need a Mentor?

The answer is probably yes. There are times that most of us just aren't able to gain the wisdom and knowledge necessary to move to the

Tactic

Find someone who exhibits the behavior you want to emulate. If they are approachable and available, consider asking them to mentor you through personal or professional changes in that area.

next level in our jobs or careers, and some of what I am going to be recommending in this book is very dramatic, indeed. Some challenges may seem insurmountable, and without engineering and executing a dramatic breakthrough, you may be stuck, unable to adapt to what is required. An effective mentor can provide honest and objective assessment, insight, and perspective required for ongoing success, especially during these tough times.

For a relationship with a mentor to be effective, the mentor must be willing to take the time to work with you, be a good communicator, and be knowledgeable about the subject(s) in which you seek guidance. They must be discreet, caring, and able to solve problems. They are not easy to find.

For a mentor-protégé relationship to work, you must be willing to work hard at improvement. That means defining and accepting your shortcomings, being open to changing or forming new habits, and trying new strategies and tactics. You must take responsibility for executing what you and your mentor decide is the best course of action. You have to be honest, objective, appreciative, and motivated, and have the courage to change.

What's in it for the mentor? Here is what I get out of mentoring: the satisfaction of helping someone who needs and wants my assistance. In addition, I get to improve my own coaching, leadership, communication, and management skills. I often get new ideas and insights from my protégés, and my protégés provide me with an expansion of my business and professional network. That's real value to me.

As you read through Part 1 of *How Winners Sell,* commit to improving the skills, attitudes, and behaviors you need to outsell the competition and win the big sale.

Chapter

1

WHAT'S IT ALL ABOUT?

STRATEGY NUMBER ONE

UNDERSTAND THE TIMELESS TRUTH ABOUT SALES

It's All about Money

Why are you in business?

When I ask my clients this question, I get different answers. Some say their companies provide places where people can work, improve their standard of living, and build rewarding careers. Others talk about how their products and services make life better for their customers. Still others remind me of their company's place in the great economic machine; it helps make the nation strong, they say, and besides, look how much we contribute to charities and to our communities.

All this is true, of course, and admirable. But when they talk of these benefits as their companies' main reason for being, my clients are fooling themselves. The main reason for doing business boils down to this:

It's all about money.

Sure, a company should reward its employees, contribute to the community, and make the world a better place to live. But if a company does not eventually generate a consistent profit, it will not stay around long enough to make anyone's life better—except, perhaps, the bankruptcy attorneys'.

To top-level executives, achieving their business plan ultimately comes down to money. They may measure it as EVA (economic value added), return on equity, return on assets, return on investment, top-line revenue, gross margin, operating income, increased market share, earnings per share, a reputation for quality, quickness to market, or something else, but it will always relate to money, counted one way or another.

Winners understand this. If, as a sales professional, you can show your clients exactly how, and by how much, you will increase their revenues, decrease their expenses, or both, you will establish a solid basis for doing business with them.

Some sales professionals like to point out cases where they cannot cost-justify their solution. Suppose that what you provide is a product or service that enables companies to comply with a government regulation or helps to mitigate a risk, such as insurance or analytical software. If doing business with you will keep your client from paying a fine, closing facilities, losing customers, or losing money, you have a platform upon which you can build a strong business case.

The most successful salespeople are those who keep their customers' bottom line foremost in their minds. They will tell you that to be consistently successful, you must build upon the single most important timeless truth of sales:

It's all about money.

Money for What?

CFOs recognize two basic types of expenditures: necessary and value-added. Value-added expenditures, or investments, bring a financial return by increasing revenues or decreasing expenses. Necessary expenses, on the other hand, are costs such as payroll services, regulatory compliance, insurance, and real estate. The goal of the CFO when evaluating and procuring necessary services or products is to minimize the drain on the company's resources. That's where vendors of outsourcing services can win big. Offer a reliable, cost-effective, turnkey service, and you're half-way to a sale.

A CEO with whom I do business runs a public high-tech company. He believes that his primary job is to increase shareholder value by improving earnings per share (EPS). He sees every product enhancement, big win, marketing campaign, securities analyst comment, or loss of a proven salesperson in terms of its impact on the company's earnings per share. His people receive bonuses when the company achieves its quarterly EPS goals. So, when I get a chance to present a proposal to meet his business needs, such as new selling strategies against a tough competitor, you can imagine how I'll approach him: right to his EPS. That's how he counts his company's money, and that's how I position what I sell him.

Another client counts its money differently. As a wholly owned subsidiary of a public corporation, this company's success is directly proportional to the profit it contributes to the parent corporation. The subsidiary is generating cash, but the parent company is not doing as well as expected. I know exactly how to position my proposals to these folks. It's not earnings per share they seek or revenue growth. They need to generate cash, and cash is the measurement I use when positioning the contribution I can make.

Well-known business strategist Michael Porter says, ". . . the only goal that can support a sound [business] strategy is superior profitability."

If your market does not perceive what you're selling as strategic or mission critical, it's your job (with help from your company's marketing team) to find out what specific contribution your product or service can make to your customer's or client's business plan.

Tactic

Set your Internet browser to open to a business-oriented portal when you turn it on. Set aside 20 minutes each morning to scan the news about your top three customers, clients, or prospects and their top three customers, suppliers, and competitors, including current stock quotes and financial information.

If you've been in enterprise or corporate sales for a time, you'll know that, in terms of your ability to gather information about your prospect's financial position, goals, strategies, and obstacles, there are two types of companies: publicly held and privately held. These categories differ greatly in the amount of information available.

Publicly Held Corporations

In the hands of a knowledgeable, disciplined sales professional, the Internet is the most effective tool for learning about a publicly held corporation's financial position and business plan. (Discipline is required to avoid surfing the day away.) In the United States, we can thank the Securities and Exchange Commission (SEC) for requiring more and better financial information than ever from public companies. The Sarbanes-Oxley Act of 2002, although a nightmare in many ways for public companies attempting to stay compliant, has helped those of us looking for accurate information. By the way, all the standard financial reports filed by most public companies are available free of charge on the Internet at http://www.sec.gov.

As you read through the financial reports, such as the 10-Q (issued quarterly, containing financial results and significant changes or events) and the 10-K (an annual report that includes the future outlook), you can begin to discern aspects of how your targeted companies see themselves; their marketplace; their industry; their challenges, risks, and competition; and their financial position going forward.

Learn how to scrutinize your prospect in Chapter 10.

Tactic

Read the 10-Qs and 10-Ks of your most important customers and their most troublesome competitors. Focus on financial measurements and business strategy; then base your discussions with executives and senior managers on this information.

Privately Held Corporations

It's harder to get information about privately held companies from outside sources. The owners and managers tend to take the word *private* very seriously. The only thing readily available may be a company or product brochure, but you can often search for the company name on the Internet and follow the links for nuggets of valuable information. Many fee-based Web sites, such as http://www.hoovers.com, have information on privately held companies. In general, though, don't expect to find the level of detail about your private client's or prospect's financial position or business condition that the SEC requires public companies to report.

In my experience, the best information about a private company—how it makes and counts its money, who wins when there's more of it, and how you can contribute to its profitability—comes from two sources:

1. Sales professionals who work for other suppliers that sell to that company (who don't compete with you)
2. People in the company whom you can persuade to talk

As you know, salespeople have a unique perspective on what's happening in their marketplace. They know their company's strengths, weak-

Tactic

One effective way to get information about a prospective client is to call their head office and get the name and number of the salesperson for the territory where you work, then call that person. Keep the conversation simple: "Jim? My name is Dave Stein. I'm a sales rep for The Stein Advantage, and I'm researching your company for a presentation I'll be doing for Mr. Bonner and Ms. Fuge on February 3rd. I'd love to get your perspective on the opportunities and challenges your company is facing. I won't ask for any information you'd be uncomfortable discussing. Would you be willing to meet me for a coffee after work on Thursday? Perhaps I can give you some sales leads or other information that might advance your selling efforts."

Tactic

Devise your own methods of gaining information about privately held corporations. These methods will depend on the industry, the size and culture of the companies, and your own network of business contacts within installed accounts.

nesses, wins, losses, and in many cases what needs to be done, at least in the short to medium term, to bring in more revenue. That said, whatever information you get by interviewing a sales rep is by no means the final word on any aspect of your prospect's business. Like information from any other single source, it needs to be corroborated by others in the account.

Outside of salespeople, how do you get others in a company to give you the financial and other information you need to position your product or service to the decision makers? Answer: by building trust with them over a period of time. Trust is a product of integrity and competence. If you exhibit integrity, your prospects know that you will always do what is in their best interests and you're willing to be held accountable. Being competent means you can answer their questions correctly—even questions they haven't thought of yet. When you build trust, you earn the right to ask what you need to know so that down the road you can give them a proposal that will provide maximum value for their business.

Strength in Knowledge

Let's not lose sight of the point here. It's important to know the financial position of any company to which you intend to sell. Are they making or losing money? Do they pay their bills on time? Will they pay cash or lease your products? But the real message to you is this: you need to know how—and by how much—your product or service can contribute to that company's ability to make more money, spend less money, or mitigate potentially costly risk. To know that, you need to have a clear picture of the company's financial position today, what it was last quarter and last year, and what the company and analysts expect it to be in the future.

When you completely understand your prospect's past, current, and projected financial picture and can use this knowledge to persuade an executive that an investment of $1 million in your product or service will result in a $4.37 million increase in profitability within 12 months, you are well beyond simply getting the buyer's attention. But these numbers must be real, and your prospect must be shown they are achievable with minimal or, even better, no risk.

Sarbanes-Oxley has had another positive impact for us, the sellers. The boards and senior executives of publicly held corporations are now formally responsible and accountable to do what they can to act in the best interests of their shareholders. Depending on what you are selling and to whom you are selling, that executive may have an obligation to evaluate your value proposition more thoroughly.

"The buck stops with the guy who signs the checks."

—RUPERT MURDOCH

Remember: It's all about money. All the relationship building, competitive positioning, and great negotiating skills in the world will not get you very far if you have not given your prospect solid, measurable business reasons to work with you—not today. If you understand this principle and live by it, you've mastered Strategy #1. You've laid the foundation for your sales success—and for mastering the other 20 strategies.

Tactic

If you don't think you can position your product and service financially at the highest levels of the department, division, or enterprise into which you are selling, take a look at your current clients. Talk to a few of the people who signed on with your product or service, whose money or whose project or initiative it was—the real buyers. They will tell you in very clear terms why they made the investment. They may call it something else, but their purpose was to increase revenues, decrease expenses, mitigate risk, or all three.

Chapter

2

CAN YOU HANDLE THE TRUTH?

STRATEGY NUMBER TWO

LEARN TO SEE THINGS OBJECTIVELY

One of the most important skills that winners have in common is the ability to see things objectively. Objectivity is critical for sales success. It gives us the ability to determine the truth and to handle any situation appropriately. Winning sales requires both outward-focused objectivity—a realistic picture of our true position in a sales campaign—and inward-focused objectivity, a clear-eyed assessment of our own skills and capabilities.

Keep in mind, however, that in the real world, objectivity is relative, not absolute. No person, however wide-awake and self-aware, can ever be totally objective about everything and everyone—especially themselves. J. M. Barrie said, "We don't see things as they are, we see things as we are."

Experience is the best teacher of objectivity. Novice salespeople are often optimists; they have to be, to face all that rejection and keep coming back for more. They look for any nuance, any signal upon which they can build the belief that somewhere, somehow, there is business for them to win. Not only can't they assess a situation objectively, they generally don't see their own weaknesses. They are unconscious incompetents, unaware of their own deficiencies.

Even as they mature and gain experience, some salespeople continue to be wishful thinkers with "happy ears." They cannot—or will not—face the facts as they are; instead, they put a positive spin on anything they tell their bosses, their customers, and ultimately (or perhaps primarily) themselves. In other instances, salespeople deliberately avoid learning the truth. Like ostriches with their heads in the sand, they feel that if they don't ask the question, they can't get the bad news. Salespeople use these defense mechanisms, often unconsciously, out of fear of some real or perceived threat. (Sometimes salespeople don't know the difference between bad news and good news, but that's another issue.)

Inward-Focused Objectivity

Winners have the ability to assess accurately their own strengths and weaknesses and the will to acknowledge them. To winners, everything is open to examination: the skills they have or have not developed over their years of selling, the personal traits they were born with, and the behaviors they exhibit every day.

"Denial ain't just a river in Egypt."

—MARK TWAIN

Winning sales professionals are constantly reassessing themselves—determining where they stand versus the current business environment and their competition, where they need to be to sustain their success, and how they are going to get there. They work constantly on areas needing improvement and, in the meantime, seek help from others to compensate for weaknesses in these skills, traits, and behaviors. They understand that, especially in our world of constant change, what may have contributed to their success then doesn't necessarily get the job done now.

Winners know that their own weaknesses can jeopardize the success of an entire sales campaign and even their careers. A tendency to panic when things aren't going well, for instance, or to be a lone wolf, unable or unwilling to work other members of a team, can be fatal when pursing a complex, competitive sales opportunity.

Outward-Focused Objectivity

Winners seek the truth. They understand that it is a vital element of their success. Top sales professionals are consistently objective about the world around them, especially the true state of their sales campaigns and the motivations, intentions, and capabilities of the people to whom they're selling.

When I am called in to help a company win a difficult sales campaign, my first task is to find out how objective the sales rep is about the sales opportunity. It's not my practice to meet the prospect, so until I can speak with other team members, I have to base my assessment solely on what the rep tells me. If that rep is not objective, I can't help them.

Deception on the part of the buyer has become more commonplace. Whether to spare your feelings or to get a better negotiating position with another supplier, many evaluators who work for the real buyers will string you along, making you think you may be selected when, in fact, you've already lost. You may well find that your prospect is including you—letting you think you're at least in contention—merely to satisfy a three-bid requirement, having decided long before to do business with another bidder. Other prospects will hide the fact that they've lost funding for the project or that it has been postponed. If you've learned to assess the sales opportunity with staunch objectivity, you will see through a prospect's friendly façade, seek the truth about the competition, and ascertain whether a deal is possible.

I always think about the movie *A Few Good Men.* Jack Nicholson, portraying Colonel Jessup, is being questioned on the witness stand by lawyer Lieutenant Kaffee, played by Tom Cruise.

Jessup: "You want answers?"

Kaffee: "I want the truth."

Jessup: "You can't handle the truth."

Can you handle the truth about your sales opportunities and your own capabilities?

Objectivity is critical for effective qualification. See Chapter 9.

As you read more in this book about the skills, personal traits, and behaviors of winners, try to be objective about yourself. If you find your-

T *actic*

Over a two-month period, ask several trusted friends, partners, colleagues, or mentors to give you their objective and candid observations on your behaviors and other professional issues. You'll have to be willing to hear the truth and to make necessary adjustments in the way you see things.

self saying, "I know that," or, "I do that already," stop and ask yourself for hard evidence. See just how objective you can be.

Escaping from the Comfort Zone

When you do identify a skill or behavior that needs improvement, just how capable of change are you?

A while back, I was facing two big changes in my life. I was approaching the 50th anniversary of my birth, and within a week of that milestone, I was going to leave the corporate world for the third time in my career and start The Stein Advantage. I was definitely planning to venture out of two of my comfort zones around the same time.

Needless to say, I was apprehensive. However, being someone who loves and even thrives on change, I decided on a proactive approach. I would go skydiving.

Here's the way I saw it: if I could stand in an open airplane doorway two-and-a-half miles above the ground and will myself to step into empty space, then I could do anything. If I could do something so counterintuitive, I could meet any challenge. Turning 50 and starting a new business would be a piece of cake.

With this in my mind, I jumped out of my comfort zone. I left the security of a functioning aircraft and entrusted my life to a thin canopy of nylon. After experiencing that thrill and living through it, I was confidently able to resign my position at the last company where I would ever be an employee. That marked a new beginning.

I jumped out of my comfort zone and started my third company, The Stein Advantage.

I jumped out of my comfort zone and became an expert in business-to-business sales, as well as a thought leader to my clients.

I jumped out of my comfort zone and withdrew my first proposal to a client—with no other business in the pipeline—because discounting my services was against my principles.

I jumped out of my comfort zone and celebrated my 50th—my best birthday ever—willing to take on anything and everything a person half-a-century-old would have to face.

I literally propelled myself out of my comfort zone—and, in doing so, expanded it.

Do you know the boundaries of your comfort zones? Are they real limitations or merely self-limiting beliefs? If you're putting up your own boundaries, please understand that expanding your comfort zone requires, by definition, discomfort.

I encourage you, for the sake of your professional growth, to invite discomfort occasionally. As winners will tell you, you have only three real options for change.

1. You can anchor yourself in your comfort zone and be left behind.
2. You can reluctantly allow yourself to get pulled out of your comfort zone and be somewhat effective some of the time.
3. You can take the initiative, expand your comfort zone, and control your professional destiny.

New Behaviors

Here are some business-oriented behaviors you might consider to be outside your comfort zone and, therefore, worth the risk of trying.

- Deliver a speech at an industry or association meeting.
- Call a stock analyst who follows your customer's industry and offer him insights into that industry.
- Cold-call 25 CEOs.
- Walk away from a sales opportunity that's not likely to turn into business.
- Understand and memorize your best customer's latest financial statements. Then talk to that customer about what you learned.
- Commit your sales plan to paper (or disk). Update it as the sale progresses.

- Learn about your prospect's top three products, as well as those of their three key competitors. Then talk about what you learned on your next sales call.
  - Refuse to answer an RFP until you meet with the real buyer—the person from whose budget the funds will come for this investment.

See Chapter 8.

- Ask your coach in a sales campaign to agree to help you win the deal—to become an active ally.
- Quantify the risks involved with several different activities in which you are involved, such as a sales campaign (or two), a personal issue, or a personnel challenge at work. Write down your assessments and specifically how you will mitigate those risks.

T*actic*

Figure out what enables you to change *your* behavior proactively. Make an honest, objective appraisal of your attitude toward change, your comfort zones, where you need to be, and what you need to do to get there. Then do it!

Chapter

3

TAKE INVENTORY, THEN STOCK UP

STRATEGY NUMBER THREE

GET INTO SHAPE FOR SELLING BIGGER

Once you are capable (with or without someone's help) of performing an objective self-assessment, you can dig into the skills, attitudes, and behaviors (SABs) you'll need to gain the selling advantage. Because the customers will ultimately determine what SABs you need to exhibit for them to buy from you, each sales position is unique.

However, some SABs are universal, and all sales professionals need to develop and maintain them. I have grouped these into a number of areas: business know-how, expanding your perspective, communication skills, exhibiting executive demeanor, and leveraging your Personal Capital. We'll go into each of these over the next several chapters.

First, let's take a look at several substrategies. These will help you develop some key skills that you'll need to become a winner through what I call *selling bigger*. That's selling bigger solutions to bigger buyers for bigger bucks.

Make Self-Education a Habit

Much of what *How Winners Sell* is all about is knowing more about your customer, client, or prospect than your competition and using that information to your advantage. Information is an asset. You can squander it, or you can invest it for the highest return.

If you're not in the habit of staying on top of industry and general business news, trends, the opinions of experts, and what is in the best interests of your clients and customers, you need to get there. If you are lucky enough to work for one of the few advanced corporations that provide this kind of information timely to their sales organizations, you're ahead of the rest. If not, you have to take responsibility for self-education.

Top sales professionals understand that most of this research into their client's industry has to be done through trade publications, business periodicals, and the Internet. Subscribing to (and reading!) these sources is a good use of your time.

A sales professional should regularly peruse four categories of magazines and Web sites:

1. Business publications like *The Wall Street Journal, Fortune, Forbes,* and *BusinessWeek*. All those magazines have Web sites (see the Resources section).

> *"Education is too important to be left solely to the educators."*
>
> — FRANCIS KEPPEL

2. Technology-oriented business magazines and Web sites, which will give you insights into leveraging information and technology for sales advantage, even (or especially) if you are not selling information technology. Examples are *Business 2.0* and *Fast Company.*
3. Industry trade publications—magazines published specifically for people working in (and selling to) those industries, such as *Baking Management, Air Transport World,* and *American Inkmaker.*
4. Magazines and related Web sites targeting sales professionals and their management. Examples: *SellingPower; Sales and Marketing Management;* and the monthly, complimentary *How Winners Sell e-Zine.*

T*actic*

Subscribe to and read at least one periodical per category, including articles in which you have little interest. You can spend weeks trying to get a meeting with an executive, then lose credibility instantly if they test you by asking your opinion about something you should be familiar with but aren't.

Make sure you know what new business books executives are reading. I won a deal by asking a VP what book he might have seen on the CEO's desk. He told me. I bought and read the book on the plane flight to the first meeting with that executive. The CEO and I discussed it, and from that point on, I could do no wrong.

Develop Your Own Research Tools

If the Internet has done anything for us as sales professionals, it has given us the ability to learn more about our prospects, clients, and customers. Of course, it has done the same for our competitors. So, with the same information available to everyone, how can we gain competitive advantage?

Although publicly held corporations are easy to research, information on private companies is harder to come by. You'll need to get very proficient with your personal computer, PDA, or Web-enabled cell phone to find what you need to know quickly.

Here are some tips for finding the information you need on the Internet.

T*actic*

Test yourself. Can you talk for more than ten minutes about current trends, best practices, or new opportunities in each of the four kinds of information I listed above (generic business, business technology, your industry, and sales)? If not, you probably need to spend a bit more of your time reading.

- Find a few search engines you can get comfortable with and learn how to use them, including the advanced features. At http://www.ceoexpress.com, you'll find a list of the best search engines.
- Find alternative sources of information about your clients, customers, and competitors; for example, job-search sites that might indicate new development initiatives; investor bulletin boards, such as those on http://finance.yahoo.com; and local newspapers from towns remote offices, sites, or plants may be situated.
- If you're selling to larger, multinational corporations, especially during this age of geopolitical and economic unrest, you need at least a basic understanding of what the experts are saying. Try the weekly magazine, *The Economist*.
- Don't believe everything you see on the Internet. Financial statements are generally truthful, but your prospect's Web site may contain more hype than reality.
- Save, bookmark, or print out anything you think may prove valuable. Today's tantalizing, powerful article often becomes the object of tomorrow's two-hour search.

Finally, please understand that some of your favorite and most effective research tools today might be gone tomorrow. Make sure you stay current on the best ways to identify, gather, and analyze the information that's most critical to your job. Regularly monitor the *How Winners Sell* Web site at http://www.HowWinnersSell.com.

Enhance Your Communication Skills

Information is, more than ever, barter, but time has always been money. It's even more valuable in today's hurry-up, meet-Wall-Street's-expectations business environment. Top executives put a higher premium on their time than anybody, especially today. They've got flatter organizations, more responsibility, more demanding customers, and lots of people looking over their shoulders waiting for them to make a wrong move.

When you try to contact these decision makers, will they follow up with you themselves, or will they hand you off to their subordinates or even ignore you? Their treatment of you depends on how effectively you communicate. In this electronic and ostensibly paperless age, effective communications means e-mail and voice mail. How good are your digital communications?

For sales professionals seeking to influence executive-level decision makers, poor communication skills can be fatal. Quite often, the people at the top have excellent communication skills and will judge you negatively if they see that yours are deficient. No matter how competent you are, no matter how well you sell to lower-level managers, you can be forever pigeonholed by top executives as beneath their notice, and fit only for delegation to a lower level in their organization.

"To listen well is as powerful a means of communication and influence as to talk well."

—FORMER U.S. SUPREME COURT CHIEF JUSTICE JOHN MARSHALL

Here are some ways to increase the effectiveness of your e-mail communication with customers and clients.

- Ask executives how they like to communicate. Some prefer e-mail. Others detest it. They will appreciate your asking.
- Send business contacts unsolicited messages only if they offer obvious value: industry information, competitive insights, new offerings, or updates on how you've helped other clients who have similar challenges.
- Learn to write subject lines that are compelling and concise.

Reread your e-mails (and use your spell checker) before you send them. It's important to be understood, but even more important not to be misunderstood.

Even with the rise of e-mail, we still use phones. Whether you like it or not, you'll often find yourself talking to someone's voice mail. Busy executives get a lot of it; whether they decide to answer your message depends on how compelling it is. Sales winners know how to leave messages that are clear, concise, and to the point. Think out your message before you call; be ready for the beep. But don't memorize it or read it, or you'll sound mechanical.

E-mail and voice mail, despite their ease and utility, are not direct communication. They're more like slipping a note under someone's

Tactic

To improve your writing skills, take a business writing course, such as the one offered by the American Management Association.

door. In fact, salespeople sometimes use them to avoid direct contact. You call and leave a message when you know your contact isn't at their desk—or, rather than risk calling, you send e-mail. Maybe you don't want to get caught off guard with questions you can't or don't want to answer. Maybe you're not comfortable delivering bad news. Maybe you simply don't want to spend time on the phone. Whatever your reasons, such one-way communication will keep you from developing the person-to-person relationships you need to be a sales winner. Push out of your comfort zone; strive for person-to-person communication wherever possible.

It's important to look objectively at all your communication skills. If you're not sure how well you speak or write, ask someone who knows and is willing to be brutally honest. If you come up short, do something about it. Now.

Become Proficient at Questioning and Listening

The questions that you ask yourself will drive your ultimate success as a sales professional. Here are some tough, basic questions that, if asked and answered, will give you insight, if not motivation, to find the path, stay the course, and do what it takes to achieve sustainable sales superiority.

Tactic

To improve your oral communication skills, join Toastmasters International. Even professional speakers routinely praise that organization and the improvement its members enjoy.

- What obstacles are keeping me from setting specific goals for myself, both professionally and personally? What can I do today to list, then overcome, those obstacles?
- What obstacles are preventing me from planning and formalizing those plans? What can I do today to list, then overcome, those obstacles?
- What strengths can I leverage to make myself more effective as a sales professional? How will I do that, and by when?
- What professional weaknesses are keeping me from achieving my goals and objectives? What will happen when I eliminate or compensate for those weaknesses? How, specifically, will I accomplish that, and by when?

Top sales professionals have developed advanced skills in asking prospects questions. In the interests of learning everything they possibly can about their prospect, they have refined questioning and listening to a level of precision many of us have yet to achieve. Every question has a purpose, whether it is to get information, demonstrate understanding, or build personal rapport. Before every phone call or meeting, they know exactly what information they need to advance the sales campaign and what questions will get the needed answers.

Ask, and Keep Asking

Winners seek the truth; they ask themselves questions in pursuit of essential information. Early in the qualification process, for instance, a key question is, "Does this prospect have money to invest in my offering?" The top pros seek out people who can answer this question as well as independent evidence that the answers they get are correct. They ask the question over and over until they are sure of the truth. If the answer is no, they consider relegating the deal to the back burner until things change. If yes, they keep asking to make sure nothing changes.

See Chapter 9.

A single question asked three times can force you to reassess your progress in a sales campaign. When I consult with a company to help it win a sales opportunity, I always ask the sales rep, "If you just now

T *actic*

Here's one to take you out of your comfort zone. During your next sales call, early in the prospect's buying process, offer nothing but questions. Make them relevant, insightful, and thought provoking, but—unless you are specifically asked to respond to a question yourself—only ask questions. You'll find that this exercise will force you to think more diagnostically. Also, if you haven't read Stephen Covey's *Seven Habits of Highly Effective People* in the last 18 months, read it again.

learned that you lost this deal, what would be the reason?" When they tell me, I ask, "And if that weren't the reason, what would be next?" When they answer that, I ask the same question for the third time. By then, if the rep is objective and honest, the reasons they could lose the sale are on the table.

There are other high-level questions you should ask yourself as you pursue business. One of the best is, "From the prospect's perspective, why should they buy from me?" When you know the answer to that one, ask, "Why else?" You'll learn more about this in Chapter 16.

When it comes to competition, you might ask yourself, "If a new competitor were to drop into this deal right now and jeopardize my position, who would it be?" Next, "What would they do and say?" Then, logically, "How would I prevent them from making any progress in this account?"

Finally, take on the perspective of a businessperson. Ask yourself one question: "If I were an executive in my prospect's company—responsible for large sums of money and hundreds or thousands of jobs and careers, knowing what I know about that business and that industry and the competition—would I be persuaded by someone like me?"

T *actic*

List five questions you will ask yourself each day, the answers to which will help you advance your portfolio of sales opportunities. While you're at it, do the same regarding your professional development.

Tactic

Aggressive listening is another skill that the winners develop and maintain. It's a level beyond the active listening that we learned in Sales 101. The top pros not only ask the right questions but attempt to discern what the person really means when they answer, not merely what they are saying. Give it a try.

Note: Don't preprescribe solutions. Learn what your customer envisions they will buy before you begin selling.

Sell Higher

If you want to win business consistently and predictably, you have to sell to decision makers. If you're selling big business solutions for big bucks, these decision makers—the real buyers—are high-level executives with the power and influence to drive their agendas.

I've been asked many times over the years to deliver speeches, run seminars, and create training programs on how to sell to C-level (CEOs, CFOs, etc.) executives. For a long time I thought the issue was simply getting access. I knew just about every trick in the book, and that's what I taught.

Then, to my surprise, I began to hear complaints from salespeople I had trained six months before that they still could not get executive access. What was I doing wrong?

The problem, I discovered as I dug deeper, was no longer a question of their gaining access to decision makers—it was their access to relevant information. It's become difficult to give your prospects information, insight, and experience they can't get elsewhere.

Typically, a motivated salesperson would ask for and get a meeting. But after getting in, they wouldn't know what to say and would grow uncomfortable. Perhaps the executive would ask a tough question, and the sales rep would be embarrassed not to have a ready answer. The rep would grow more and more aware that they had nothing of value for the executive, or if they did, couldn't get it across convincingly. The executive's attention would wander.

This experience would soon become a self-reinforcing syndrome—one that is perhaps familiar to you. Your meeting with the top executive doesn't go well. The same thing happens next time with another senior executive. Next thing you know, you're back where you started, unable to get appointments with senior executives. The reason? You wind up not fully pursuing new meetings because the terror of getting in and then not knowing what to say is worse than not getting the meeting at all.

How do you avoid falling into this vicious cycle? By becoming more resourceful. I now coach sales reps to work closely with others who can bring value to the prospect's executives: subject matter experts from the seller's company, client base, or noncompeting business partners. Top sales pros these days are veritable brokers of people, resources, and information—the capital I discussed earlier.

Assessing Your Access

Take this little test, based upon what I refer to as Toole's Model (after the seasoned sales executive Gary Toole, who first showed it to me). It will give you a clear picture of where you've been investing your time in an account and whether you've been having enough time with the appropriate people.

Start with the most important opportunity you're now working on. Down the first column of the chart, write the names of all the key executives, managers, and operations-level people who will be involved in the evaluation, decision, and approval of your offering, ranked from most important—the real buyer—to least. Include everyone whose support you will need to win the business and with whom you should be building at least some level of relationship.

Across the top, fill in the months or other time divisions appropriate to the length of the evaluation.

Mark the squares to indicate with whom and in which months you've had at least one significant, face-to-face meeting, phone call, or discussion. *Significant* means relating to your contact's business issues, opportunities, or challenges and your contribution toward their success.

Your chart should look something like the one in Figure 3.1.

Some of you will find that your version of Toole's Model looks more like the one in Figure 3.2.

FIGURE 3.1 *Toole's Model*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Fred Jones (CEO)	●		●	●		●		●	
Jane So (CFO)	●	●	●		●	●		●	
Luis Garcia (SVP West)	●			●		●			●
Ron Kumar (VP Mfg)	●		●		●		●		
Ira Goldfarb (Cust Svc Mgr)		●		●		●	●	●	●
Jim Flavin (Purchasing Mgr)	●		●	●		●		●	●
Ian Markham (Project Leader)	●	●	●	●	●	●	●	●	●
Cathy Bemis (Accountant)	●	●	●	●	●	●	●	●	●

FIGURE 3.2 *Another Toole's Model*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Fred Jones (CEO)	●		●						
Jane So (CFO)	●	●	●		●				
Luis Garcia (SVP West)							**(vast emptiness)**		
Ron Kumar (VP Mfg)	●		●		●				
Ira Goldfarb (Cust Svc Mgr)		●		●		●	●		
Jim Flavin (Purchasing Mgr)	●		●	●		●		●	●
Ian Markham (Project Leader)	●	●	●	●	●	●	●	●	●
Cathy Bemis (Accountant)	●	●	●	●	●	●	●	●	●

T *actic*

If you're preparing to call on an executive, have enough information, insight, and opinion to be able to talk about their world for 15 minutes longer than the time scheduled for the meeting. If you do this, you will never fear running out of something valuable to say.

If your chart looks like the second one, gaining or maintaining executive access may be out of your comfort zone. You need to explore why this is true and what you need to do about it.

Exhibit an Executive Demeanor

The people who are most successful at selling to executives are other executives. You may have experienced this yourself: near the end of a big deal, your boss, or even your company's CEO, meets with their counterpart in the prospect's company and closes the deal you spent months developing. You're more than a little uncomfortable. You're the one who did most of the work, and now your boss seems to be taking an ego trip at your expense.

But, even if you aren't a top executive, you can still act like one. What will persuade a top executive that you have the right stuff? One thing is your ability to understand the world from an executive's perspective, to see the big picture from 40,000 feet. Another key is your ability to command respect.

T *actic*

Broaden your audience. Find out who else in the company might support an investment in your product or service. Perhaps the VP of development favors an initiative that can be funded with the savings from your inventory control system, energy-efficient lighting, or economical fleet of delivery trucks. Getting that VP involved in the decision could help you win the deal.

In the business world, that respect is spawned from a number of behaviors and traits. These include your general business knowledge, your knowledge of your client's company and industry, your personal style, your communication skills, your integrity, your ability to drive change toward a vision, your courage, your network of business associates, your ability to manage and maintain relationships, your personal financial success, your analytical ability, your level of confidence, your tenacity, and many other positives that may be less obvious. These are all elements making up your Personal Capital, which I'll discuss shortly.

Here are some tactics that will give you a foundation on which you can build executive demeanor.

- Read the best books on executive-level topics and thought processes. You can learn how CEOs think, make decisions, and lead, and what is important to them from a business perspective. For a list of current books, go to the resources page at http://www.HowWinnersSell.com.
- Join one or more trade associations for the industry into which you're selling. Attend their meetings and conferences. Volunteer to sit on their board. Although many trade shows attract operations-level people, you can find executives speaking at key events and contributing their time for the good of those organizations.

See Chapter 5.

- Regularly read executive-focused magazines such as *Fortune, Forbes, Chief Executive,* and *CFO*. If applicable to what you're selling, read *CIO*. If you want to see the kinds of articles board members are interested in, try http://www.thecorporatelibrary.com. Unless your job specifically requires them, stay away from the pure technology magazines. They rarely give you a broad, executive view of anything.
- Get out of your comfort zone: ask the top executives of your own company for their perspective on the markets you're selling to. What are the most strategic deals they've been involved with? What issues were they able to address? What obstacles did they have to overcome?
- Whenever you're around executives, listen, observe, and above all, keep an open mind. What valuable skills do they have? Emulate their skills and behaviors as well as you can—listening skills, questioning skills, decision-making skills, and simple decisiveness.

- Be sure you look the part as well. Few sales professionals win multimillion-dollar deals without looking as though it's an everyday thing for them. Emulate not only their style but the quality of what they wear and what they drive, even down to their watch, pen, and notepad. Your confidence in yourself triggers their confidence in you.

Becoming a winner means investing a lot of time in personal development. The winners consider this investment a necessity, not a luxury. Where do they get the time to do this? From the time they save by not pursuing business they can't win or isn't worth winning.

"Confidence is courage at ease."

—DANIEL MAHER

Chapter

4

"YOU NEED TO SPEAK TO MS. YOUNG. SHE HANDLES SALESPEOPLE LIKE YOU."

STRATEGY NUMBER FOUR

TRANSFORM YOURSELF FROM A SALESPERSON INTO A BUSINESSPERSON

If I told you that one of the most important changes resulting from retooling yourself was *not* to be a salesperson, would you think you'd picked up the wrong book? Well, I have a good reason for saying it.

I'm not really saying you shouldn't be a salesperson. I'm saying that to be a top sales professional, you have to be a businessperson—because businesspeople make the most effective salespeople. Why is that true? Because—repeat after me—it's all about money.

This subject is discussed often. I consider it so important that I believe it needs restating here, perhaps in a slightly different way.

In terms of selling, what do I mean by *businessperson?* A businessperson is someone who can transcend the product or service to reach higher ground—the ability to understand, articulate, and drive the contribution their business can make to the client's business.

What is the business value of your product or service? To communicate this to your prospect convincingly, you must be more than a sales rep. You have to be a businessperson and, using business competencies, view and present your offering as a medium for delivering business value.

Being a businessperson not only means demonstrating the skills I described in the introduction to this part, such as the ability to read a financial statement, but it also involves a way of thinking and being. Here are some of the behaviors and traits I have observed in sales winners—people I would also consider consummate businesspeople.

- They know that if they give their customer what the customer needs, they will then get what they need, in that order.
- They make rational decisions rather than allowing emotion to guide them.
- They follow orderly procedures and processes rather than taking random actions.

"It's not the strongest of the species that will survive, nor the most intelligent, but the ones most responsive to change."

—CHARLES DARWIN

- They plan for the future and have the discipline and motivation to execute that plan.
- They seek out the truth through insightful, probing questions rather than blindly accepting what they are told.
- They accept responsibility for their own actions and for those who work on their behalf.
- They proactively assess risk, not waiting for the bad news but rather seeking it out.
- They work for a win-win solution, knowing that anything else will ultimately be lose-lose.

If you don't want your client to treat your product or service as a commodity, you have to differentiate your offering from your competitors'. It comes down to perception. If your clients see you as just a salesperson, they won't respect you the way they would someone they viewed as a businessperson. Here's how they think: a businessperson is a professional and there for the long haul; salespeople are all the same, interchangeable, and just after a quick buck. I can't trust salespeople, so I will delegate them downstairs to someone who deals with people like that. You may think this perception, common among top executives, is unfair. But it's a fact of life. That's why some people who sell for a living have adopted titles such as Marketing Representative, Business Development Manager, and Client Acquisition Executive on their business cards.

Take a good look at yourself. Read the list of behaviors again. Can you identify areas where you need to improve? What should you do?

First, accept the fact that you, and you alone, are responsible for your own personal and professional growth. No one is going to barge through your door and change you. If you've already recognized that a change is needed, that's the toughest step.

Expand Your General Business Knowledge

How much do you know about business in general? Do you know how businesses operate? What about your company? What about your three best clients? Can you articulate their top three business goals? Can you identify their short-term and long-term strategies?

To survive and thrive in today's turbulent business environment, the most important skill you'll need is good, old-fashioned business know-how. You should know how businesses operate, especially in your marketplace. Become familiar with concepts and current practices in business strategy and planning, Internet commerce, business collaboration, and change management, among other areas. Business savvy is a root component of the Personal Brand I discuss in Chapter 6. It's not negotiable.

Tactic

Develop the skill of zooming in and zooming out—looking at your client's company from 40,000 feet, diving deeply into relevant details, only to zoom out to the big picture again.

Financial Statements Revisited

The most important element of business know-how is understanding how financial statements represent a company's financial position and how that company compares with others in its market. If you can't read and interpret an income statement, cash flow statement, or balance sheet, then learn to do so right away. There are no shortcuts. Those financial statements are as revealing of business health as CAT scans, EKGs, and blood tests are of your physical health. You don't need to become a CPA, but a solid knowledge of financial concepts and an ability to compare clients are key.

If you believe, as I do, that effective selling at the executive level is about quantifying and proving the business value you can contribute, then having business know-how is a vital component of that approach. If you don't have it, how do you get it? Here are a few ideas.

- Take a course in reading and interpreting financial statements at your local college, at night school, or (in the United States) with the American Management Association. In Europe, try Management Centre Europe.
- Read a book on the subject. Do the exercises.
- Ask your brokerage firm for any resources they have about reading and interpreting financial statements.
- Spend some time with your own company's CFO, controller, or accountant. If you aren't well versed in finance, do you know someone who can interpret a financial report for you in a pinch?
- If you have a close relationship with a client, ask their CFO, controller, or accountant to walk you through the company's financials. This is a very powerful way to understand how your client's business operates. If you sell into a vertical market, this approach will give you real insight into that industry, which can be used when selling to other companies. We're not talking about sharing proprietary information, of course, but industry norms—median profit margins, sales costs, revenues per employee, and anything that will enable you to see how your offering contributes to your customer's financial plan.

Prepare to Sell All the Way Up to the Board Level

Today, more than ever before, if you are selling products or services that are critical to your prospect's success or for that matter, their very survival, your proposal will likely be elevated to the board of directors for final approval. Why is that? Government, shareholder, and press focus on corporate governance has put boards on notice that they are being held accountable for their oversight responsibilities. Those boards are listening and, as a result, are asking far more questions.

I know. I sit on the board of a public company. As a board, my codirectors and I are zooming into details as we never have before, especially relating to two areas: risk and return. If it is your proposal that is being considered, you need to understand how boards think so you can be completely prepared. That preparation doesn't start the day before you present your proposal; it starts early in your selling process.

Your prospect's board, executives, and senior managers are busy people, overloaded with information, responsibility, commitments, and distractions. For you to get your proposal approved, especially for a critical or strategic investment, the CFO, CEO, and even the board will have to be convinced that going with you is the right move.

Boards want to know that potential vendors understand their industry, business, challenges, goals, and strategies. They want to work with suppliers who have experience and can bring proven solutions to the table. They don't want generic solutions to what they believe are their unique problems. They want to know you've taken the time and effort to assess their situation completely and have a solution, a plan to get it implemented, and the experience and commitment to get the job done. In addition, it is important that the board recognizes how well you know your own company—its products and services, capabilities, and specific ability to contribute to their success. They also want to know that your company can provide the resources to get the job done, especially when problems occur.

It's about Return

What exactly are your prospect's standards with regard to return on investment (ROI) for the acquisition of products or services such as yours? As of this writing, it's hard in many industries to get proposals adopted where the payback is more than 12 months. But there is a risk here. If your ROI appears too aggressive, you'll lose credibility. Boards know that there are no silver bullets for their challenges and problems. If your ROI can be perceived as unbelievable, scale it back. Skinny down the benefits and then smile, after the sale, as you overdeliver.

There may be pro forma ROI models that your prospect is required to use. If so, you'll need to get your hands on those early, so you can explore potential areas of business value within that structure during the situation assessment phase. In some cases, your own company's ROI model may be much more appropriate for the kind of product or service you are selling than what the prospect is currently using. If so, it becomes a selling tool and you should leverage it as a catalyst to bring the sales and evaluation teams closer together by focusing on a common goal—determining how much value will be derived from that investment.

See the Appendix for a proven ROI model.

If you do have an ROI model or value calculator, understand that offering to use it likely will be seen as self-serving by the prospect. The best course is if you can understand and employ their model—the one they've used for other investments—if it exists.

Get in Front of the Board If You Possibly Can

You want to be in control of your destiny, so you'll want to present your proposal to the board at the appropriate time. That's a lofty goal, I agree, but if you start each campaign thinking this way, you'll be in the right state of mind for effective executive-level selling.

If you have been selling too low, you'll have no one with enough credibility and influence to get you in front of the board. A lower-level manager will have to present your case to their boss, who may then have to make your case to the CFO or CEO, who will take it to the board to get it approved. You are so far removed in that situation, that the likelihood of success is remote. Your messages will be muddled, your value proposition diluted. It's like the old game of telephone.

If you have an influential ally at the executive level, but they personally can't get you on the board agenda, they may be able to make your business case—with coaching and guidance from you. The CFO or

CEO are obvious candidates. If that's the case, you'll need to coach that person on how best to position your offering, providing them with documentation, slides, and background material as well as the answers to any objections you suspect their audience will raise.

Directly and Proactively Address Risk

I mentioned earlier that business people are seen as more willing to proactively seek out risk. Part of the responsibility that boards, audit committees, CEOs, and especially CFOs have is assessing, balancing, and mitigating risk. That has never been more of an issue than right now. CEOs, CFOs, and boards are under tremendous scrutiny. They know that no matter what you are selling or who you are, there is some risk associated with your offering. It's their job and responsibility to assess that risk—and to say no when they assess that risk as too high.

Instead of pretending that risk doesn't exist or that the board won't eventually see it, be direct from the outset. Discuss in any presentations (and ultimately in your proposal) the risks that have been jointly assessed by you and their evaluation team. List them, rank them, and, most importantly, demonstrate that your company is prepared to work with your prospect to mitigate any and all risks, now as well as later.

By the way, more and more companies today are required to guarantee proposed returns on investment or enter into other types of contracts where the vendor shares some element of risk with the buyer. If you've not experienced this yet, you will.

You can see that selling today requires a lot more than the selling skills we learned way back when. I'm not suggesting that you need an MBA to be successful selling, but I will concede that the business education you get in many programs will take you a reasonable way down the right path.

Chapter

5

SELL DEEP AND RICH, WITHIN YOUR NICHE

STRATEGY NUMBER FIVE

BECOME AN EXPERT IN THE INDUSTRY INTO WHICH YOU SELL

There is not a doubt in my mind—and evidently not in the minds of the executives running the world's biggest industrial and service companies that sell to other corporations—that a niche or vertical focus wins business.

This vertical market approach has never been more important than now, when the abundance of companies, products, approaches, consultants, solutions, technology, tools, equipment, and services makes differentiation a perpetual, if not impossible, goal.

If you sell a horizontal product or service, such as generic management consulting, call center hardware and software technology, or fleets of general utility trucks—anything sold across multiple industries—please consider verticalizing. If your company won't support that approach, you might consider approaching your territory vertically, by industry, focusing on only one or two, at least for the time being. On the surface, it may seem that this approach would limit your prospects and, therefore, constrain how much you could sell, but by the end of this chapter, I'm sure you'll see why I recommend this approach.

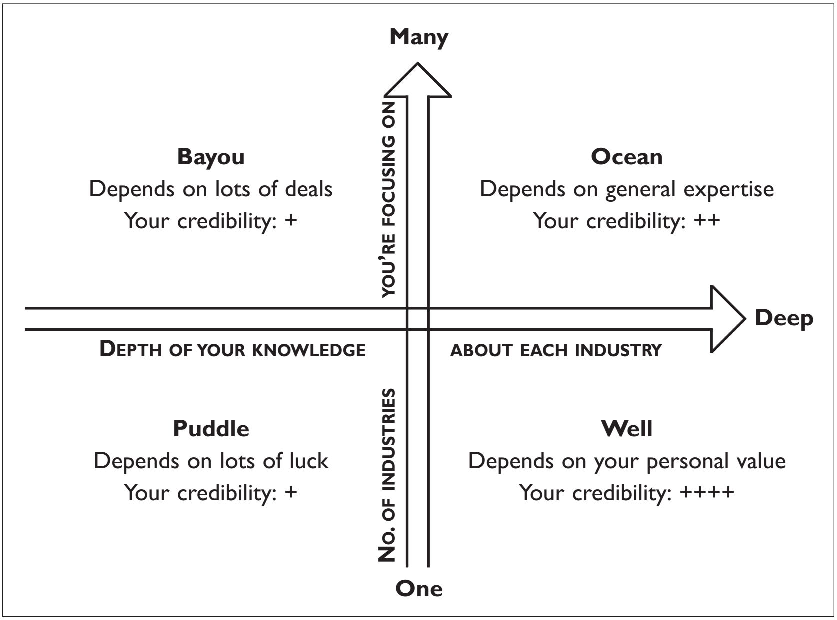
Figure 5.1 shows four basic approaches to becoming knowledgeable about prospective buyers. The wishful thinkers, of course, are those in the Puddle quadrant, knowing very little about a very few industries. They depend on the shotgun approach, rather than focused expertise, to win business.

For many, the Bayou, where you know a little bit about a lot of industries, is alluring: what's better than having potential clients in any industry? "After all, if only 10 percent buy, I'm still in great shape, right?" Sure, if you don't mind wasting 90 percent of your effort on unpaid work.

Others like selling to the Ocean. They believe they can sell anything to anyone—that being a generic expert will save the day. But they are unable to generate much credibility in any industry because of the time and effort it would take to achieve expert status in all.

I recommend concentrating your attentions on the Well, where your selling effort, like your knowledge, is deep, narrow, focused, and bubbling with credibility.

FIGURE 5.1 *Where Are You Selling?*



Source: Ray Bard

Selling in the Well

A sales professional should focus on a single industry and become an expert in it. Why? Because executive-level buyers with big challenges want proven solutions from experts who understand, not from generalists. In cases where you are not offering a proven solution but rather one designed for that unique customer situation, industry knowledge and experience will get you a whole lot further with the person whose budget and career are on the line. Suppose you broke your leg in seven places in a skiing accident. Would you go to your family doctor, a general practitioner? Unlikely. You'd consult the best orthopedic surgeon you could find, one who has successfully repaired 50 or more injuries like yours.

What does focusing on and eventually becoming an expert in one industry get you?

- *A network of business contacts.* When you sell to colleges on Monday, the government on Tuesday, and furniture manufacturers on Wednesday, it's hard to develop critical mass in your business network. There's no leverage. Once you focus on a single industry, however, it's amazing how one contact seems to know many others, all with at least one important common interest—the industry.

"The successful man is the average man, focused."

—ANONYMOUS

- *New opportunities.* When moving from job to job, executives tend to stay in the same industry. So do management-level employees. Those contacts, as they move from company to company, can open new doors for you at high levels where the influence resides—the leverage you'll need to grab the advantage in a competitive sales opportunity.
- *Visibility.* When you join your target industry's trade or professional organization and regularly attend meetings, your face, your name, and your company's name become familiar to the other members. This visibility and recognition generates leads, and it can bring you an introduction to or consideration from someone who may be looking to buy what you're selling. As you build your

Personal Brand (see Chapter 6), you'll find that it has so much more value for you within the confines of a single industry.

- *Information.* Knowledge gives you power, and knowledge comes from information. Your credibility with an executive depends in large part on how much you know about the industry. When you're focusing on a single industry, you can develop sources of information that will help you outsell your competition. You know what the industry and security analysts are saying about your client, its competitors, and the future of the industry. You subscribe to trade magazines and focus your Web surfing on what's happening in that market. You immerse yourself in information, and if you know how and when to use it, you have the inside track.
- *History.* When you've focused entirely on one industry for a while, you'll understand its history—in fact, you will have lived it. You know which companies thrived, which failed, who the key players were, and the stories and legends. This knowledge bolsters your credibility with executives in that industry and is a critical element in eventually achieving trusted advisor status.
- *Knowledge of critical business issues.* I'm amazed at how marketing executives scream and holler when buyers commoditize their products and services, yet do nothing to create business-specific and industry-specific value that would, if properly marketed and sold, keep that from happening. Knowing the business challenges and opportunities and being able to discuss them, in industry terms, at an executive level—that's a powerful credibility builder and differentiator. For example, understanding that the industry into which you are selling is cyclical and how best to work with your customer during the ebbs and flows of their business cycle can put you out front.
- *A vision of the future.* Once you've sold into an industry for several years, you start to see how global events and economic trends affect your customers. There comes a time when you can begin to extrapolate what has happened into what's likely to happen. When you can position your product or service as part of your customer's vision of the future, you're on your way to a sale, probably one with less price sensitivity.
- *References.* One of the most important benefits of selling within a single industry is the ability to provide personal and business ref-

erences your prospect will instantly recognize. When you can rattle off names of executives your prospect knows personally, who will vouch for your integrity and your ability to get the job done as promised, you'll find yourself with competitive advantage, especially when risk is such an inhibitor to business getting done. You'll have the proof you need.

Selling vertically within a single industry is all about credibility. Few things are as effective in advancing a sales campaign as getting in front of an executive and earning instant credibility. Of the many things that a sales professional can do to earn that credibility, being an expert in the prospect's industry is near the top.

One other thing: when you become an industry expert, you understand the nuances well enough to propose exactly what your client needs to achieve its objective. No guesswork. No fluff. Just like that world-class orthopedic surgeon who fixed up your leg.

As you continue to deliver what you promise to businesses in your chosen industry, your critical mass will build, more opportunities will present themselves, and you will win more often.

Tactic

How do you become an expert in an industry? Immerse yourself. Read all you can. Join the associations and become an active, contributing member. Regularly check Web sites that specialize in providing information by industry. Talk to all your clients and customers about their current and future challenges and opportunities. Read industry analysts' reports. Compare and contrast the main competitors in that industry. Gather enough information to make a prediction (perhaps you should keep the first one to yourself!). Watch the stock prices. Read press releases of the key players. See where they are going and how they intend to get there. Understand what issues they're addressing. Live in that world.

Chapter

6

"INTERESTING. TELL ME MORE . . ."

STRATEGY NUMBER SIX

LEVERAGE YOUR PERSONAL CAPITAL INTO A BRAND

Today, an important part of the value your customer receives has to come, not from your company's products or services, but from you. Why? Because, chances are, your product or service is not that different from your competitor's. There are too many products, too much hype, too little differentiation, too much discounting—and not enough emphasis on the person who does the selling.

A client of mine delivers business process reengineering services to the auto industry. One of the company's senior project managers was working with a client who was transferring a Japanese production line to a domestic plant. Aware of critical deadlines, the project manager gave his client the names of electrical and plumbing contractors he had worked with and knew would get the job done on time and on budget. The manufacturer used his recommendations. That's Personal Capital—value for the customer—leveraged by that project manager.

T *actic*

Take the time to figure out what added value you can provide to your clients, customers, or prospects above and beyond your company's products and services. Start with a broad definition; later, get more specific for each customer or customer type.

What Is Personal Capital?

The crucial element—the core—of your brand (we'll talk about branding in a minute) is your Personal Capital. In addition to other categories of customer-focused value, it consists of people you know, knowledge you have, skills you've developed, experience you've gained, insights you have realized, and personal traits you exhibit—all of which will make you valuable as a business resource to the executives who may buy your products and services.

Personal Capital is often required to gain access to executives. It is always required to maintain that access. One doesn't become a trusted advisor to a CEO without a large reserve of Personal Capital.

As I said in Chapter 4, executives don't like to buy from salespeople. The way the executive sees it, the salesperson is after one thing and one thing only—to make a sale. They don't feel comfortable that the rep understands the problems or challenges at hand, that the rep will be around tomorrow after the deal is signed, or even that the rep is telling the truth to begin with. High-level executives want to buy from people who have a longer-term, broader view and who are determined and able to make the buyer successful on a business and personal basis.

Personal Capital is amassed by sales professionals over years and, when leveraged effectively, can provide them with irrefutable proof that they are someone to whom the executive must listen. Putting your Personal Capital at the core of your brand will very often put you far ahead.

You have probably met and observed "rainmakers." They are highly skilled, professional salespeople (although their business cards may have titles like partner or business development executive) who manage to generate business leads in what often appears to be seamless, effortless way. These top selling pros have tons of Personal Capital, and they know how to use it.

How Much Do You Have?

To begin to assess how much Personal Capital you have, be objective when answering these questions.

- Do you know a CEO who would willingly introduce you to the CEO of your target company and vouch for you as well? Winners with a large credit balance in their Personal Capital account get such introductions regularly.
- Do you have five customers who have successfully accomplished what your prospect is planning to do this year and are willing to talk to your prospect about their experiences as a personal favor to you? If you've built Personal Capital by delivering personal value to your customers, above and beyond their expectations, this scenario is not unreasonable.
- Do you have a combination of credibility and leadership capabilities that will compel not only your team, but your customer's team, to line up behind you to move forward together toward a win-win relationship?
- Do you have vast experience in and knowledge of the industry into which you are selling? During these times, that's a requirement for executive-level credibility.
- Could you engage any executive from a prospect's company in a business conversation, resulting in them perceiving you as a peer? If you depend on your management to advance relationships at that level, your Personal Capital needs a boost.
- Are you a unique source of important information for your prospect's executive? Are you in the position to filter vast amounts of available data and feed them what is relevant and contribute to their success based upon their unique circumstances?

I'm sure that you see where I am heading.

How Do You Use It?

The dividend from the Personal Capital you've accumulated is that you can begin to build a brand—a personal brand.

A number of the very successful sales reps whom I coach have a strategy for winning that is worth considering. They do what entertainers, sports figures, and politicians do—they brand themselves—bankrolled, if you will, with their Personal Capital.

I do admit that it is unusual for someone who sells for a company to establish and promote their personal brand identity. However, many senior executives do, such as Jack Welch, Larry Bossidy, and Larry Ellison. For some sales pros I coach, having a personal brand identity has enabled them to continue exceeding quota, even as some of their customers have tightened up their spending and their competitors are dropping like flies.

> *"The definition of a brand is something people will pay extra for, even if the product or service is identical to a competitor's."*
>
> —GEOFFREY COLVIN
> *FORTUNE,* SEPTEMBER 15, 2003

Your brand, like financial capital, is best used proactively—not late in the game, when you are losing. Target key accounts in the niche into which you sell, invest the time to get in there early, before an apparent need arises, and leverage your Personal Capital-based brand to gain and maintain access to the key executives who will eventually be critical to any buying decision.

In the Introduction, I made a statement which bears repeating: companies are still buying. The challenge is to get them to buy from you. The edge for which you are looking could very well be in branding yourself.

Company Brand Is Not Enough

One winner I work with has branded himself as a high-integrity problem solver. Among the tactics he employs to maintain his brand is this: at the end of the first meeting with an executive-level prospect, he leaves them with a high-quality folder of testimonials written by different people from a broad sampling of customers, attesting to his integrity, ability to provide solutions for their business opportunities and challenges, and that he regularly puts their interests above his own. What does that do for him? It equates his name with credibility—that elusive product of integrity and competence—and it leaves an impression.

Another rep I know also brands himself. His company has its own brand identity. They have a good product and a good reputation, but they have literally dozens of competitors. So this sales professional has figured out that his company and product can't do the whole job for him. For him to be successful, he had to personally brand himself. He's done a great job.

He sells to manufacturers within a geographic territory, and let me tell you, he owns that territory. His name is known by at least one person in half the manufacturing companies in that area, and that's not by chance. While his company promotes itself, he promotes himself.

Don't get me wrong. His efforts don't at all conflict with the efforts of his company; in fact, he totally complements it. He is known as *the* source of information, insight, and experience, and as a broker of that information.

He doesn't know the answers to all the questions that are posed to him, but he knows where to find them. He's branded himself as a human information portal. He puts himself in the middle of the action and, as a result, his customers and prospects go to him for answers, opinions, guidance, and his products. That's the Personal Capital he leverages for executive access.

His appetite for information is huge and his attention to detail even greater. He does all the Sales 101 stuff, like never forgetting a customer's birthday or to congratulate them on good news. But he carries that practice much further. He tells me his customers feel he is ever-present.

The product that he sells is secondary—important, but not that important. He's not a product expert, but he is an expert in how his company's product helps his customers' top and bottom lines. He can quote the numbers. Produce the ROIs. Need tech specs? He's got lots of people in his company who will jump at the chance to work with him. He shares the credit. He leads. He wins, and people follow winners—*winner* is a powerful brand!

A Starting Point

Before you go any further, you'll need to assemble the key components that will constitute your personal brand. Here are some questions.

- How much Personal Capital do you have? That will be the core, the foundation of your brand. Knowledge, a vast personal network, analytical capabilities, integrity, leadership qualities, name recognition?
- Who is the target for your brand? What market segment(s) and what constituencies within those companies?
  - What value will your potential customer see in your brand?
  - What branding has your company done? Remember, you want to complement, not conflict with their brand.

See Chapter 1.

A Defining Statement

You'll need a defining statement. It positions what you do, your value, and what makes you different.

Yours will likely not mention your company. Here is an example.

> I provide manufacturing company marketing executives with the information they require to develop the right products and sell them in the right markets for the right price.

Of course, you'll want to use that defining statement

- in your e-mail signature above your company name.
- when someone asks you what you do or what role you play in your company.
- when you introduce yourself in a selling situation. Think about the difference between, "I'm Dave Stein with The Stein Advantage," and, "I'm Dave Stein. I coach companies to win highly competitive sales opportunities."
- in letters you write to customers and prospects.

Building Your Brand

Consider taking some or all of these actions to build and maintain your brand.

- Send your customers and prospects your own, monthly e-mail update. It should be simple, short, and laden with value, perhaps containing a few links to articles and your brief analysis. Remember, it comes from you, not your company. Remember to put your defining statement in your signature as well.
- Don't miss an industry event or association meeting. I mentioned that above for accumulating Personal Capital. Once you've accumulated the Capital and built a brand around it, you look to the same places to market your brand.
- Attend security and industry analyst events as well, if the industry into which you sell has them. That's where the CFOs and CEOs present and can be approached. Know who is going to present and when so you can meet with them and advance the impact of your brand.
- Regularly invite two or three different customers to dinner. Nothing fancy, but potent. Be prepared with one or two relevant, hot issues to promote interaction.
- Occasionally get customers together who have the potential of doing business together. If a deal is struck, you can potentially reach new levels of customer loyalty.
- Have a customer version of your resume—a narrative bio. It shows the projects, companies, and people with whom you were involved. It lists your educational background and the associations where you've been a member and have served. Don't include what isn't relevant. Show the value you deliver. Highlight your brand. Make it powerful.
- When it's appropriate after a meeting, write your home phone number on your business card before handing it to an executive. You'll rarely get a call at home, but providing your number sends a strong message.

When you think about it, the idea of branding yourself makes sense. Some professionals transcend the companies they work for, with the buyers paying for them, regardless of what's on their business card. Consider how lawyers, accountants, and consultants brand themselves. There is no reason you can't accumulate Personal Capital and build your own brand around it. It works.

Chapter

7

"AND THE NUMBER ONE REASON SALESPEOPLE LOSE IS . . ."

STRATEGY NUMBER SEVEN

UNDERSTAND WHY SALESPEOPLE LOSE

Over the years I've seen a lot of deals won and more than a few lost.

When I first meet a new client, I find that some really do not know why they have won or lost business, although they often think they do. Their answers to just a few questions provide me with a pretty good idea of where to dig in more deeply.

To help you diagnose why you may have lost one or more deals, I am sharing, in David Letterman-style reverse order, the top ten reasons that salespeople (generally those employed by my clients' competitors) lose deals. As you are reading these and thinking about your own capabilities, successes, and failures, strive to reach the levels of objectivity I discussed in Chapter 2.

10. *They depend on the capabilities of their product or service to win.* This is a prevalent cause of losing. Deals have been lost this way for years and will continue to be lost, unless salespeople begin to

understand the critical trap they are stepping into if they adopt this strategy. I don't know of many companies these days that truly have a unique enough product or service that they can depend on that offering to win. Even if they do have that truly unique product, it doesn't take a desperate competitor very long to convey to their market that they have greater capability and a lower price. Once that happens, you're in a capabilities "beauty contest," and your product or service is destined to be considered just a commodity. Winners differentiate their product or service in ways that convey value to executives while protecting that value proposition from attack—and they don't count on their demo or presentation to be the ultimate death knell for their competition.

9. *They're afraid.* For the past few years, a lot of salespeople have been using the down economy and resultant changes in customer buying patterns as an excuse for not selling. Unfortunately, they're coasting, using headlines in *The Wall Street Journal* as justification for a lack of activity and productivity. Some are afraid to get out of their comfort zones and assume a position of strength—to be more persistent, to negotiate for access to the real buyer, and to be more persuasive. They're afraid to say, "No!" Other reps are fearful of calling on executive-level buyers or are completely intimidated by the very thought of selling against a tough competitor. Many others aren't willing to take the risk to wrest some control of the buying cycle away from the prospect so they can afford themselves some degree of competitive advantage. Few comfortable places exist anymore for sales reps who don't have the courage to figure out what they need to win and take appropriate action.
8. *They don't know who their competition is.* More often than you would believe, salespeople plod along in a sales campaign without knowing whom they are competing against. It could be an incumbent, no decision, an internal corporate department (such as Information Technology or Research and Development), or pressure to fund another initiative or project within their prospect's company. Other times, salespeople who get outsold simply don't know anything about the person who is in contention

for the same piece of business—not their name, how they sell, to whom they sell, whether they are new at the job or highly experienced, or what that person is likely to do to win the business. That's selling blind.

See Chapter 15.

7. *They're not flexible enough to meet New Economy customer/client budget and risk requirements.* Companies are holding back on capital expenditures, cutting expenses, slowing down or delaying initiatives (and always looking for ways to raise the top line). Their holding back means fewer and smaller sales for us. I'm not suggesting discounting as a primary strategy here. What I have observed again and again is that vendors who are willing to adapt—and I mean really adapt—their typical terms and conditions of sale to their customers' requirements (for example, payment schedules and phase-in approaches) are much more likely to win business. Software companies are renting their software. Other companies are agreeing to shared risk contracts, performance bonds, service level agreements, and percent complete clauses. Is your company ready, willing, and able to adapt? If not, are you ready, willing, and able to bring a business case to your management, imploring them to change?
6. *They depend on '80s or '90s sales strategies, tactics, and skills to win.* Attending a two-day or three-day class and learning about selling skills that worked five or ten years ago just isn't going to do it for you today. Think about it: all your competitors have taken the same classes, from pretty much the same instructors. I see all the same training programs listed on scores of resumes that come across my desk. Where's the competitive advantage for those reps? There is none.

   In fact, the big name training companies have done a terrific job over the years growing their own businesses, but many of them differentiate themselves through complexity of approach and related account planning tools. That's one of the reasons so few salespeople use the very processes they've been trained in. They are just too difficult and time consuming to use. I know. I get called in to pick up the pieces and get the sales teams back on track. No matter what those training vendors represent, they can't possibly be flexible enough to keep you

Tactic

Create a spreadsheet, five columns by ten rows. The columns will represent deals you lost, the rows the ten reasons listed throughout this chapter. (Feel free to add more rows if you think there are more reasons then the ones I listed.) Now go down each column, one deal at a time and put a red *X* in every box where there is even the most remote possibility that that is why you lost the deal. Do the same for the three other opportunities. Keep this analysis with you as you read the rest of *How Winners Sell* and determine exactly what you will do to prevent yourself from losing any more deals.

informed about what it really takes to win today. Not with shrink-wrapped programs and teams of trainers who have to be retrained and recertified every time a change is implemented.

5. *They depend too much or too little on relationships.* One of my clients, the CEO of his company, said recently, "Relationship selling isn't enough anymore. If you can't prove the value, all you'll get from the person you've built a relationship with is an empathetic rejection, rather than a dispassionate one." Sure, you need relationships with key buyers and influencers, but if the business case isn't there, they can often do little to help you win, especially if you are selling a big ticket item. After all, the CIO still has to go to the CFO or CEO to justify the investment, especially in publicly held corporations since the Sarbanes-Oxley Act went into effect. If all the answers to the inevitable tough questions aren't right for the executives, who have learned a whole new definition of the word *accountability,* then no sale. You can see that this new force within business has diluted political influence.

On the other hand, many failed to build a trusting, win-win relationship with an influential ally. I said above that you can't depend on relationship selling the way you once could. However, we do need allies in our accounts that can provide us with unwritten decision criteria, competitors' strategies and tactics, additional departments who might avail themselves of our products, and most importantly, allies who will sell for us when we

See Chapters 13 and 14.

aren't there, which is most of the time. These days, with the constrictive procurement and tender rules and with purchasing organizations all but preventing communication between the users of our products and us, recruiting and building trusting relationships with allies is more difficult than ever before—and, for that reason, more important than ever.

4. *They don't have a plan to win.* What was once a straightforward, short sales cycle two years ago is now often drawn out and complex, and maybe for a lot fewer dollars. What was a complex sale two years ago is now beyond the capabilities of even the best sales reps to plan for and manage by the seat of their pants. I work with companies who are pursuing deals worth hundreds of millions of dollars, and although the sales teams fill out the colored sheets, or fill in the fields in the sales automation software, they don't have a comprehensive, competitive plan to win. They've given lip service to the plan, but haven't done the planning.

See Chapter 11.

3. *They count on unqualified business.* Salespeople really don't lose these opportunities. They never had a chance to win them, because they were never opportunities to begin with. The buying environment has changed so much that new degrees of rigor are required to qualify and requalify opportunities. When a sales VP tells me their team lost a deal because they couldn't (or wouldn't) meet a competitor's price, it takes me a while to convince them that the deal wasn't lost at all. It was just never properly qualified.
2. *They don't really understand their customer's business.* This happens for a lot of reasons. The rep is working too many deals. They are working the wrong ones, squandering their time and resources. They aren't business savvy, so they don't understand what the real issues are. They don't do their homework. They don't think that something is important. They aren't passionate about solving their customers' problems. But these aren't really reasons; they're excuses. When it comes to why a person doesn't deeply understand his customer's business, there is no excuse.
1. *And the number one reason salespeople lose deals is . . . they didn't have all the skills and traits required to win.* When I work with my clients, I collaborate with management in building a specific profile of

> skills and personal traits that are absolutely required for their salespeople to win for that company, in that market, at that time, selling that product or service to the appropriate level of buyer. The profile is used for hiring as well as ongoing sales development. What has become apparent to me is that the skill levels and behaviors required for sales success in today's selling environment are different from what they were even as recently as two years ago. Sales professionals (and their managers), whose everyday behaviors map to the profile, win. Those who don't, most often lose. By the way, I see many salespeople who had the right skills but, due to complacency or neglect, fail to use them habitually. A bit of coaching can generally bring them back on track.

I've given you a long list of things to think about and do. Again, there is good news and bad news. The good news is that the more you exhibit of the skills, attitudes, and behaviors I've discussed, the more successful you'll be at selling. The bad news is that no one is going to break down your door and force you into doing the right things. You've got to do them yourself.

Part Two

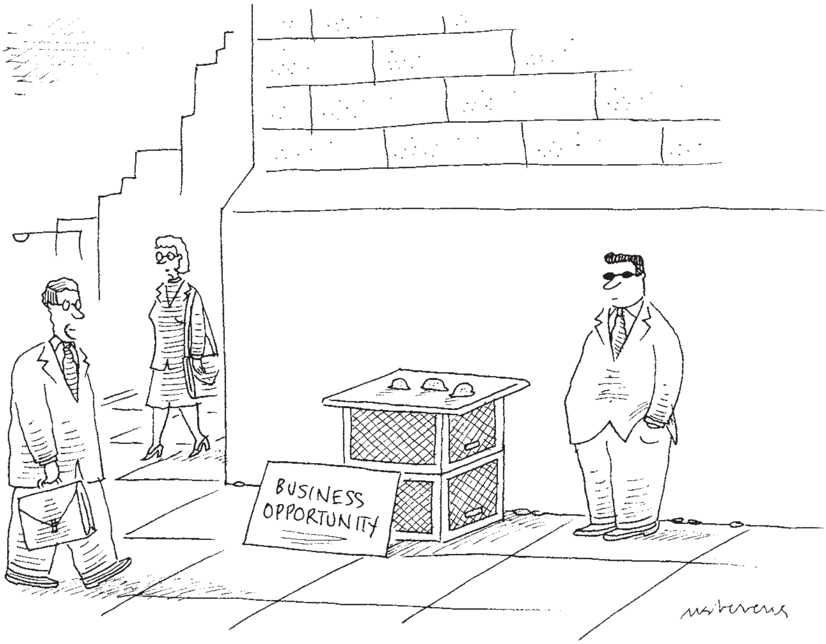
"LADIES AND GENTLEMEN, START YOUR ENGINES"

This part covers sales leads and their sources, qualification, triage, and how to scrutinize your prospect. *Qualification* is the process we use to decide whether to pursue or continue pursuing a sales opportunity. *Triage* is the act of evaluating opportunities for the purpose of deciding how much of our limited effort and resources to spend on each.

The average salesperson wastes massive amounts of time pursuing business that they can't win or that isn't worth winning. If they spent more time being strategic about how best to generate leads, as well as scrutinizing and qualifying them in the early stages of an engagement, there would be much more time for what they really need to be doing: selling.

At the end of this part of *How Winners Sell*

- you will understand the sales lead value matrix and be able to assess more quickly and confidently your chances of winning an opportunity.
- you will have a new perspective on qualification and understand how triage can be applied to increase your sales effectiveness.
- you will learn exactly what information you need about your prospect to gain competitive advantage.


BUSINESS
OPPORTUNITY

Chapter

8

"PLEASE RESPOND ON OR BEFORE . . ."

STRATEGY NUMBER EIGHT

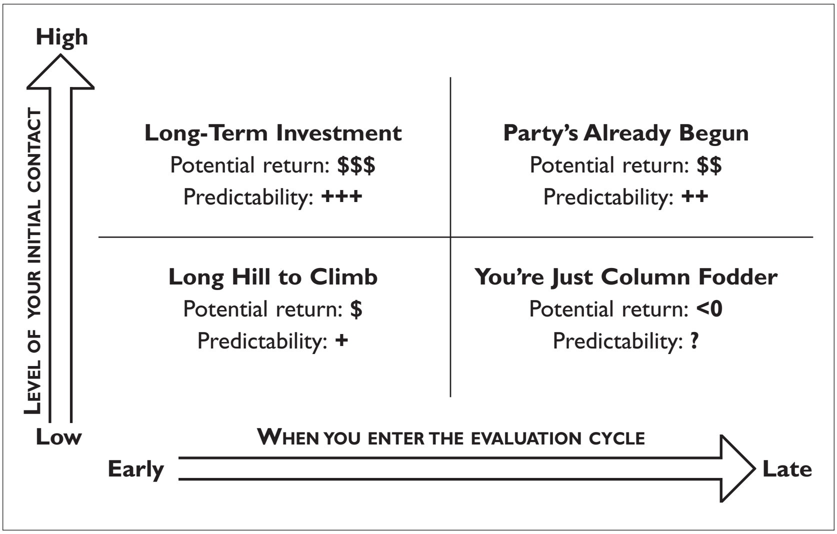
UPGRADE THE QUALITY OF YOUR LEADS

Most salespeople I work with these days complain that they don't have enough qualified sales leads. As the economy slowed in 2001, many companies cut back on marketing, and the sources of new leads dried up. In addition, the leads they were generating were of lesser quality. So the sales folks were now required to generate their own leads, or spend more time doing early-stage qualification on the leads that were generated through corporate marketing services.

Salespeople learn of impending sales opportunities in a number of ways. Some leads are temptations disguised as opportunities, as when your company is included in an evaluation only to validate an earlier decision to use your competitor. Others are situations in which, having nurtured an opportunity for years, you have the inside track. Most lie somewhere between these extremes.

In the lower right quadrant of the diagram in Figure 8.1 are the worst of the worst. You've entered the evaluation late, and your contacts

FIGURE 8.1 *Sales Lead Value Matrix*



are at the lowest level of the organization. You can't expect this to turn out well; in fact, you're probably there just to prove someone's case for another vendor. A friend and client of mine refuses to let his salespeople pursue these enticements, because they are literally a waste of time.

If you find yourself in the lower left quadrant, you're in early with a low-level contact. You're a little better off than coming in late, but you've still got a long way to go to win. A long, long way.

> *"Opportunity may knock only once, but temptation leans on the doorbell."*
>
> —ANONYMOUS

You're doing better if your contacts are at a high level, even if you're entering late. This may happen if the prospect decides none of the other contenders is up to the job and reopens the bidding process. A good inside sales team occasionally uncovers opportunities like this as well, if they are skilled at getting to decision makers on the phone.

Best of all is to get into the game early and at the highest level of access to the company. This takes time, patience, and credibility, but it pays off in a big way. You get to participate in creating demand, putting forward options, planning, defining requirements, detailing specifications, and influencing decision criteria—perhaps even writing the RFP (Request for Proposal). You can predict with some certainty when you will get the contract and for how much.

LaVon Koerner, president and chief revenue officer of Revenue Storm Corporation, told me, "There is a difference between demand creation and demand management." In a study done by his firm, 85 percent of the business done by the 367 companies surveyed came from existing demand. The problem with the remaining 15 percent is that it is business based upon known business issues and pain, generally involving an open evaluation to find alternative solutions. LaVon says that, "We need to make customers, not find them."

The Sales Opportunity Spectrum

Let's talk about leads in more specific terms. The following list starts with the worst leads and ends with the highest-quality opportunities. It ranges from the type of lead least likely to result in business and finishes with the kind everybody would like to have—the sure thing. When you finish reading, you'll probably remember some past campaigns and realize you were chasing "opportunities" that you had lost even before you showed up.

- You check your snail-mail or e-mail box and find an RFP, an RFI (Request for Information), or an ITT (Invitation to Tender). The likelihood of your winning a deal like this is remote.
- You receive a lead from an advertisement your company placed, from their Web site, or another source such as an advertisement.
- You receive a form from your inside sales or lead-generation team as a result of their calling into a company.
- An "independent" consultant, retained by an unnamed company to help them procure a specific product or service, contacts you. If your company has a good history with this consultant, that's good news. Otherwise, your sole purpose is to provide the consultant with information as to why you shouldn't be selected.
- You get a call from a current customer inviting you to participate in an open evaluation. This is relatively bad news: it means you're on your way to losing the account. Once your competitor is in the

door, you're on the defensive, which is not a good position to sell from. This happens often—more often than it should. The cause is almost always ineffective customer relationship management.

- A client drops you a note: one of its customers needs what you sell. Such a lead is often high quality, for two reasons. First, you may get in the door early enough to help the prospect formulate criteria for the buying decision; second, being introduced to an executive by a business associate is one of the surest ways to get an appointment, along with instant credibility. Winners make a habit of asking their clients to refer them to others in their business circle. That's a great way to get high-quality leads.
- Your personal marketing campaign, aimed at the 20 accounts you want the most, yields a solid lead. That's targeting.
- Using your knowledge and experience in the industry, you find an unmet need, one either known or unknown by the company, in an existing account. This is high-level action—it's where the top guns, the sales winners who earn a million dollars a year, play. Once you've established yourself as an expert, you can follow your network into companies you've never sold to but where your Personal Brand is recognized.

Now you can see that, the farther down the list you progress, the greater the initial investment that's needed to make it happen. A bigger investment, of course, returns a better lead, one with a better chance of turning into business.

Winning the RFP Game

Because many of you do play in the demand management arena, RFPs are probably a staple of your current business. Have you ever helped a prospect draw up an RFP? It's a wonderful experience. If they do a full evaluation that includes your competitors, you can hear the starting gun go off as you round the first turn.

But if you aren't providing the RFP . . .

T *actic*

Top salespeople know that, if they can get into a company before an initiative is officially announced, they have a better chance of getting the inside track. Spend some of your time monitoring press releases, analysts' reports, SEC filings, industry reports, and whatever else you can find about your target industries and accounts, so that if you see an opportunity to make a contribution to a company's strategic goals, you are there first.

You Receive an RFP: What Do You Do?

Situation 1: You didn't know it was coming, and you have no contacts in the account. This one is easy to answer but hard to do. If your pipeline is weak, the temptation is to muster whatever resources are required and blindly dig in. But think about it. Someone wrote that RFP. Can you say with certainty who that person was and their agenda? Here are a few possibilities.

- It was written by a consultant who doesn't know your company or, worse, regularly works with your competitor.
- It was written by an internal team, influenced by one of your competitors.
- The prospect bought the RFP from an analyst firm or other "impartial" third party.

Because winning a deal under these circumstances is extremely rare, you need to determine quickly whether this is something worth spending any time on at all.

You need to ask some tough questions. Who wrote the RFP? What is the key buyer's vision of a solution? What are their preconceived ideas of the capabilities and reputation of the company who will provide it? Do you stand a chance even if you meet their requirements?

It takes courage, but require a meeting with the real buyer (the person who pays for this purchase) before you agree to respond to the RFP. You may not get the meeting, but as a concession, you may be given other information that will help you qualify the opportunity.

Many, many sales winners I work with say, "No meeting? I'm out of here!" They really do.

They understand that every minute wasted on a deal like this is a minute they could be investing in another that is winnable. They also know that squandering valuable resources causes them to lose credibility with management and other members of their team.

I have more than one client who feels they must answer RFPs, because refusing to do so will be tantamount to insulting the CEOs and boards to which they directly sell. They suggest that their name and reputation will be irrevocably tarnished with labels such as *uncooperative* and *arrogant*. We've debated that issue quite a bit, and I see their point, but I can't say I completely agree.

By the way, it's not unusual for the RFP to come from an existing customer—the first tangible indication that you're on the way out. Here is a real-life example.

I got a call from George (his real name), an experienced sales professional at one of my client companies, who had inherited the WonderCo (a fictitious name) account from another sales rep in a territory reassignment. Shortly after making contact with the company, George got a spreadsheet-based RFP from their CIO requesting information: how did George's company propose to meet WonderCo's enterprise software requirements for three additional sites?

George immediately became suspicious. "I didn't write the RFP," he thought. "The rep I succeeded didn't write the RFP. He obviously didn't do a good job with WonderCo; otherwise, I wouldn't be in this situation now. But that's water under the bridge."

"The 480 questions in the RFP look just like features of a product that generally does what mine does, but it is clearly not mine. One of my competitors wrote this. That competitor has an ally in WonderCo and will use my answers as justification for not choosing my product."

George is a top performer, and he had other, more promising leads to pursue and accounts to manage. His instincts told him not to waste valuable time on this bid. But he had a hunch—one that would cost him and his tech expert only a few minutes to check out.

They opened the RFP spreadsheet, went directly to File>Properties>Summary, and found the originator of the requirement list. It was the product marketing department of a competitor's company. There it was, staring out at them from the screen: the smoking gun.

George went straight over the CIO's head to WonderCo's CFO. The CFO said that he found it difficult to believe the evaluation was rigged. Several calls and heated discussions later, George decided to withdraw from the competition—one he knew he had little or no chance of winning. He had been seriously outsold.

This sort of thing happens every day. When a sales rep receives an RFP that they didn't write, it's a fair bet the competition wrote, or at least heavily influenced, it.

Situation 2: You knew it was coming. In fact, you received the final version from your ally in the account by e-mail five days ago. The "official" copy is being mailed to the long list of vendors today.

A dream? No, this is a regular occurrence for the top producers. Many never respond to blind RFPs. (They do respond to RFPs they have written or have substantially influenced, so they can be seen as playing by the rules.)

What you really want is to write the RFP, substantially influence its content (and the list of vendors who will receive it), or eliminate the RFP process altogether.

Based upon information from contacts and research, target several accounts where you know your solution will contribute to achieving a specific company, division, or department business goal.

Before requirements are formally defined, get out of the office and start investing time in those few preselected accounts. If that account is in a segment with which you are familiar, leverage your expertise, resources, and network—listening, teaching, coaching, building relationships, and setting what will ultimately be the decision criteria. Market your personal brand. Get to the top early, before the gatekeepers keep you away. Bring in your subject matter experts. Negotiate for exclusivity. Provide value at every encounter.

There is certainly a risk involved here, but the time you will invest in this approach is often far less than pursuing business you have no chance of ever winning.

It's not my intention to oversimplify what is a critical issue for suppliers today. However, pursuing unqualified business is one of the most common reasons companies fail to meet their revenue targets.

One challenge, of course, is that some buyers will do everything they can to distance themselves from potential suppliers, and as a result, it becomes difficult to properly qualify them.

The message here is (1) pick your targets, (2) research the heck out of them, (3) get in there early and get to the right levels, and (4) when you have built an appropriate degree of credibility, start setting the agenda that will become the basis of their RFP—before your competition does.

Where Is the Biggest Bang for the Buck?

To understand the source and quality of your business, categorize your past year's wins and losses by lead source. You should begin to see a pattern that can help you reshape your business development approach. For instance, if you find that leads that come from your company's marketing efforts yield sporadic results, you may decide not to waste any more time on those leads. You may discover that leads from a regional auditing firm or existing customers resulted in several lucrative sales; obviously, those would be sources of leads you need to spend more time and energy on.

Analyze this information and decide whether you are fully leveraging your client relationships, your inside sales capabilities, your partnerships with other suppliers, your marketing campaigns, and, yes, even your somewhat rusty cold-calling skills, if appropriate. Your minimum goal is, of course, your quota. Figure out what strategies you need, and which supporting tactics, to achieve that quota by moving up in sales lead value toward higher quality opportunities.

FIGURE 8.2 *Analysis of This Year's Leads*

Source	**% of leads**	**% closed**	**% of quota**	**Next Year's mix**
Marketing	50%	30%	20%	20%
Cold Calling	20%	40%	30%	30%
Targeting	5%	0%	0%	15%
Customer Referrals	5%	100%	30%	35%
RFPs	20%	0%	0%	0%
	100%		80%	

Chapter

9

TRIANGULATE, CORROBORATE, EXTRAPOLATE

STRATEGY NUMBER NINE

QUALIFY LIKE YOUR JOB DEPENDS ON IT

Qualification is a process, not an event. Think about this: the word *qualify* shares the same root as the word quality—the Latin word *qualis,* "of what kind." Here's where you get to determine what kind of business opportunity you have in front of you. The quality, if you will, of that opportunity.

Think of it this way: your prospects get to evaluate you, and in return, you get to qualify them. They can eliminate you at any time, right up to the contract signing. And you can decide, at any time, right up to contract signing, that the quantity and quality of the business they might award you is not sufficient to warrant spending any more of your time, your energy, or your company's money or resources.

Few sales reps see qualification in those terms. They somehow feel subservient. If the prospect says, "Do a seal-and-penguin show Monday at 8:00 AM in our Lapland facility," more than a few reps would be on the phone booking flights with Ice Air.

But you shouldn't look at it that way. The business value of the products or services your company delivers, if installed, implemented, and used correctly, will likely be far greater than the client's investment.

Where does that place you? In a position of strength. From strength comes confidence. Strength and confidence give you the inalienable right to qualify.

Here's an example of an early conversation you might want to have with your prospect. Please don't immediately dismiss it as too aggressive or pushy.

> Ms. Prospect, I sincerely appreciate being asked to participate in this evaluation. If you'll give me a minute, I'd like to propose a framework upon which we might work together.
>
> My company has calculated that participating in a typical evaluation, such as the one you've begun, costs us more than $51,000 in expenses. Now, I understand, of course, that your company is making a large investment in this evaluation as well. However, at the end of this process, you will wind up with a supplier, whereas my company might wind up with nothing.

Don't use an exact number unless you know it's accurate.

> With that in mind, it's important that I understand not only your business requirements but other aspects of your company and the people who will be involved with this project as well. I need to assure myself that we understand not only what you need and how well we meet those requirements, but also how well we represent our capabilities during the evaluation.
>
> We will certainly abide by any reasonable request from you and your team for information about us, our offering, our approach, and our references. We'll go above and beyond what you ask. In return, I'd like your assurance that you will keep us up to date with the information we need to see if it makes sense to keep pursuing your business.

Suppose the executive says, "You're a vendor and we're the customer. You can do what we tell you, or we can find ten other companies to take your place." What should you do? Personally, I'd walk, because

Caution

There's a fine line between confidence and arrogance. This message must be delivered in a way that reflects not only your personal style but the culture of your company and of your prospect.

the chances are remote that I would ever gain enough control of the evaluation to win the sale.

On the other hand, if the executive's response is in any way positive, here's what you've accomplished.

- *You've earned the right to ask qualification questions as the evaluation progresses, and you'll get useful answers along the way.* More important, you've opened the door to probe into areas where your company can provide business value well above that specified in the RFP or brought up during evaluation. The more business value you show them and the more you demonstrate your expertise in their company and industry, the more forthcoming the executives will be with answers that provide information and insight.
- *You've established the foundation for a win-win relationship.* If you jump whenever the prospect snaps their fingers, what kind of relationship are you training the client to expect after the sale? Sales representatives who have conversations like the one above differentiate themselves immediately from the competition. It takes guts, and it shows that the sales professional is a businessperson, looking out for her company's best interests—which will, in the end, also be the best interests of the customer.
- *You've laid the groundwork for earning some control of the buying process later on.* (See Chapter 17.)

Objectivity and Vigilance

Back in Chapter 2, we looked at the importance of inward-focused objectivity—the will to seek the truth, however uncomfortable, about your own strengths and weaknesses. In a similar way, effective qualifica-

Read a book on body language. It will change your perceptions of what people really mean when they communicate.

tion requires outward-focused objectivity that is relentless, detached, and unemotional. You need to know the truth about every sales opportunity, and you need to be vigilant for changes that affect it.

When your doctor is trying to find out what's making you sick, you don't want them to be anything but objective, do you? You want them to ask hard questions—not only directly of you but through X rays, MRIs, and EKGs—to discover what's really going on.

A sales rep needs to know what's happening, too. Not having a way to x-ray the prospect, however, the sales rep must rely mostly on questions. Those questions must produce answers that yield an objective and accurate picture of what's going on.

Not all answers will be accurate, of course, whether deliberately or inadvertently. With a winner's diagnostic skills, we can examine the answers for inconsistencies: what different people say, what one person says at different times, what people say with different people in the room. We can use our skill at interpreting body language to gain insight into what people are actually thinking when they are telling us what they think we want to hear.

We must also be vigilant. That is, we must keep asking the same questions over and over, of different people and in different settings, and stay alert for answers and behaviors that change over time.

When you are first told of an evaluation, the prospect paints a rosy picture. You are encouraged to submit a proposal, because your partici-

FIGURE 9.1 *Qualification Reality Checks*

Triangulate	When two (or more) people provide you with different answers to the same question, how will you find out where truth lies?
Corroborate	When someone provides you with information, how will you make sure you've been told the truth?
Extrapolate	When someone tells you something, attempt to extend what they said to what it might mean on a grander scale.

pation will give the prospect more choices—or at least proof that the company's three-bid requirement was met. However, it's no secret that your prospect's attitudes and behaviors will change during the evaluation; unless the deal is wired for you to win, they're guaranteed to change. New competitors will be introduced; evaluation team members will come and go; decision criteria will be added, dropped, emphasized, or de-emphasized; funding will be reallocated to or from other projects; mergers or acquisitions will cause priorities to change; decision deadlines will slip; your coach will get reassigned. Any of these events can affect your ability to bring in the contract at the time and amount you predicted.

A word to the inexperienced: be especially careful about getting fixated on your first impressions. If you fail to seek objective information or if you don't stay alert for changing conditions, you will lose the sale long before you are aware of it. If you don't see things as they really are at every moment, you will be fooled by the false attentions of prospects who tell you what you want to hear. You'll pay the price for having "happy ears"—the loss of precious time that you might have used to pursue a genuine opportunity.

A Flight of Insight

Let me demonstrate the importance of both objectivity and diligence in qualification. Several years ago, while piloting my plane home from a strategy session with a client's sales team, I realized that, in many ways, flying is analogous to successfully managing and controlling a sales campaign.

The weather that day was rainy with low clouds. This meant I couldn't fly under visual flight rules (VFR), using ground references. Instead, I would have to rely on my instruments for every aspect of the flight. In such conditions, the Federal Aviation Administration requires pilots to file an instrument flight rules (IFR) flight plan. As it happens, I enjoy the challenge of flying under such conditions.

Before long, I was cleared to my destination by air traffic control. I took off and flew along my predetermined route. Because I was in the clouds, unable to see the ground, I continually scanned the gauges, dials, and meters on my instrument panel, monitoring the performance of the plane, the conditions of flight, and my position at each moment.

As I thought about the elements of my flight plan—departure point, departure time, altitude, route, destination, time en route, amount of fuel on board (in hours), alternate airports, and so forth—I was struck by the parallels to key elements of monitoring the execution of the sales plan we had just developed. For an objective evaluation of the conditions of flight and the aircraft, I had to rely solely on my instruments. Also, to make sure nothing changed without my knowing it, I had to be vigilant, constantly scanning those instruments.

Here I was, staking my life on the same kind of objective assessment and monitoring of conditions a sales winner needs to win a sales campaign. What a revelation!

It turned out to be a fairly routine IFR flight, which gave me the opportunity to further think through these analogies.

Winners develop an ability to monitor sales opportunities the same way a pilot monitors flight conditions—constantly and vigilantly scanning key indicators. They are instantly aware when key qualification criteria change—such as when the project gets suddenly but quietly shuttled to the back burner, communication with a key person becomes awkward, or a competitor's terminology starts being used.

Depending on instruments means putting your faith in objective measurements. When you're flying a plane, your senses may lie when you lose sight of the ground. Inside a cloud, even experienced pilots get disoriented. You may feel you're turning or diving or climbing even when you're flying straight and level, or that you're flying straight and level when you're actually in a graveyard spiral.

"Trust your instruments."

—TOLD TO EVERY INSTRUMENT PILOT BY THEIR FLIGHT INSTRUCTOR

Instruments do not lie. If you ignore your senses and emotions and fly strictly by your instruments, you'll come out all right. The same is true when you're qualifying a sales opportunity. Emotionally, you may want to believe it's going well for you, but if you get an objective measurement of your chances, you may find you're heading for a rough landing.

Qualification Criteria

Every company has its own qualification criteria for each product or service it markets. Here are some basic criteria that a typical company would apply—not just once but throughout the selling cycle—to any big sales opportunity.

- What is the financial condition of the prospect's company throughout the sales campaign? Will it be able to pay when the vendor is selected?
- What is the prospect's budget for investment in your product or service? Has the company allocated enough funds? What evidence do you have that the budget will remain intact? What other initiatives or contingencies may threaten the budget?
- What are the decision criteria, and their priorities, for each key decision maker, influencer, recommender, or buyer? Have these criteria changed? Who formulated them? (Your competitor? If so, you've probably already lost.)
- Who are your competitors? What they are selling? Who are they selling it to? While you're calling on an accounting manager, is your competition in the CFO's office? If so, you may already have lost the deal.
- How are you, your company, your offering, and your proposed business contribution perceived by key recommenders, buyers, influencers, and decision makers? What about your competition?
- Do you have evidence that your prospective customers will actually make the purchase when they say they will? What happens to them, and to their business, if they don't? If your answer is "nothing," their decision could be postponed, perhaps indefinitely.
- What effort on your company's part will be required to sustain your efforts and win the deal? Are the needed resources available?
- What internal politics are influencing the evaluation? Who will make the final decision and by what process? The competitor who best advances the decision makers' agendas will probably win the deal.
- How close a relationship can you expect to establish with the prospect? Will you be treated as simply a vendor on demand? Or is the client, like some of the Global 100, looking for a long-term

strategic partner? If that's the case, can you and your team reasonably be expected to rise to the challenge?

Winners have mastered the skill of objective, diligent qualification. Like pilots, they understand that you must constantly scan the instrument panel, because once you see trouble, it may be too late.

Triage

Now you have learned to perform objective, diligent qualification. The next step is to use the information from the qualification process to weigh one opportunity against another, so you can decide where to invest your time to get the greatest return.

That's where triage comes in. One definition of *triage* is, "the assigning of priority order to projects on the basis of where funds and resources can be best used or are most needed." This definition is what I mean when I use the word. However, another meaning is to the same point but more heartrending: it is the practice by medical personnel, when treating multiple casualties, of determining whether a person's injuries are (1) life threatening but survivable if treated immediately, (2) fatal whether treated or not, or (3) not life threatening and therefore not requiring immediate attention. Triage is performed to determine how to allocate a limited supply of medical treatment to maximize survival.

Triage for sales opportunities can be similarly categorized. The ability to assess each situation objectively and act according to the facts will lead to a successful outcome—winning more business.

Tactic

Get connected with the appropriate people in your company and dissect the last big purchase your company made. Go back over the questions above and determine how well qualified your company would have appeared to the winner and the losers of that deal. You'll gain real insight into the qualification process from a buyer's perspective, which will help you sell better.

How do you apply triage to your sales opportunities? Like the emergency medical technician, the top sales professional understands that time and resources are the limiting factors. Here's how it works.

My guess is that right now you are pursuing three categories of deals:

1. Deals you cannot win
2. Deals you cannot lose
3. Deals you can win if you apply your best efforts

Knowing how to divide your valuable time and effort among these categories can put you on the road to managing your time for optimal selling effectiveness.

"One half of knowing what you want is knowing what you must give up before you get it."

—SIDNEY HOWARD

Lost Causes

Some sales opportunities are not true opportunities. They are unqualified, not worth spending any time or resources on, for various reasons: no budget, no evaluation plan, no executive backing them. Others you will lose, if you have not already lost, to a competitor. If you know you've already lost an opportunity with two months to go in the evaluation, what should you do?

It depends on the situation. In general, however, you shouldn't withdraw completely. A skilled sales professional can gain competitive insight by staying minimally active, while at the same time keeping a competitor distracted from other opportunities by forcing them to work harder on a deal they've probably already won.

Monitoring a lost situation is one thing; it's a different matter entirely to keep believing, "I can win this thing, if only . . ." Give it up. You're better off diverting your resources to opportunities in the next two categories.

Yours to Lose

There are deals you will most definitely win, if indeed you don't already have them locked up. Perhaps the key buyer, influencer, or decision maker has told you, in unambiguous terms that you have been or will be selected. Your competition has been eliminated but is being strung along to reassure the purchasing VP or evaluation committee that the final decision is not entirely out of their hands.

When you find yourself in this situation, stay close to the people who swung the decision in your favor. Monitor the process, reinforce your position, validate their judgment—and, above all, don't get complacent.

That said, if you're sure you've won, free up some of your time to pursue other opportunities that could go either way—like those in the next category. That's where you'll get the greatest return on your investment of time, resources, and attention.

Yours to Win

The diligence and objectivity of your qualification process has led you to conclude that in many of your sales opportunities, although you haven't yet locked up the deal, you're still a strong contender. These remind you of the true nature of competition. It's combat on two fronts, and the adversary with the best combination of business value and sales know-how takes the victory. In these campaigns, a strong sales plan, well executed, will make the difference between winning and losing. Needless to say, these opportunities are where you should focus all the time and attention you can safely free up from the other two categories.

Sorting Them Out

Let's say you're pursuing 20 opportunities in all. You have to close 1 per quarter to exceed your quota by 25 percent, which is your personal minimum. How do you decide in which opportunities to invest most of your time and where to invest the least? It goes right back to objective, continuing, vigilant qualification—looking realistically at all your opportunities and categorizing them as (1) locked up or likely, (2) going or gone, or (3) possible.

Using the qualification criteria listed in this chapter, rank your opportunities objectively. If you find this difficult, it's probably for one of three reasons:

1. It's too early in the deal.
2. You haven't asked the right people the right questions.
3. You're emotionally involved and can't be objective.

This last reason can be particularly insidious in undermining your qualification process. Triage must be performed unemotionally as well as objectively. Emotion is important in selling. You need to be passionate about helping your customer achieve success (and about your own as well); you need enthusiasm for your company and its offerings; you need rapport with the people you're selling to as well as your own team members. You certainly need a strong desire to win. But when it comes to qualification and triage, keep the emotion out.

Money in Your Pocket

Why is triage so important in competitive selling? Because in the winning strategies I'm recommending in this book, you have to give more, not less, attention to each opportunity—to dig deeper and expand your knowledge of the customer, their market, and your competi-

Tactic

Do you really believe a particular opportunity is qualified and worth pursuing? Give it the acid test. Ask yourself: "If I had to fund every penny of my salary, benefits, expenses, and other costs of acquiring this contract, in return for, say, reimbursement and a 30 to 50 percent commission, would I do it?" Makes your collar feel a bit tight, doesn't it? That's the bet your company is making. That's why it's your responsibility to be logical, objective, diligent, and unemotional in pursuing the right deals.

tor. You have to spend time building relationships with key people in the account.

The time to accomplish all this has to come from somewhere, right? Where it comes from is the time you save by not pursuing deals you can't win or that aren't worth winning, or by not spending inappropriate amounts of time in comfortable situations with people who have already indicated they'll buy from you.

Time is money, right? The time you've freed up, the time that you've turned to productive purposes—that's money in your pocket.

Chapter

10

"CORRECT ME IF I'M WRONG, BUT . . ."

STRATEGY NUMBER TEN

SCRUTINIZE YOUR PROSPECT

Information is not only an asset and barter, it's an essential tool. It is your number one lever, the one you use to gain and maintain differentiation and credibility—eventually transforming yourself into your client's trusted advisor, immune from competition.

There's a lot of information out there. What sources and types do you need most? In this chapter, I will describe the information you should concentrate on obtaining and where you can look for it. When you follow these guidelines, the information you gather on each client will become the situation assessment component of your plan for achieving the sale. In acquiring this information, you will expand your network into new areas both inside and outside your target company. The growth of your network will increase your selling success, both short term and long term.

As you read through this chapter, you'll begin to realize how much you didn't know about your prospects in deals you have lost. In hindsight, you may recognize that your competitor knew more about the prospect than you—and used that knowledge to win the deal.

When you're selling a strategic solution, your chances of success are small unless you tie your product or service in specific, measurable, financial terms to your prospect's goals and objectives. You simply cannot construct a plausible ROI model projecting specific improvements unless you truly understand the prospect's business.

To do this, you need three kinds of information:

1. General and specific information about the prospect's industry
2. General and specific information about the prospect's company
3. Crucial advance information about the prospect's executives (things you need to know before you call on them)

Gathering and analyzing this information takes time. However, it's easier to get started if you remember these points.

- Your skill at triage will free up more time to gather crucial information on qualified prospects.
- Scrutinizing prospects gets easier with practice. You learn what information to focus on and where to find it, and you get positive feedback from prospects when you use the information effectively. You get information in return for information.
- Knowing your prospect gives you confidence. When you can walk into an executive's office prepared to talk knowledgeably about the company, the industry, and that executive's world, your competence shines through.

Tactic

For a deeper understanding of the issues, spend some time applying each question on the following pages to your industry, your company, and your executive management team. You may be shocked to see what you don't know. Be sure to answer every question before you go on to the next one. Don't cheat. This exercise will make you money!

Industry Information

Here's what you need to know about the industry to which you're selling.

- *What industry history must you know to be credible to your prospect's executives?* For example, few pharmaceutical industry executives would consider you a potential business partner unless you understood the ins and outs of the stringent FDA regulations with which they must comply.
- *What trends affect the near and distant future of your prospect's industry?* For example, what will be the ultimate impact of wireless communications on your customers who happen to be in the retail business?

"The secret of success is to know something nobody else knows."

—ARISTOTLE ONASSIS

- *Who's the winner in that marketplace?* Is it your prospect or the prospect's biggest competitor? Is market leadership up for grabs?
- *How did the market leaders get to be the leaders?* What were their strategies? Are they different from your prospect's strategy? What strategies are the leaders employing to stay in front?
- *Who are the market losers?* How did they wind up in that position? Were they ever on top? How long did it take them to get from where they were to where they are? Could your company have done anything to prevent it? What actions are they now taking to recover? Can your offering help?
- *How much do you know about the best practices of your industry?* Are you selling customer service improvement programs to a chain of

T*actic*

When performing research on your prospect, ask yourself, "How can my product or service help this company become the leader?" That's probably a favorite topic of your prospect's executives.

department stores? If you are, then you'd better understand how that industry measures Nordstrom's success.

- *Which analysts watch the industry?* There are securities analysts, such as those who work for Merrill Lynch or Dain Bosworth, and there are industry analysts, like Gartner Group. Once you know who these analysts are, find out what they are saying about your industry: is it healthy? growing? declining? Don't forget about the industry pundits, luminaries, visionaries, and thought leaders. Who are they? What are they saying? Who in your prospect's company listens to them? Ask your company's marketing and investor relations people who those leaders are.
- *Are you reading your prospect's industry trade journals as if you were a player?* If not, then you'll never be one.
- *Are you spending enough time attending and contributing to trade association meetings and events?*

I know that gathering this information requires a big investment, but don't limit your earnings potential by shortchanging your credibility, value, and staying power in front of the executives you will be calling on.

Company Information

Let's have a look at what you need to know about the company you are selling to. Of course, some of the information you gather may make you realize you don't want to pursue business with that company. But that's good news, too. It lets you free up time for more qualified prospects.

Just as you did with its industry, start with the company's history.

- *You should know why, when, and how the company was founded.* Who founded it? What was the founder's background and vision? What are the company's major victories and defeats? Are there subjects you should not broach? On the other hand, perhaps they deserve congratulations for a major victory, such as being awarded a patent or achieving their own big sales win.
- *What is the company's position now compared with three, six, or nine years ago? Three, six, or nine months ago?* Whether it is better or worse, you should know the reason. They may be overachieving, but is it

because they've successfully executed their plan? Or is it because their major competitor is focusing on another market?

- *Is your prospect involved in a joint venture or other alliance?* If so, your best customer may be a current or future business partner of that company—a fact that could be of great help in your planning.

This process of gathering information will not be helpful if you wait until the day before you call on a senior executive for the first time. Begin scrutinizing your prospect at least ten days ahead of time. That will give you time to locate sources and to dig up, analyze, internalize, and communicate to your sales team everything you need to make yourself an expert.

Here are some other valuable things to find out.

- *Does your prospect have a mission statement or a corporate value statement?* How does it compare with yours? Will doing business with your company conflict with, advance, or support your prospect's mission or values?
- *What are the specifics of your prospect's corporate culture?* Some companies require employees to respond to voice mail messages within four business hours. At others, the parking lots are empty at 8:58 AM and again at 5:02 PM. An engineer-turned-entrepreneur I know walks through a prospect's parking lot before a first meeting, counting reserved spots, tabulating car models and conditions, and noting bumper stickers and other cultural clues.
- *How often does your prospect file lawsuits?* Does the company like to sue? It's a good idea to know this is going in.
- *Could other business or nonbusiness issues help you understand the company better?* Did they place first in the local Corporate Challenge 10K race? Are they listed among the top ten best places to work? Eighteen years ago, I was immersed in a selling cycle with a major chemical company. Because I was vigilantly tracking them in the news (there was no Internet then), I caught the story: they were being investigated for allegedly dumping toxic waste 30 years before. As you can well imagine, investing in my solution quickly became the last thing on their minds.
- *Who's on the management team?* Start with names and titles. Is there much turnover? When changes are made, where do the senior

executives come from—sales and marketing or engineering? The answer will tell you a lot about how the company's focus will shift. If top positions are filled from outside, are the new recruits coming mostly from one company? Your prospect may begin operating more like that company.

- *Who sits on the board of directors?* Mostly insiders? What other boards do these people sit on? These are general questions about the executive team; we'll get more specific later.
- *What are your prospect's products or services?* You need to be able to speak knowledgeably and comfortably, in the company's terms, about everything from new product introductions to market share by product. Which products or services contribute the most margin? Which the least?
- *What does your prospect count on to win?* Quality, price, innovation, name recognition, customer service? Does the company compete ethically, or does it do whatever it takes to win?
- *Who are your prospect's major competitors?* In my experience, knowing the names and products of your prospect's competitors counts for a lot with executives. Know how competitors are doing financially, what they do to win, and where they are strong. Have any of them announced plans to expand into new markets? If you can hypothesize intelligently about the impact of a competitor's plans, you'll become almost indispensable to your prospect.

Learn as much as you can about your prospect's relationships with suppliers. This can tell you a lot about not only the impending evaluation process but also how you will work with the company if you win the evaluation. For example, it's very hard to sell long-term business value to a company whose raw materials and supplies are commodities. Their mindset is to get whatever they need from whomever can sell it to them at today's lowest price. It's important to know this early in the sales cycle, because your product or service is likely to be considered a commodity as well.

Speaking of suppliers, do you know who is currently supplying your prospect with what you're selling? It's important to know why your prospect wants to change vendors. Ask your sources inside the account what the current supplier is doing or is expected to do to prevent you from taking over its customer.

Watch how your prospects treat their customers; it's a fair indication of how they expect to be treated by you. What does the company consider important for its customers? Is it the best products? Timely delivery? Superior relationships? Technical support? Does it use customer focus groups? Does it take pride in its research and development team? You can often go to the head of the pack if you know the answers early on and plan your sales activities accordingly.

What about the organization? What does your prospect's organization chart look like? How does the current chart compare with the one from last year, the year before, and the year before that? Spotting organizational trends can help you anticipate changes and see more clearly to whom you should be talking. For instance, does the corporation assign future general managers to overseas facilities to give them international experience?

Read your prospect's annual reports or other financial statements for the past few years. Look for performance trends; see if you can tell by extrapolation where your prospect is headed. If you've developed your business skills and know-how as I suggested in Part 1, you should feel right at home reading, understanding, and drawing conclusions from standard company financial reports and key components of their 10-Ks.

Learn how your prospects measure themselves. Do they look at revenue, profit growth, market share growth, or some other parameter? (Companies in financial trouble will be tracking expense reduction. Companies in a down economy will be searching for ways to increase revenues.) If your business solution can help the prospect in one or more of these areas, discover your prospect's exact targets and the potential benefit you can deliver.

Tactic

Notice how the sequential satellite photos and radar images you see on TV weathercasts enable you to predict the weather by extrapolating from past movements of clouds and rain. You can often use recent organization charts the same way. Ask your prospect for charts going back a few years. If your contacts can't (or won't) provide them, try to reconstruct them on your own. It will be worth your time and effort.

Because businesses differ in the ways they cost-justify investments and expenses, you need to find out how your proposal will eventually be considered. What areas is the company targeting for improvement in the next 6, 12, or 36 months? Knowing this will give you the basis for a solid cost/benefits analysis later on, when you propose your solution.

If you expect to get paid when you finally get the target company's business, you'd best know their payment history with vendors. To find out, get a report from Dun & Bradstreet.

If I were a company executive and you were a salesperson calling to represent a prospective vendor, I would probably be polite but skeptical. But if you talked to me about my business in financial terms—comparing and contrasting me with my competitors, referring to specific customers and suppliers, analyzing and projecting trends related to our market share in the past, present, and future—I would consider you a sales professional of the highest caliber, a fellow businessperson, and I'd put your company at the top of my list of potential business partners. I'm sure you'd agree that the time you invested in learning about my company was well worth it.

Executive Information

When you're selling to a large organization with a complex reporting structure, the volume of information you need about its executives

Tactic

If your prospect is a public company, it is probably tracked by securities analysts. To gain access to an analyst's reports, it may be worth your while to open an account with the brokerage firm that the analyst represents. These reports often contain information about your prospect's competitors and its industry. Most of them are very informative and reasonably accurate, even if some of their predictions about the company's stock performance have been proven to be self-serving. If the prospect is privately held, your scrutiny of its financials will present more of a challenge. The best tactic is to build a network of sources within the company, starting with a sales rep, as suggested in Chapter 1.

can be staggering. The most effective method of learning it is to ask questions—a lot of questions—of just about anyone you meet in that account. People will often give you their opinions, insights, organization charts, executive bios from press kits, and all sorts of other information just because you asked.

A lot of information about high-profile companies can be found on the Internet. Press releases, company "about" Web pages, and financial statements are good sources for background information on the executives you'll be meeting with next week. Keep in mind, however, that this information is only part of the picture. Politics are involved as well, and understanding them often requires a steady, coordinated effort by the whole sales team. See Chapter 14.

Politics aside, here is some of the preliminary information you'll need on your prospect's key executives. There are two main sources of information. The first of these is whatever has been published. This can be printed material, but more and more information, both original and historical, is being published on the Internet. Other sources, such as articles and press releases, can be located using a search engine. Try using the company name, product names, and executives' names as key words. This approach will often produce search results with real value, such as a biography from a speech an executive gave at an industry conference.

The other main source of information is simply other people. As you build a network of lower-level sources in your prospect's company, ask lots of questions about top execs and decision makers. You'll begin to get a clearer picture of your key executive, the one you will call. Find out what you can from other suppliers, customers, and even competitors who know this person.

That, in a nutshell, is how you find information on key executives. Here is what you need to know about them.

- Where they live. Do any of them live in the same town or neighborhood as your CEO? Think of the possibilities.
- Their approximate ages.
- How long they've been with the company.
- What positions they've held in the company. Have they moved from one functional area to another or advanced within a single division?

You'll learn how to use this information in Chapter 12.

- Where did they work before joining this company? What responsibilities did they have there? Why did they leave? Was your product or your competitor's product used at the former company?
- How did they get to their current company? Did someone personally recruit them? If so, who, when, and why?
- What experience have they had with projects or investments similar to what you will probably be proposing? Have they been involved in making the decisions? What was their decision-making process?
- What events, decisions, or actions caused them to rise in this organization or a prior one? This information can be very useful, perhaps revealing ways that you and the business value you bring can help them advance further.
- What events, decisions, or actions may have temporarily limited their careers or influence? This would definitely be a subject to stay away from, at least on the first call.
- What civic, professional, or trade organizations are they involved in?
- Where did they go to school?
- Were they in the military?
- What are their hobbies? Golf? Biking? Skiing? I can't overstate how helpful this can be. Recently, I was able to form relationships with a few very senior business people because of our shared interest in owning and piloting private aircraft.

A number of years ago, when I was selling enterprise application software, I was scrutinizing the evaluation team in an account I was pursuing. I learned from a coach I had developed in the account that a key influencer had played the trumpet professionally, in a past life, as had I. That discovery rewarded me in three ways. The first was the fun I had planning how I would let the influencer know. The second reward came while listening to jazz trumpeter Freddie Hubbard's records at his house on a Sunday afternoon as he helped me plan how to win his company's business. The third, and best, was bringing in my company's largest-ever deal a month earlier than I had predicted.

Here are some examples of the information that will put you way out in front of your competition, if you know how to get it and how to use it.

- *What does that executive already know about you, and what have they already decided about your products or services, your company, and your reputation?* It's better to know you're up against a misconception or other negative judgment going in than to mistakenly assume that the executive is positive, or even neutral, about you.
- *How does the executive make decisions?* By going with gut instinct or by agonizing endlessly over details? Do they rely on a trusted advisor? If so, allocate some time to scrutinize the advisor as well.
- *What are the executive's personal and professional needs and interests?* To create an emotional incentive to buy from you, you'll need to know a lot more than their name and title. Do they have an infirm relative, making travel a problem? Are they up for a promotion they've been working for years to get? Would investing in your business solution help or hinder their career goals? Would it entail too much or too little risk? These are things you need to know if you hope to link your needs to the executive's.

If you are looking for differentiation and willing to take the time to do what I recommend, any manager or executive will be extremely impressed by what you know about their industry, their company, and the people they work with. You will have differentiated yourself!

When to Scrutinize

Not every sales campaign, of course, requires you to scrutinize all aspects of an opportunity. You'll find that a comprehensive dossier is most useful for high-value, highly competitive deals. The time you spend scrutinizing each opportunity should be directly proportional to its financial or strategic importance.

You will use the information you gather in many ways while planning and executing your sales strategy. It will help you understand what your prospects are really buying, how they make decisions, who is in a position of influence, who initially favors you and who doesn't, how they will negotiate, whether they are true to their word, whether you have a chance to win the deal, and, ultimately, how you will be able to win it.

Now that you understand the kind of information needed for the successful pursuit of an account, the question arises once more: where

Read about triage in Chapter 9.

will I find the time to gather all this information? My answer, as before: by reallocating time from wasteful sales activities. That's where the skill of triage applies.

Part Three

IT'S TIME TO ENGAGE

Having invested considerable time in this book, you should be ready, perhaps eager, to apply at least some of these strategies toward your goal of outselling your competition and winning the big sale.

Now it's time to talk about some of the tools you will need to fully implement these strategies. By the end of this part of *How Winners Sell*

- you will be able to write a simple yet highly effective sales plan and understand that the benefits of that plan far outweigh any inconvenience or investment of time involved.
- you'll be able to create a clear, concise, compelling executive presentation.
- you'll understand how, and with which people in your accounts, to build relationships.

"IT'S NOT PART OF MY ORIGINAL PLAN, BUT I CAN LIVE WITH IT."

Chapter

11

THE VALUE IS IN THE PLANNING, NOT THE PLAN

STRATEGY NUMBER ELEVEN

PLAN TO WIN EVERY SALES CAMPAIGN

When I make a presentation to a group of salespeople, I often ask, "How many of you create a formal written plan, however simple, for each important opportunity you are pursuing?" In these unscientific surveys, fewer than 5 percent of my audience raise their hands.

I can only surmise that, if you're the average salesperson, you don't have a sales plan. Perhaps you don't think you need one. "Too much trouble," you say, "Too complicated," or, "Eats into my selling time. Besides, what good is a plan when you can't possibly tell in advance what's going to happen?"

I understand your reluctance to plan, but I don't buy your reasoning. Neither do the million-dollar earners.

What if other professionals thought this way?

- The airline pilot says, "No, I haven't filed a flight plan, but I expect the weather will be good all the way to Chicago, and if it isn't, I'll wing it."

- The builder says, "Just start nailing some of those boards together, and we'll decide later whether it's one story or two."
- The surgeon says, "Aw, what the heck, let's start cutting and see what happens."

Anyone whose livelihood depends on the quality and reliability of their work makes a fundamental mistake by failing to plan. When you don't know what's going to happen, it's especially important to plan for contingencies. You may not know at the start of a trip whether it will rain or shine, whether the road is good or bad, whether the lodging is cheap or expensive—so you bring your umbrella, a spare tire, and your credit cards. You arrange with someone to water your plants. That's simple planning.

"Virtually all of my questions at the trial, and most of my tactics and techniques, are aimed at enabling me to make arguments I've already determined I want to make. In fact, before the first witness at a trial has even been called, I've usually prepared my summation to the jury."

—VINCENT BUGLIOSI, FORMER DISTRICT ATTORNEY, LOS ANGELES

As you probably know, an airline pilot must file a flight plan with the Federal Aviation Administration detailing the exact route, time en route, fuel reserves, type of navigation equipment used, and souls on board. The builder must follow a blueprint (a plan designed by an architect), schedule deliveries of building materials, and bring in skilled workers and subcontractors at the right times. The surgeon must outline in detail the operation to be performed, equipment and personnel needed, sequence of procedures, condition and idiosyncrasies of the patient, and postoperative care required. In each of these examples, you can see that planning not only maps out the best route to a successful outcome, it also enables everyone involved to communicate and coordinate team activities.

Following a planning process is a sort of rehearsal or walk-through. What do you do first? What comes next? If you're familiar with the steps, you'll find your plan easier to follow when it's for real. Planning is also a kind of advance troubleshooting. What do you do if this happens? How do you respond if that fizzles? How do you know if you're on track toward your objective? Thus, even if your original plan doesn't work as expected, the process of planning is essential to achieving and maintaining sales success. It forces you to anticipate eventualities and compels you to action.

The Sales Planning Process

The simplest and most effective sales planning template is one that's often the foundation for corporate and department business plans. It's the same four-part model I used in planning this book: assessing the situation, setting your objective, devising your strategy for achieving that objective, and choosing the tactics you will use to implement your strategy.

> *"It's not the plan that is important, it's the planning."*
>
> —DR. GRAEME EDWARDS

When building a sales plan using this model, the part that's most often neglected is the first step. This is a big mistake; you have to know where you're starting from to decide where you can reasonably end up. For a solid, workable plan, you must start by assessing the situation. What is your prospect's business need, and what is the sales environment?

Once you've compiled a comprehensive review of your sales opportunity, you can move on to the next step—deciding on your sales objective. With your objective as the target, you can select and refine your strategy for reaching that objective. Then, to execute that strategy, you choose the most appropriate tactics.

FIGURE 11.1 *The Four-Part Plan*

Think of the four components of your sales plan as building blocks. When one is solidly in place, the next is laid atop it.

4	Tactics
3	Strategy
2	Objective
1	Situation Assessment

The biggest challenge I run into when first working with a sales team is to help them avoid jumping straight to tactics. We've just started to talk about key factors in the prospect's industry, when the sales rep says, "Let's call Ms. Newman and tell her about our new variable-speed, dynamic-tilt garfiplatzer. I'm sure she'll love it." Maybe we're busy deciphering the subtleties of an organization chart that the rep finally got after five calls to a contact in the account, and a business consultant says, "Wait. I know Bill Hines. He and I played football together at Whatever U. I'll call him and set up a demonstration."

I'm sure these examples of the "ready, fire, aim" syndrome must sound familiar. Sometimes, during a lively strategy session, I even catch myself trying to jump the gun. Anything that results in getting more information about the prospect and completing the situation assessment is allowable; however, brainstorming at this stage should not extend to selling tactics.

The Situation Assessment

Let's say you've been scrutinizing your prospect. You've dug deep into your prospect's business and have gathered most of the material you need for your assessment: their requirements, pains, initiatives, financial statements, press releases, articles, company information, interview notes, organization charts, and analysts' reports. You've also learned who's competing, how they compete, and how your prospect views you versus your competition.

Now that you've gathered the information, the work is done—right?

Wrong. Now you have to write it down.

Why? Two reasons:

1. You don't analyze your prospect's business just to make yourself look smart; you use the analysis to coordinate your entire sales effort. You have to get the information to other members of your sales team as well as to your executives when you enlist them in your campaign.
2. You're busy managing several opportunities at once, and you're juggling a flood of information. If you don't keep detailed, well-organized, written (or electronic) notes, you will invariably forget

> vital details or, worse, remember them wrongly or confuse your prospect with inconsistent messaging. Details are not trivial. Command of detail gives you credibility and differentiation with your prospect's executives; it can spell the difference between failure and success.

Sales reps have griped at me for years because I insist that assessment information must be recorded. Takes too much time, they say. This is wrong. If you've got your priorities straight, most of the time you invest in reviewing your prospect's business will be the time required simply to hunt down the information. Typing it into your computer or collating hard copies into folders for your team will be a breeze, relatively speaking. (Sales automation applications make this task easier and faster.) I know sales professionals who spend an average of about 85 percent of their prospect assessment time collecting information, only 15 percent recording and distributing it.

Not important, you say? Either you're not serious about winning the deal, or you simply don't realize how useful this information can be when written down.

Aaron, a sales professional I work with in southern California, knows the value of having it in writing. For each key opportunity, he puts together a three-ring, loose-leaf binder full of relevant information, the prospect's business condition, their requirements, the proposed business solution, and the competition. In a meeting one day with a prospect, the company's CFO asked, "What's that?

"It's information I've collected about your company and this business opportunity."

"Could I see it?"

"Sure," said Aaron. Smiling, he handed it over.

The section on competition included press releases from other vendors vying for the business. Aaron had highlighted certain passages and, clearly and legibly, had written comments in the margins that raised questions about the integrity and capability of his competitors. The CFO read quietly for a while, paying particular attention to those comments. He took some notes. Aaron ended up winning the sale.

Keep in mind that a situation assessment is a dynamic, ever changing compilation. It is never "finished." Over the 3, 9, or 24 months of your selling effort, market conditions will change, affecting not only your sales campaign but your prospect's business condition. When do you know enough? How do you know when you're ready to go to the next step? When you can confidently envision exactly what you will sell, when, and at what price, in this unique situation. That's the milestone.

The Objective

Too many sales reps just plod through customer buying cycles, following the prospect's plan—if not the competitor's—hoping perhaps to win when someone else stumbles. The thought of taking control of what's happening doesn't occur to them. They have no objective, nothing to aim for, no clear mission—thus, ultimately, no way to achieve it.

Winners know that, when scrutinizing their prospect, they can develop a keen understanding of what the company will buy, when they will buy it, how much they will invest in it, what immediate crises it will solve and—most important for the prospect—what buying it will ultimately do for the bottom line. Winners also know that by putting all this information on record for their sales teams and executives, they begin to take control of the situation by formulating a firm, achievable sales objective.

Why do we use the term *objective* here rather than *goal?* Goals are general intentions; objectives are precise. We are looking for precision.

In terms of a sales campaign, your objective includes precisely what you intend to sell, for how much, and by when. If you fail to define any part of this objective, you can't formulate an effective strategy, and you'll find it hard to achieve the sale under favorable terms. The prospect or the competitor will be in control, dragging you behind them.

See Chapter 3. Get in shape for selling bigger.

Also, please, aim for a financially lofty objective. Remember: think big! It benefits your career as well as your wallet to justify why a prospect should pay full price.

Strategy

The heart of your sales plan is your strategy. Many salespeople don't consider that strategy as the irreplaceable tool that it is. They figure that what worked last time to win a deal will work this time, or they simply don't think about it at all.

> On the subject of strategy, Sun Tzu, the ancient general and philosopher, said, "A winning general [or sales professional] creates the conditions of victory before beginning the war. A losing general begins the war without knowing how to win it."
>
> —Donald G. Krause, *The Art of War for Executives*

Because this subject is so important, I've dedicated Chapter 16 to it. Feel free to jump to that chapter now, or continue reading and catch that critical chapter later.

Tactics

Now, you say to yourself, "I have done a comprehensive assessment of the opportunity. I have committed to a sales objective. I've decided on a strategy I'm going to pursue to win. What's next?" What's next is what you're going to do to implement your strategy—the execution, or tactics.

Tactical planning is simple if you have the first three components of your sales plan in place. Once you know what resources and advantages you're going to count on to achieve your win—that is, your strategy—tactics are simply the events, meetings, phone calls, presentations, demonstrations, proposal submissions, contracts, referral calls, visits, and whatever else you require to reach your objective.

Earlier, we posed a common objection to planning: what good is a plan when you can't possibly tell in advance what's going to happen? Now you have the answer: what's going to happen is what you plan to happen, so long as your plans are flexible enough to adapt to a changing sales environment.

Tactic

If you have never done it before, write down or electronically record your sales plan, starting now.

When it comes to tactical planning and execution, I embrace detail—lots of it. I do however, balance the strategic with the tactical. I pay attention to the trees, but I don't let them block my view of the forest.

When people hear the word *detail,* they often think *trivial.* It's a mistake to think this way. Attention to detail is important not only for function but for perception. People will pay top dollar for quality, and quality is seen in the details—the sophisticated engineering of a top-of-the-line Mercedes-Benz, the fit and stitching of a Savile Row suit, the attentions of a top-notch waiter in a fine restaurant. Tom, a top sales professional I've worked with, has built his personal brand around meticulous attention to detail. That provides his prospects with a sense of surety that words alone could never articulate. They buy a lot from him.

See Chapter 6 for more about personal branding.

How carefully and conscientiously are you, or the members of your sales team, executing the tactical details of your plan? For example:

- Do you know exactly what your best reference thinks about your company, or are you willing to roll the dice when your prospect visits that reference?
- Are you familiar with the finer points of your prospect's requirements, or are you missing the fact that training must be delivered in Spanish at two locations?
- Do you consider all your prospect's executives worth contacting, or can you ignore the opinions of the director of strategic planning?
- When your prospect asks you to provide ten references, do you figure that five is enough?

> *"I have always wanted to be somebody, but I see now I should have been more specific."*
>
> —LILY TOMLIN

- Do you address all of the objections your prospect states, or do you consider some of them unfounded and therefore not worth your time and attention?
- When meeting with your prospect, do you get directions in advance, verify them on a map, and arrive early enough to allow for traffic—or do you shrug and think, "So I'm a few minutes late"?

- Do you rehearse your presentations by having your team ask you tough questions, or do you trust your ability to wing it?

I'm not suggesting that buyers always choose the quality of your execution over price; I only wish it were so. But from working with winners, I do know that their customers, especially C-level executives, place value on your attention to detail—even when they're careless about details themselves. They want to know that you won't overlook something that could make the difference between success and failure for their project, their career, or their company. By showing that you care about the details, you gain credibility and earn their confidence.

When you put yourself in the shoes of the buyer, I'm sure you'll agree that attention to detail is required behavior. So, as the seller, how do you cultivate the desired level of detail consciousness?

Tactical Planning Checklists

The number one tool that will help you pay more attention to detail is the simple checklist.

I saw my first checklist when I was eight—the one my mother pasted inside my steamer trunk the first time I went off to summer camp. You know: white socks, 5 pair; bathing suits, 3; envelopes for letters home, 20. Later, like you, I learned about to-do lists, recipes, sales call lists, business trip checklists, and so on. My wife uses checklists religiously when we travel to ensure that every detail of the trip goes smoothly.

But I never realized how critical the content and sequence of a checklist could be until I started piloting my own plane. There's a preflight checklist, of course, to ensure that all the parts of the plane are in place and working before getting airborne. There are also the 15 other checklists I keep handy in flight—emergency checklists with ominous titles like "Emergency Landing without Engine Power" and "Electric Fire in Flight." These lists, created and verified by the plane's manufacturer and the FAA, specify the sequence of steps that is most likely, in case of specific emergencies, to result in the survival of pilot and passengers. I've memorized some of these in their entirety; others, just the first few steps, to give me time to read the full list.

Checklists are critical for the successful completion of a flight of any length. A routine flight can become an emergency if routine checklists aren't followed. It's not hard to see that a checklist can be equally crucial to the successful outcome of a sales effort. It's the single best way to ensure that you have all the details covered.

Perhaps you're lucky enough to have a sales plan checklist that was compiled by your management or a predecessor. That's a good start. But the top sales pros develop, maintain, and improve their own checklists, based on their unique selling experiences. Checklists should be dynamic; they should reflect changes in customer buying trends, your company's procedures and processes, competitive influences, and—perhaps most important—your personal strengths and weaknesses.

I've found a simple spreadsheet to be a good tactical planning checklist (see Figure 11.2).

I like this format, because in a single document, I can keep track of everything I have to do in multiple accounts. I can sort the spreadsheet by account, date (as shown here), or owner, as well as by resource required (so I can be sure the help I require is there when I need it). You may prefer to keep track of plans and activities another way, using sales automation or contact management software. That's fine, as long as you're tracking every critical detail of your tactical plan. But if you're

FIGURE 11.2 *Tactical Planning Checklist*

Account Name	Date	Event	Owner	Resources Required	Objective	Result
ABC Corp	6/10	Initial Exec Presentation with CEO and CFO	Stein	Fran Jones, our CFO	Get buy-in for discovery process	
XYZ, Inc	6/11	Get our contract to their legal department	Stein	Jim Kownsell, our attorney	Get negotiations started	
123 Co	6/11	Dinner with VP Sales	Stein	None	Relationship building, find out more about informal decision process	

looking at this and thinking, “That’s too much work. I can do just fine keeping this in my head,” let me remind you of how important even the smallest details can be. Tactics are, after all, where the rubber meets the road when you’re carrying out your sales plan.

Create Your Own Master Tactical Plan Checklist

I strongly recommend that you create a master template in the format I provided above. In that template you should include events, meetings, approvals, calls, presentations, proposals, demonstrations . . . everything that you must do in deals you are pursuing.

Here’s a final word about tactical planning details: when you’ve won a sale, don’t forget to update your master checklist with all the new items that were essential to winning that sale. Any one of these details just might be the crucial element in closing your next deal.

So go into your next sales campaign with a new intensity associated with discipline. Take the time to plan—by yourself and with your team. Make sure you record that plan. It’s critical for team communication and monitoring progress.

Chapter

12

"DO I HAVE THAT ABOUT RIGHT?"

STRATEGY NUMBER TWELVE

DELIVER COMPELLING EXECUTIVE PRESENTATIONS

Your prospect's executives and senior managers are busy people, overloaded with information, responsibility, commitments, and distractions. You've asked for and been granted time to present your product or service. Now the pressure's on. You have to deliver a clear, concise, compelling, credible, executive-level presentation to differentiate yourself and your product or service. If you perform well, you'll have gained the ear of the most powerful and influential people in your prospect's company.

Did you pick up the key words? *Perform. Differentiate. Power. Influence.* Understanding these concepts is the first step in making your presentation powerful and effective.

Perhaps making a presentation to a roomful of powerful people is your least favorite part of the sales campaign. You're nervous; you find it hard to focus; you feel inadequate, out of your element.

Well, you're not alone. When sales professionals, even seasoned pros, come to me for help in building relationships with executives, they bring many woes.

- They have trouble differentiating themselves from the competition.
- They don't get the credibility they feel they deserve; executives become inaccessible, don't return phone calls, and are unwilling to influence key decisions.
- They feel that, no matter how hard they try, they cannot generate excitement or momentum in their presentations.
- They often find it a challenge to make their presentations work for them, even those requested by executives. As one 15-year veteran complained, "If we do a great job, the best that happens is that we get to stay in the evaluation. If we mess up at all—we're history."

If you have any of these same issues, stop and think: do you start your presentation by talking about yourself, your company, and your product or service?

Perhaps what you need is a different approach.

"Where there is no difference, there is only indifference."

—LOUIS NIZER

The Inverted Presentation

What do people like to hear about? That's right: themselves. When you talk to an audience of executives, start by talking about them—their world, their company, themselves. The more knowledgeably and confidently you do this, the more credible you become. In fact, you will be judged by how closely your view of their business and industry matches theirs.

At the beginning of your presentation, think of yourself as a mirror, reflecting back to your audience what they already know. Once you have demonstrated your intelligence and insight by talking about things they are familiar with and can identify with and corroborate, they will believe you when, a few minutes later, you begin talking about how you will impact their plans going forward.

I learned this reverse approach by getting myself into an uncomfortable situation. In 1990, at a first meeting in Manchester, England, with executives of a Scottish company, I started off with my usual polished slide presentation: "My company was founded in 1979. (Click.) We have offices in eight cities. (Click.) We have 100 employees. . . ."

"Hold on there," said one of the executives. "Sorry to be so blunt, but we are more interested in hearing about how you propose to help us meet our business objectives. We want to be sure you know what those are, who we are, and what we do. We want to hear about your work with other companies like ours. If all that makes sense, then we will be willing to see your fancy slide show and learn all about you."

I turned on the lights, switched off the projector, and started talking. To be honest, I didn't know the company at all well enough to be considered a future business partner. But I knew a lot about the company's industry and a few of its competitors, suppliers, and customers. That got me through the day. I learned a valuable lesson and never looked back.

Open your presentation like this: "Before I proceed with this presentation, I'd like to take just a few minutes and make sure that I have a reasonably accurate assessment of your situation."

See Chapter 10. Scrutinize your prospect.

Take three to five minutes and discuss events, challenges, or issues that your prospect and its industry have faced, are facing, and should expect to face. In particular:

- Mergers or acquisitions
- A new product introduction or a new geographic market they are pursuing
- New government regulations or competitive pressures

What you want to accomplish here is to prove your credibility and understanding of their issues and to give them a chance to size you up while you are talking about things they know about. Digging in a bit and offering an analyst's opinion or, even better, your own insights, will be icing on the cake. There is a risk here. If you go on too long, or talk from

Agenda

Objectives for this meeting:

- Your [prospect's] recent past
- Your [prospect's] current situation
- Your [prospect's] business outlook
- What we do and how we do it
- Other issues
- Next steps

too high a perspective without editorializing, they'll start thinking, "I know this. Why is this person telling me this?" The subtlety is to talk just enough so you pique their interest and establish yourself as credible.

Next, touch on the key business goal or objective that you will address with your product or service. Get confirmation that this is, in fact, an issue. If you can talk about other companies that you know the audience will recognize who have had, or have, similar issues, that's great. Of course, never divulge anything that is or could be considered inside information.

Don't miss an opportunity to test your presentation with a coach or some other ally in the account. It's your best chance to corroborate your facts. When you go before the executives and talk about things they already know, you can stop occasionally and say, "Do I have that about right?"—knowing full well, of course, that you are indeed right.

After you've spent ten minutes discussing the prospect's history, challenges, and issues—and earned credibility for doing an accurate job—you may talk briefly about your company and your business solution. Be careful, however, not to undifferentiate yourself by going into your standard corporate pitch. Just use two or three slides telling them what your company does and how it does it. Be clear, compelling—and concise. Save the contract specifics—actual investments and returns—for later, after you've dramatically differentiated yourself.

Here are six things you must do to put together an effective inverted presentation.

1. Know your prospect. Before you ever get up in front of a team of executives, you must thoroughly understand their company, its industry, and, as much as possible, the individuals to whom you're talking. This is your situation assessment—the information you will have gathered when you scrutinized your prospect.

In addition to your insights into the past, present, and future, you should consider discussing the following points:

- From the buyer's perspective, how does your offering help them achieve their business plan?
- What's the minimum financial return the buyer requires on products or services like yours?
- What has been the company's experience with products or services like yours? Has it been positive or negative? How does your approach differ?
- What is the buyer's usual relationship with suppliers? What does the buyer expect from suppliers?

When you use a strategic planning approach for executive presentations, you have a clearer picture of the situation as well as a better understanding of your audience. Here are other questions to answer before you face an executive team.

- Are any of the people attending the meeting connected in some way with your competition? Who gains if you're selected, and who loses? How do you find out? Winners seek to know the politics involved by negotiating access to key managers and executives while planning an executive presentation.
- Will you have anyone in your audience who can stand up for you if you get into trouble? Can this person warn you ahead of time if someone is setting a trap for you and, if so, what that trap is?

> One of my clients, a provider of business analytics solutions, has to overcome the perception that its product is just a nice-to-have tool for management. The solution? Show how it can provide a view into risk management. This approach appeals to CFOs, CEOs, and even the board.

Several years ago, I consulted with a sales team that was preparing for an executive presentation. Concerned that we might be caught off guard by opponents of our plan, we asked an engineer on our team to get in touch with people he had worked with in the account. His contacts said yes, there could be trouble. They also told him who would raise objections and what they would be.

Thus armed, we prepared an effective immunization, which we integrated into the first part of the presentation. The objections were never raised. But what would have happened if the team had not gotten detailed information about the attendees? Embarrassment and loss of credibility—exactly what you don't want as the outcome of an executive presentation.

Meticulous attention to detail is an asset. Your audience will be impressed by the effort you put into researching them. They will see clearly that you want to earn their business, and for many executives, that weighs heavily in their decision.

2. Understand the objectives of the meeting. Once you have completed a situation assessment of the meeting, think carefully about its objective. Or rather, think in terms of two objectives—yours and your prospect's. How will you formulate a presentation that encompasses both?

If the prospect asks for the meeting, its objective should be clear. Whatever it is, you should confirm it by phone or e-mail a few days before the meeting and again when the meeting starts.

What about your objective? If the presentation happens early in the process, your objective will probably include gaining or expanding your access to the executive team, or perhaps simply ensuring that you understand how the prospect will evaluate and decide. Later in the game, you may want validation that you understand the decision and approval process.

There's one objective above all that you want your presentation to achieve: differentiation from your competition. The inverted presentation approach goes a long way toward helping you gain that advantage, especially if your competitor doesn't use it.

3. Talk about executive-level issues only. No matter what you're selling, you must position it using business terms, financial measures of value, and the language used by your prospect and industry. You must show how your solution supports or, even better, advances the prospect's interests, whether it is departmental goals or the company's business objectives. If one person raises an operations-level issue, don't get drawn into the nuts and bolts; you'll lose your momentum and be out of alignment. Either frame an executive-level response or defer the answer—with the questioner's permission, of course—to a later, one-on-one discussion.

Avoid using jargon and buzzwords, which do little more than alienate you from your executive audience. Instead, talk about their products, customers, competitors, suppliers, and industry issues in company-specific and industry-specific language.

When you talk about what your company has accomplished with other clients in their marketplace, use specific testimonials and quotes from executives they know or whose names they will recognize. If you can give them actual numbers, so much the better: "Ray Herbst, the CFO of Global International, told us his company reduced customer attrition by 13 percent in just 10 months using our solution." Be sure your numbers are accurate. Never give out this kind of information without the consent of those quoted or referred to, and be sure you're still on good terms with them—Ray may get a call from your current prospect.

4. Don't present to a multilevel audience. Avoid having to present to audiences consisting of executives and people more than one organizational level below them. Tell your prospect early on that you require multiple sessions—one for executives, one for managers, and one for operations-level employees. This approach will probably cost you time and money, but it's more than worth it.

Here's why. You've established yourself as an expert in your prospect's business. You can talk to executives eye-to-eye and tell them, in their terms, how your offering can help the company achieve its business plan. But you have to maintain that posture; you have to keep being someone to whom these executives can relate and trust. Suddenly, though, they see you answering questions about (to them) insignificant details, talking shop with lower-level employees. What's an executive to think?

- "I thought she was different. We'd talked about high-level issues."
- "Why am I wasting my time listening to this petty stuff? I've got work to do."
- "I'll delegate working with this sales rep. My staff can take care of the details."

When your objective is to build business relationships with the people who make the decisions and write the checks, this kind of thinking is obviously very destructive.

On the other side, when you're presenting to executives and operations-level people at the same time, it's only natural to focus your attention on the execs. When you try to answer a minor question from a lower-level employee with the CEO sitting in the room, you may come across as condescending or arrogant. The employee may feel threatened and could later sabotage your deal.

5. Rehearse your presentation at least twice. Rule of thumb: spend ten hours of preparation for each hour of presentation. Run-of-the-mill sales reps often smile when they hear this. They know they're far too experienced to waste that much time preparing. After all, they've been presenting for years . . .

The winners, sales pros who make the big bucks, smile, too. But they smile because they know their secret's out.

> *"I was never afraid to present to the CEO or board. I knew more than they did about the subject matter."*
>
> —MIKE CAMPANELLI, SENIOR DIRECTOR OF R&D (RETIRED), BAYER DIAGNOSTICS

Have you ever seen how the president rehearses for a news conference?

Advisors take turns assuming the role of the most annoying, persistent, and inquisitive journalists who will be there. They probe for weaknesses with the most difficult and embarrassing questions they can come up with, over and over, until all of the potential snares have been exposed.

Tactic

When you rehearse for an executive presentation with your team, have someone play the role of antagonist. Give them the responsibility of asking a wide range of tough, probing questions. Make sure you can answer them all confidently.

This is how you should rehearse for executive presentations. Have your team hit you hard with all sorts of questions about your most troublesome customer, the recent departure of your CFO, deficiencies in your product, miscalculations in your ROI model, terms and conditions of your contract, and the like. Executives will test you. The way you perform under pressure may be one of their unwritten decision criteria. If your company can't deliver during the selling process, how will it possibly deliver after the sale?

At one point, I was called to consult on a major software sales opportunity, just days before a crucial executive meeting. I was to make sure the two-day presentation went off without a hitch. As we rehearsed the demo two days before the event, the system crashed—not once, not twice, but three times. We worked frantically, got the problem resolved, and more—we arranged to have an engineer standing by during the presentation. It was a bomb with the fuse lit, but we made it go off prematurely—and harmlessly—by rehearsing.

But the real fun began when I sat with the sales team over dinner the night before the event. We did some role playing. I pretended I was the prospect's CFO coming to visit, and that I had been briefed by the competition about every possible weakness in my client's sales offering. It was a tough, frantic question-and-answer session. Even though it was just a rehearsal, I saw sweat pop out on the brow of at least one sales team member. So I pushed them even harder; I created impossible problems out of thin air, so the team could learn to control their reactions to unforeseen issues.

Strategic Planning for Executive Presentations

- *Situation Assessment.* Details on the company, industry, issues, trends, competition, requirements, attendees, etc.
- *Objectives (Ours).* Differentiation, credibility, continued executive access, sponsorship
- *Objectives (Theirs).* To be determined
- *Strategy.* Inverted presentation, rich with our insights about the prospect
- *Tactics.* Research, advance test of presentation, rehearsal, perfect spelling, graphics, etc.

My thanks came during the actual presentation, in the form of a wink from the sales representative. One of the aggressive and potentially fatal questions I had surprised the team with in rehearsal was posed almost verbatim by someone we had tagged as an antagonist.

6. Communicate like an executive. Not the least of your concerns should be your professional style—how you come across as a communicator. There are mountains of books and programs on this subject, so I will offer a brief summation. You may have the best message, product, or proposal, but if you don't look like, sound like, and act like an executive, your battle will be uphill all the way.

Executive style extends all the way from showing well-designed, perfectly spelled slides on faultless equipment to wearing high quality clothes, driving your prospect to lunch in a high quality automobile, and feeling completely comfortable around power. You have to feel like a million bucks to be comfortable asking for a million-dollar order—or to earn a million-dollar commission.

A Tale of Two Vendors

Let me illustrate how much difference a single executive presentation can make. I was consulting for a CEO who was interested in hiring a large firm to improve his company's global sales capabilities. It was to be a very large project—too large, in fact, for my own firm to handle. I got approval from the CEO to consider only two firms. To spare injured feelings, let's call them DoRite, Inc. and NoSweatCo, Ltd.

Because my client's company was publicly traded, information about it was easily obtainable. In addition, some of its executives agreed to make themselves available to the competing vendors. I was, of course, willing to give the vendors any information about my client's requirements that they would need to create a proposal.

As you would expect, both vendors immediately asked to see the CEO. He agreed to meet with the president of each firm for an hour on consecutive days. I was to arrange the meetings and work with the vendors during their preparation.

Two weeks before the meeting, I got a call from two VPs and the account executive representing DoRite. They kept me on the phone for two hours. One of the most interesting things they asked about was the CEO's body language. How did he act when he was pleased, and when he wasn't?

I answered that the CEO's reactions were unusual. When he agreed with what was being said, he would frown. In fact, I told DoRite, when I first met him several years before, I thought he was displeased with something I said; only later did I discover that his was a frown of approval. It meant that he had already bought what you were saying and was thinking ahead about how it would apply to his situation.

When I got the expected call from NoSweatCo, it was rather perfunctory. They asked few questions. I was so uncomfortable with their lack of curiosity that I found myself coaching them on what they needed to know.

DoRite got the first meeting with the CEO. DoRite's president was there, along with his senior VP. I wish now that presentation had been videotaped. DoRite's president quickly showed how well he understood my client's company, as well as its industry, trends, challenges, opportunities, and best practices. Within only a few minutes, the CEO was frowning mightily. DoRite's president looked at me and gave me a knowing smile. It was easy traveling the rest of the way.

At the end of the hour, the CEO told me it was one of the best presentations he had ever seen. He was looking forward to meeting the other vendor, he said.

NoSweatCo's meeting, however, was a disaster. At one point its president made a big deal about inviting the CEO to a golf tournament he was sponsoring for other industry CEOs. This time my client's frown was for real. The meeting ended abruptly after 15 minutes, and as I walked the CEO back to his office, he said, "Stein, you're lucky I saw DoRite first. If I had started with NoSweatCo, there would be no project. We're going with DoRite. Schedule some time with me tomorrow so we can figure out how to sell this down through the organization."

NoSweatCo called me later that afternoon. "How did we do?" asked the account exec. As diplomatically as possible, I told him they had lost. "Why?" he asked. "The CEO hates golf," I replied.

I got to work a lot with DoRite. Its people well understood that knowledge and insight into the prospect's industry, business, and executives pays off in terms of credibility.

Tactic

Protect yourself against no-shows. Make sure you know who will be attending the presentation. If you want someone in particular to attend, negotiate their presence well in advance. If that person is not available, offer to reschedule. Important: Get your prospect's word that if a key person who has agreed to be there does not show up, you will meet with that person later. Your negotiating position is probably stronger before the presentation.

Chapter

13

WHAT GRADES WILL YOU GET ON YOUR RAPPORT CARD?

STRATEGY NUMBER THIRTEEN

BECOME A SUPERLATIVE RELATIONSHIP BUILDER

You've often heard the phrase *win-win* used to describe a relationship or transaction that has mutual benefit. Does it still apply even in these tough, demanding, bottom-line-oriented times? Yes, more than ever. But win-win business relationships are getting harder to come by. A company looking for products or services has so many options now that buyers often lose sight of the benefits of maintaining long-term relationships and loyalty, on both business and personal levels, with suppliers. And we suppliers haven't helped the situation by letting buyers think and act that way.

Buyers think that, with all the alternatives in front of them, they are in a good position. But when they wind up buying on price after beating up the vendors, they are just postdating the check they eventually will have to write. The old adage is true: pay now or pay later.

I recently attended a conference where the senior vice president of purchasing of a Fortune 100 company spoke. He boasted to the audience how he has all but eliminated any contact between buyers in his company and suppliers. He went into considerable detail and even provided charts on how much money his company would save as a result of "greater negotiating power" and the "elimination of emotional overhead" associated with personal relationships between buyers and sellers.

Most of the audience, which included a broad range of executives from other companies, was horrified. One CEO stood up, identified himself, and said, "We depend on our best suppliers to provide us with a lot more than products at the lowest price. They sit on our committees, share their future plans with us, and provide us with worth without which we would lose our market position. We are as committed to those companies and people who work for them as they are to us." You might have felt you were at a pep rally with the applause and cheers generated by that statement.

It's our job as sellers to demonstrate to our customers that there is business as well as personal value in investing in and maintaining a good relationship with us and our company. Winners master the skill of building long-term, mutually beneficial relationships with people in their accounts, leading to win-win relationships between their respective companies.

Building a relationship requires an investment of time by both parties. Face-to-face time is best, but in today's selling environment, regular phone and e-mail communication can be effective as well.

Their Company's Win

When we talk about win-win, what does your prospect win, other than the business benefit of using your products or services? If you've read this far, you'll know it's a thing called *added value,* which includes, among many other things, the following:

- Your interest in your customer's best interests, putting their success first, above all else
- Your knowledge, experience, and insight into the industry which, if properly dispensed, can become a competitive advantage for them
- Your ability to understand the business plan and propose how you can help achieve their goals and objectives

"Any business arrangement that is not profitable to the other person will in the end prove unprofitable for you. The bargain that yields mutual satisfaction is the only one that is apt to be repeated."

—B. C. FORBES

- Your network of executives, whose companies have faced similar challenges that you helped them overcome
- Your acknowledgement that even though your relationship may be strong, you will always have to provide your customer with the business justification to invest in your products and services.

What should your company expect in return? More than just an order.

Your Company's Win

The benefits of a win-win relationship for your company are things your customer can do to further your best interests, not just their own. These include the following:

- Giving your company leads to help you expand your business
- Guaranteeing you a baseline revenue stream that contributes to your company's business goals
- Notifying you, early on, of new initiatives, projects, and events where you may have a business opportunity
- Giving you the benefit of the doubt in the event you or your company makes a mistake
- Agreeing to regular meetings between executives of both companies to foster a solid, long-lasting business partnership
- Enhancing your competitive position by being an active proponent of your company to other buyers

The closer the relationship, the better. Perhaps your customer will lend your company resources to help you develop products or services that it will eventually need. Even better, they can give you the right of first refusal on all projects or purchases in your domain. If your company is small, your customer might even see fit to invest in it.

Your company can't have such a close relationship with every account. In fact, you may never have one that close with any account. It depends on what you're selling and in what marketplace, as well as how much value your customers think you can deliver. It also depends on how willing your own company is to invest the time (and associated money) in forming close partnerships and how assertively you pursue them.

This is where you, personally, can make a difference. Here's how. Early in the process—even when you're first invited to participate in an evaluation—begin to negotiate the benefits and terms of a solid, long-term relationship. Talk to the prospect in specific terms about other customers of yours with whom you have that level of relationship. Explain how loyalty is valued and rewarded by your company.

Sometimes you have to train your customer to work within a win-win structure—for example, by giving something of value only when you get something of value in return. Suppose your prospect wants you to do a presentation for the research and development team; suppose also that you want to meet the CFO. Link these events together so you both get the value you're seeking. Do this again and again, and you'll eventually educate them on the benefits of participating in at least the early stages of a mutually beneficial relationship. They'll get what they want, and you'll get what you want—often even before the sale is made.

This raises an interesting question for you as a sales professional: do you, as a vendor, have rights? "Not in this New Economy buyers' market," you might say. I disagree.

Vendors' Rights

As you pursue a win-win business relationship, consider yourself and your company as having these rights.

- If you can establish significant differences between your offering and that of your competitor, differences that the prospect agrees have measurable benefit, you have the right to have those capabilities evaluated.

- If the evaluation process keeps you from contacting the real buyer directly—as, for instance, when you're being evaluated by the buyer's consultant—or if a gatekeeper bars your access to executives who would directly benefit from your offering, you have the right to meet those buyers.
- Before quoting your price, you have the right to gain an understanding of your prospect's business, its requirements, and the contribution your offering could make toward achieving the company's business plan.
- You have the right to be treated ethically. I have found, by the way, that the higher in the organization you sell, the less people will lie to you. That alone is worth the effort of getting in to see high-level executives.
- You have the right, and the duty to your company, to walk away from an unqualified opportunity.

Personal Relationships with Key People

Underlying a healthy company-to-company relationship you will find sustainable, win-win, personal relationships with key people that cross company boundaries. We'll talk about how to figure out who those people are in the next chapter. For now, however let's think of these relationships as having two personal components that you share with your counterparts in the other company: (1) common ground and (2) mutual benefit.

Common ground. As a sales professional, you are responsible for finding the common ground between yourself and key people in your account. What do I mean by *common ground?* The possibilities are unlimited. It is any aspect of your lives that you and the other person have in common—schooling, military experience, past employers, hobbies, interests, and so on. These are things you can relax and talk about in personal terms, a key element in building a relationship with someone.

While consulting for a large company in Japan, I was invited to dinner by the vice president in charge of the division whose sales team I was coaching on a large, competitive opportunity. Having found out that I love sushi, he took me to an incredible subterranean restaurant in downtown Tokyo. It was one of the finest meals I have ever had.

The only problem was that we had not established any common ground on a personal level, and throughout dinner my host was noticeably uncomfortable. That made two of us.

Finally, as we were finishing up, I saw a light go on in his eyes. "Dave-san, how old are you?"

"Tanaka-san, I am 49 years old," I said.

He was exuberant. Throwing his arms into the air, he said, "Dave-san, I am 49 years old, too!" He had found our common ground. Tanaka-san was finally comfortable.

I later learned, from someone schooled in Japanese culture, why Tanaka had been so uncomfortable. Because I was a consultant—an outsider, not easily positioned in Tanaka's age-oriented, hierarchical world—he just didn't know how to react to me. If I had been older than he, he would have had to show deference. Had I been younger, of course, Tanaka would have expected deference from me. Thus, in another country, did I begin to think outside the box about common ground.

You need to look for that common ground with anyone with whom you are intending to build a relationship, and think outside the box. You can rarely predict where that common ground may lie.

Mutual benefit. The other component of a win-win, personal/professional relationship, mutualism, is a bit more complex. The challenge here is to learn what the key people in your account may gain personally from doing business with you. If this subject is new for you, don't be alarmed. We aren't talking about anything unethical. All we are suggesting is that when people make decisions, they think along two lines at the same time, the rational and the emotional, or to put it another way, with their head and their heart.

It's been said that people buy with their heart and then justify the purchase with their head. I'll concede that thinking may have more to do with business-to-consumer sales, but it does have some validity in business-to-business sales as well.

- *Rational.* Can I justify going forward with this proposal? Can the vendors deliver what they promise? When they promise? At the promised cost?

- *Emotional.* Do I want to work with this supplier? Will it affect my credibility? What is the political risk to me and the people I influence?

You might also consider that the rational thoughts often center around hard benefits, the emotional thoughts around soft benefits.

Their Personal Perspective

A personal perspective in a business transaction? Sure. Every one of us has a personal win somewhere in mind as we make business decisions. This is not to say that our personal wins come first or that they should. If your personal goals are aligned with your company's, then when your company gets what it wants, you'll be in a much better position to get what you want. Look for more on this under the subject of politics in Chapter 14.

Bad things happen to good companies when people put their personal wins ahead of the companies' goals and objectives. I've seen it happen many, many times. An information technology manager, at great risk to her company, buys an unproven product using new technology rather than sticking with the proven product—so she can add a new skill to her resume. A manager rejects a superior service because he's uncomfortable dealing with the "foreigners" who provide it.

That said, I've found that many people who acknowledge having a personal win are reluctant to admit it to others for fear that their honest business decisions will appear self-serving. That's unfortunate, because there are legitimate personal goals in a professional setting. For example:

- A raise
- A bonus
- Promotion
- Recognition

Win is a term I like to use in this context. It comes from Robert Miller's and Stephen Heiman's *Strategic Selling.*

T *actic*

As soon as possible, begin to learn the personal wins of the people who are part of the decision-making process. As your relationships with these people deepen, what they want often comes to the surface, especially in social settings. Earlier in the sales campaign, however, some gentle probing may be required.

- More influence
- Access to power
- Perks of all sorts
- An increased budget
- A challenging new assignment
- Relocation to an exciting remote facility
- A new resume entry for a successful initiative
- Less pressure
- Early retirement

Your Personal Perspective

What do you want out of the relationship? You need to make this goal clear, not only to yourself but also to the other person. It's all right to disclose your personal goals to the other person. You can share with them that it's about more than just getting an order or winning a deal. For you, it might be recognition in your company or marketplace, perhaps associations or even friendships with them and other influential executives, more influence in your own company, a promotion, building a network of customers successfully using your services, membership in the Over Quota Club—most of all, a reputation as a winner.

Allies, Coaches, and Supporters

I like to distinguish among three types of people inside the company to which you're selling who can help you in your sales efforts.

1. An *ally* is a person who will sell on your behalf and will actively assist you in formulating and executing your strategy.
2. A *coach* will provide information that will help you win but will not actively and openly favor you.
3. A *supporter* will vote for you but will avoid doing anything to give you an advantage before the vote takes place.

The same classification applies to your competitors, of course. Part of your continuing qualification process should be to learn the names, responsibilities, and influence of not only your allies, coaches, and supporters but of those who will back your competitors.

Can you win without an ally? In some cases, yes. But in most cases, if you win without having recruited and trained an ally, you probably had one—you just weren't aware of it.

How to Proceed

Here are actions you should take as part of your standard sales approach.

- Identify people inside your prospect's company who could assist you in making the sale as either coaches or allies.
- Get out of the office and meet with those people.
- Probe for and identify common ground as a basis to build the personal side of a relationship.
- Seek to understand the other person's wins. This is best accomplished one-on-one outside the four walls of their office—try a restaurant or in a social setting.
- Communicate your own personal wins. Sometimes sharing your win first allows the other person to feel comfortable discussing what they would like to get out of a potential relationship with you and your company.
- Later on, once you have determined the extent to which this person is comfortable in assisting you, you can collaborate with them on how best to achieve their goals as well as yours.

Don't Forget Your Own People

Using their relationship-building skills, winners are those who have learned to surmount what is often the biggest obstacle to their success—people and practices within their own organizations. One of the services we offer clients is a group session with their top three to eight salespeople to determine best sales practices. The savvy pros I meet in these sessions tell me that they are successful because they've figured out how to work their own organizations. They know how and with whom to build relationships to get the information, assistance, insights, and advice they need, even from people pursuing conflicting goals. They form win-win relationships with engineers, customer service reps, corporate attorneys, finance people, administrative assistants, key C-level executives—in short, anybody with common ground and the potential to share benefits.

One more thought: You can't strong-arm nonsalespeople in your company to help you win business. It never works. One way you can enlist their help, however, is to share your sales plan for the account where you need their assistance. Once you have convinced them that you are organized and have a strategy, that their role is important to the company's success, and that you will give them full credit for their contribution, barriers often dissolve. There's plenty more about this approach in Chapter 19.

Tactic

Ask yourself the following:

- With which people in your own company should you enhance your relationships?
- Who are potential allies? Coaches?
- What's in it for them?
- What are the obstacles?

Specifically, how will you build these relationships? When?

Part Four

WHAT IT REALLY TAKES TO WIN

This part explores the wisdom of experienced sales pros who know what it really takes to win and to keep winning. The next six chapters will cover an arsenal of selling skills and behaviors required to win the sale consistently.

Here is what you'll learn in this part of *How Winners Sell.*

- An understanding of the political skills required to leverage influence within your accounts
- What you need to know about the competition to win, where to get the information, and how to use it
- How to devise an unbeatable sales strategy
- How to seize control and manage timing
- Effective competitive positioning
- How to lead and manage the human resources that can help you win

Keep reading, and remember: in sales, no detail is too small and no opportunity too large.

"WE FOUND OUT WHAT THE COMPETITION IS UP TO. THEY'RE BUSY TRYING TO FIGURE OUT WHAT WE'RE UP TO."

Chapter

14

IDENTIFYING AND INFLUENCING THE INFLUENCERS

STRATEGY NUMBER FOURTEEN

DEVELOP YOUR POLITICAL SKILLS

We've covered the importance and benefits of company-to-company and personal relationships. Here we're going to dig deeper—into what some might say is dangerous territory.

Most people who have been selling for even a short period of time understand that some level of corporate politics is present in every organization into which they sell. There is office politics at the lower levels and bet-your-career brinkmanship at the top. As sales professionals' experience and political savvy increases, so does what they observe in their accounts. If you aren't aware of political activity in your accounts, it doesn't mean that it isn't there. It just means you can't see it, and if you can't see it, you certainly can't leverage it. If your competitor is politically savvy, you are at a distinct disadvantage.

What is politics? I work with Merriam-Webster's definition: *politics* is "competition between competing interest groups or individuals for power and leadership." Winners have developed a set of skills that enables them to succeed consistently because of, or in spite of, politics.

They've learned to select the right competing interest groups and then ride the power and leadership wave to success by devising and executing political strategies for each key influencer and decision maker.

Being adept politically will rarely lead to a win by itself. Winning has many other components. But not to understand and take advantage of the interpersonal forces within an account is to leave an entire cache of assets uninvested.

> *"Over four out of every ten executives cite 'politics' as the least desirable aspect of corporate life."*
>
> —KORN/FERRY INTERNATIONAL STUDY, 2003

Here are some of the key skills required to elevate you into the realm of political selling.

Understand What Corporate Politics Is

For our purposes, *politics* and *influence* are synonymous. People need the help of other people to achieve certain business goals (e.g., my department's project gets funded) as well as business-driven personal goals (e.g., if it is successful, I get a raise and then can afford that new house).

Within a company, it works something like this: "If you report to me, I can simply tell you to do something and you will do it." That's *say-so influence*. You'll do it because I say so. But if you don't work for me—let's say you work in another department—it becomes more difficult. To influence you to help me, I'll use *political influence*. That requires a combination of skills and artistry, and it takes time and strategy.

Here is an example. Let's say that we both work for the same company but for different departments. If I need your help for my department to achieve its quarterly objectives, I might look for ways in which I can help you achieve your objectives (ideally, business and personal objectives) and subtly advertise those to you as benefits of helping me. In that way, we are aligned with a set of common, interdependent purposes: win-win.

When you are selling into a company, you have absolutely no say-so over the buyer. You can't tell anyone in your customer's company what to do. You can only influence them to provide you with information, insights, coaching, and possibly preferential treatment so that others look at you and your offering favorably. The best way to influence someone is to communicate clearly how and by how much you will contribute to the advancement of their business and (business-related) personal goals.

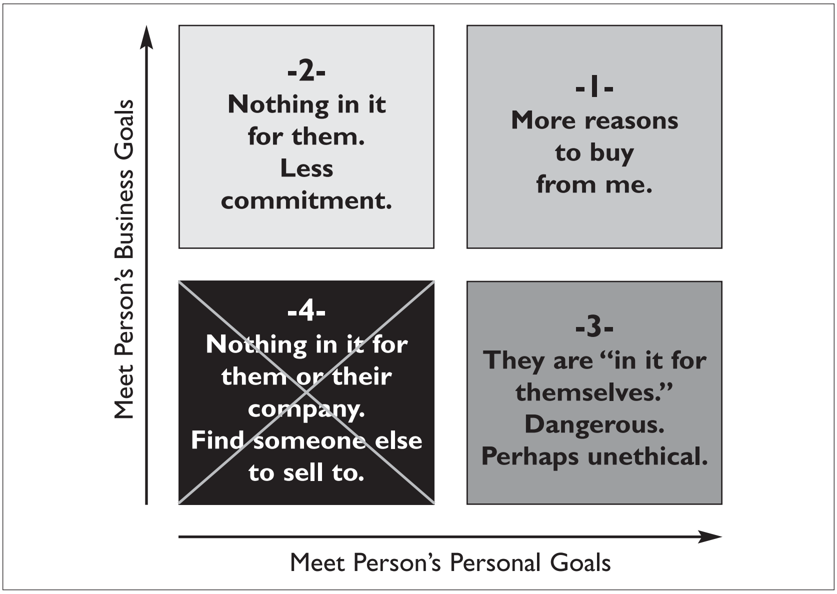
In Figure 14.1, you'll see that when you can help a buyer or influencer meet their personal and business goals (Quadrant 1), you're much more likely to gain commitment from them in helping you win.

In Quadrant 2, there is no personal win for them, so their commitment, although altruistic so far as a contribution to their company, will not be supported as strongly.

Stay away from people in Quadrant 3. In those cases, the person to whom you are selling is in it for themselves, acting counter to what is in the best interests of their company. You run the risk not only of losing the deal but of being associated with "dirty politics," which could affect your personal and your company's reputation.

Quadrant 4 reminds you that if you find you can't contribute to the person achieving their business or personal goals, your likelihood of gaining their support is minimal. Don't turn these people into enemies

FIGURE 14.1 *Meeting Business and Personal Goals*



but instead focus on finding and selling to influencers in the first quadrant and converting them to allies so they will sell for you.

The Ability to See What's Invisible

As I suggested earlier, not everyone is skilled enough to observe sophisticated corporate politicians being influential. Savvy politicians do their thing privately, not unlike the backroom deals done by government politicians.

How do you know that influence is being wielded? First, assume it is. Then, begin to look at results and work backward. We can extract a good example from everyday government politics: If there is "pork"—say $650 million in corporate tax relief for igloo manufacturers in Alaska—embedded in a House of Representatives education bill, you can quickly figure out who lent a hand getting it through committee.

Ask your contacts within your customer's company or government department about prior purchases, projects, and initiatives. Find out who sponsored them, whose budgets paid for them, who were the ultimate decision makers, and who benefited in more personal ways. The names you come up with will likely be people of influence, either through their command of an organization or through astute politicking. They are the ones for whose influence you will be positioning during your sales campaign.

Connecting the Dots

Let's say you're in your situation assessment phase and have begun to make associations. When you asked about recent projects, several people referenced Deb Howard, who works in the IT organization. She deftly led the steering committee for the CRM project last year. Funny thing though: that project, which wasn't initially in the budget, was put ahead of others that already had funding. Why would that be, you ask? Who benefits from a CRM implementation? The VP of sales? The VP of customer service? Perhaps the CFO who wants more visibility into the revenue stream? It's perfectly reasonable to surmise that the influence of a higher power reprioritized the project list. If you are selling IT solutions to that company, the challenge will be finding out who that higher power is, what was in it for them from a business point of view, and what was in it for Deb.

Knowing How to Map Out the Organization

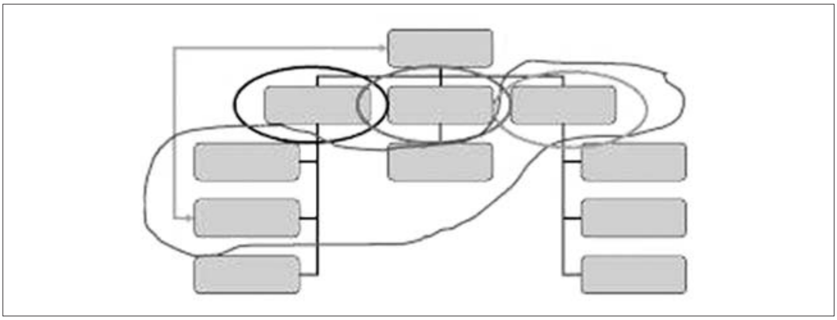
You'll need to start with an organization chart. If they won't give you one, you can build one by getting answers to pointed questions about reporting structure, by reading information on the Web and, if your customer is a public company, from corporate SEC or other government filings.

Next, get out a color marker. Draw black circles around isolated executives with no clout, orange lines between people with known connections, and blue circles around groups of people who serve on committees that are known to get funding and get things done. The most influential of the influencers get their names encircled in green. Draw red circles around people who are in Quadrant 3 (Figure 14.1)—those who are in it for themselves. You'll begin to see your customer's organization in a whole new light.

Targeting the Right Influencers

Now that you have a map of the political influence environment, you've got to begin targeting the influencers. It's a miniversion of the same four-part plan I recommend for overall sales planning.

FIGURE 14.2 *A Political Map*



Tactic

Take your company's latest organization chart and transform it into a political map. What did you learn? How might you apply that knowledge to your accounts?

1. *Situation assessment.* What is their background; how do they make decisions; upon whom do they depend for information and recommendations; what are their successes/failures; with whom do they align themselves; how do they influence others; what's in it for them on a personal and business goals basis . . . ? You get the idea.
2. *Goal.* Your goal is straightforward. You want them to, at a minimum, support you, but ideally to sell internally on your behalf. At a higher level, your goal is, of course, to win the deal. What's important here is to focus on their goal. If they achieve theirs through your assistance, you have a much greater opportunity to achieve yours.
3. *Strategy.* Make certain that you can complete this sentence: they will influence a decision in my favor because ______. Remember that the strategy is the means to an end—the end is the goal.
4. *Tactics.* Every phone call, sales call, visit, lunch, dinner, presentation, discussion by the water cooler, e-mail message, and snail-mail letter must advance your strategy. Some of your tactics will be designed to prove that you can advance their business goals, and some (more discreetly handled) will indicate that you understand and will work toward their personal goals.

I've covered the basics of political selling. Be aware that risks are involved: getting in over your head, taking the wrong side, overfocusing on politics, not spending time on the competitive side, overlooking people who can sabotage your deal . . . and the list goes on. If you don't have any experience with this aspect of selling, I strongly suggest finding a coach to guide you.

Chapter

15

IF IT WEREN'T FOR THE COMPETITION, I'D WIN A LOT MORE BUSINESS

STRATEGY NUMBER FIFTEEN

UNDERSTAND THAT WINNING IS ABOUT BEATING THE OPPOSITION

I have three vital questions to ask you.

- Who are your competitors?
- What are they doing right now—at this very moment you are reading these words—to take your customers away?
- What are you doing about it?

If you can't answer these questions convincingly and decisively now, tomorrow, and every day after, your livelihood is at risk. What you don't know about your competition can hurt you—badly. This chapter will provide you with what you need to know about your competition, where to get that information, and how to get yourself into a competitive state of mind so that competitive awareness becomes second nature.

"Some people are so far behind in the race, they believe they are leading."

UNCLE JUNIOR, A CHARACTER IN *THE SOPRANOS* (HBO TV)

The Internet has made competition fiercer. Press releases have become a new tool for hyping and positioning, often in ways that can mislead potential buyers, the media, and even industry and securities analysts. Web sites are carefully engineered to show vendors in the best possible light. More than ever, sales professionals are left to fight it out in the field, with ever diminishing guidance and help from their employers.

So, in today's world of "hype and snipe" selling, how do you compete effectively against companies that will do anything—and I mean anything—to win a sale? Business-to-business sales professionals, who depend upon personal integrity and the delivery of business value to their customers, face a daunting challenge.

If you've been in sales awhile and achieved a certain level of success, you're probably well aware that in sales, things are not always "fair." But when you're out there in the field, fighting it out every day, you must realize that the only way to compete against someone who doesn't play fairly is simply to outsell them. Unfortunately, today it's not enough just to do a great job convincing the customer that you can help. In fact, it's not even good enough to have done a great job for a customer for the past 10 or 20 years. For many companies, history means nothing. There is no loyalty. So you've got to protect yourself against that desperate, perhaps unethical and unfair opponent, who gets paid to prevent you from winning.

Tactic

Go outside your areas of familiarity and observe how people, countries, companies, and teams compete. If you watch football, flip to a Sunday morning talk show instead and see how liberals and conservatives square off against each other. If you're a student of domestic politics, try following the news about a dispute between two nations. This will help you gain a broader insight into the nature of competition.

What are your weapons in this uneven fight? The strategies and tactics in your sales plan and your complete understanding of your competitor—not just what they sell, but how they sell it.

Intelligence

Do you have timely, accurate, comprehensive, and actionable intelligence about your competition? You need to understand your competitor's capabilities and behaviors—not just of rival companies but also of the sales professionals you go head to head with—so you can anticipate their future actions and plan more effective sales campaigns to counter them.

Many of you just don't get enough information about competitors to support successful sales planning and execution—and it's generally not your fault. Few companies do what it takes to gather, analyze, and disseminate competitive information effectively, on time, and in a format that's useful for sales professionals. It costs money, and a lot of companies are too small to afford it. Many companies that can afford it don't understand the importance of competitive intelligence. In either case, to be a winner, you may have no choice but to take matters into your own hands.

What follows includes a lot of detail, but don't worry—you probably won't need to dig out all three levels of information about every possible competitor. Your business situation is uniquely yours. You may compete against the same three or four companies for every deal; your contracts may be $50,000 or $50 million; you may win more than you lose. All you really need to do is design your intelligence-gathering activities to suit your situation.

> *"There is nothing more exhilarating than to be shot at without result."*
>
> —WINSTON CHURCHILL

When you're analyzing and positioning against your competitor, objectivity is important. Just as with self-assessment, few of us start out being entirely objective about competitors. Some of them we overestimate; others we underestimate, which is even more dangerous. Learn to gauge the true measure of your competition, and you'll plan your sales campaigns more effectively.

Failure to Disseminate

A few years ago, one of my clients was losing nine out of every ten deals to one tough competitor. The CEO and VP of sales assigned ten people to help me turn the situation around and gave me access to sales reps, product experts, cost accountants, marketing people, and administrative help.

Most importantly, they gave me the cooperation of all their field sales executives. These people had years of experience competing with their number one nemesis, but the company had never systematically compiled and shared this vast store of knowledge.

Three weeks later, we had produced a competitive playbook that gave every sales rep worldwide an amazing volume of high-quality Level 1, 2, and 3 information, along with a detailed, two-by-five-foot map of the competitor's winning sales process. In one way we were lucky: the competitor had strong sales leadership at the corporate level, so most of their field personnel followed their recommendations on how to beat us. Because there was little variation in their approach, we could anticipate their every move. We found it easy to make specific recommendations every step along the way when we competed against them.

That was the beginning of the end for that competitor. Not only did my client lose no more business to them, but the competitor eventually lost the support of the press, the industry, securities analysts, their partners, and their own people. Bankruptcy followed a few years later.

Levels of Competitive Intelligence

Now we'll take a closer look at the three levels of competitive information you'll need to design effective sales strategies and tactics. Within each level, I'll give examples for each of several different categories of information, along with questions you can ask yourself (or others) to use that information to your best advantage, ending up with likely sources for specific kinds of information.

FIGURE 15.1 *Levels of Competitive Information*

Level	**Content Area**	**Availability**	**Value to You**
1	Competitor's company	Easy	Low
2	Competitor's product/ service	Strengths: Easy	Moderate
		Weaknesses: Difficult	Substantial
3	Competitor's sales execution: team or individual	Continuing effort	Very high

Earlier in *How Winners Sell,* I wrote about how much easier it is to get information about public companies than about private companies. The same holds true for Level 1 and some Level 2 information about your competitors. In fact, the real challenge is that there's often too much. It takes time and effort to sort through this infoglut and find the nuggets that tell us how best to compete.

Level 3 information, however, is different. It's equally elusive for both public and private companies. But it's the kind of information winners go looking for: intelligence on the competition's sales strategies and tactics.

Level 1: Company information. Level 1 information is about your competitor's company that is generally available, often because the company publicizes. It includes the following:

- *Company background.* Is the company young or well established? What is its reputation? What background information is it likely to highlight or to hide?
- *Annual revenues and other financial information.* Is your competitor making or losing money? Expanding or shrinking? Gaining or losing market share? Do your prospect's decision criteria include financial viability? If so, are you at a competitive advantage or disadvantage?
- *Officers, managers, private investors.* Are they seasoned or green? Where did they come from? How long have they been there? What are their backgrounds—finance, engineering, sales? Who in your prospect's company might be turned on or turned off by a call from your competitor's executive team?

- *Key customers, partners, competitors, industries served.* Do your competitors brag about marquee-name accounts? Are they small but with big, stable business partners? Are they credible experts in the industry, or are they taking the Bayou approach (see Figure 5.1)?
- *Job openings.* These may signal new product development (Level 2) or regional or global expansion. If they're not advertising job openings in an expanding market, your competitors may be experiencing or anticipating a downturn in business. That could greatly impact their ability to support their customers.
- *Key business strategies, outlook, and significant changes or events.* Are your competitors pursuing new markets or geographies? Are they on an acquisition binge, or are they divesting unprofitable business units? What impact will any of these factors have on the prospect? Will this be good news or bad news for you?
- *Key corporate messages.* These might be 100 percent customer satisfaction, highest quality, or quickest time to value. If "quality and commitment of vendor personnel" is a decision criterion set forth by your prospect, and your competitor is listed in *Fortune* magazine's "Best Companies to Work For" list, you may be at a disadvantage.
- *Size and structure of your competitor's sales organization.* Does your competitor sell directly or through alternate channels?

Where to get Level 1 information:

- Your competitor's own Web site
- Government filings, such as 10-Qs, 10-Ks, proxy statements, and statements of ownership
- Securities and industry analyst reports. Make sure you're up-to-date on what key analysts are saying about your competitor and you.
- Press releases, corporate newsletters, magazine articles
- Press kits and investor relations packets
- Internet investor bulletin boards. Although these messages are rife with rumor and the hyping of other stocks and investor services, I have, over the years, gotten many leads as to what was really going on within a company from messages posted on these boards.
- Fee-based services and sites designed specifically for gathering and interpreting competitive intelligence

Level 2: Product or service information. There are two categories of information about your competitor's products and services: (1) information that is generally available and (2) information that is intentionally made difficult to uncover.

Examples of generally available product and service offering information include the following:

- Names of products and services, along with general descriptions, specifications, capabilities, and (of course) strengths
- Universal benefits associated with the product or service
- Product or service availability by geography, date, language, color, etc.
- New product or service introductions or upgrades or enhancements to existing products. One of my clients collected three years' worth of new-product announcements their competitor had issued and compared them, in table format, to what was actually delivered. The table became a potent competitive sales tool.

You'll find generally available information about your competitors' products and services on their Web sites and from the sources mentioned above for Level 1 information. Also, look for product comparisons done by magazines, by independent organizations, or by securities or industry analysts.

Examples of Level 2 information with limited availability include the following:

- *Product deficiencies.* These include quality, design, or functional limitations. Needless to say, this is valuable competitive information.
- *Service offering limitations.* For example, if a full-service law firm doesn't have attorneys experienced in trusts and estates, they will be at a disadvantage when competing for the business of certain prospective clients.
- *Historical actual selling price.* If you're involved in a sales campaign that ultimately will come down to price, you can save yourself and your company a lot of money if you know in advance how low your competitor will go. You may even decide it's not worth getting involved.

- *Where is the product in its life cycle?* How much longer will the current product be offered, serviced, or supported? When was it introduced? On what technology or intellectual property is it built?
- *Announcements of new products.* For competitive reasons as well as keeping sales volumes consistent on existing products, companies often don't publicly announce new products.

Where to get Level 2 information with limited availability:

- *Customers of yours who have used your competitor's products or services previously or at another company*
- *Internet investor bulletin board postings (see above)*
- *Competitive win-backs or replacements.* Winning back a lost customer or replacing your competitor's product or service often puts you in a position to learn what your competitor did or did not deliver.
- *Other Web sites.* To give my clients a heads up about products or services their competitors may be developing, I've used the U.S. Government Patent and Trademark Office Web site http://www.uspto.gov. The same holds true for new Internet domain names that may have been registered in advance of product or service announcements.

Level 3: How your competitor sells on the street. Many of the world's largest and most successful companies provide their sales reps with lots of Level 2 information and even more Level 1 information online and in binders and CDs handed out at sales meetings. But rarely do these companies provide a competitive playbook, with action-by-action instructions for beating specific competitors or individuals. This intelligence would be especially useful, because sales reps typically run up against the same people time after time but know very little about them.

> Can you imagine boxers, football players, or tennis pros not knowing everything about their opponents before the big game or match? In the realm of professional sports, ignorance is not even an option. Videotapes recorded from every conceivable angle are reviewed, consultants are brought in, and a game plan is constructed.

Level 3 information is all about your competition's sales strategy and execution. It's about how the sales rep that goes head to head with you plays the game. Gathering, analyzing, maintaining, and distributing Level 3 information is not easy. It takes time, resources, motivation, and money from corporate executives, department heads, and individuals.

Here are some questions about your competitor's methods—questions you should try to answer if you intend to outsell your competition and win the big sale.

- Has your adversary adopted any of the well-known sales methodologies? If so, you can anticipate their approach.
- Does your competitor wrestle for control of the evaluation process or decision criteria, or are they more passive, letting the prospect steer the bus?
- Who do they typically call on in accounts? Finance, manufacturing, marketing, or sales? Users, managers, or board members?
- How is the salesperson measured and compensated? Are they on salary plus small bonuses or on a highly leveraged (and motivating) commission plan?
- What is your win/loss ratio against them? What is your company's record against theirs?
- How much information do they typically gather on their prospects? Are they well informed, bartering that information for access and more information?
- What sales strategies do they typically use? What do they count on to win? This may or may not relate to the messages that company broadcasts to the marketplace. For example, the company may depend on its name recognition and size, but the salesperson may be a strong relationship builder.
- When do they win? When do they lose? Why?
- What is their view of you and your company? What do they say about you to your prospects? If your competitor is first in the door with every bit of bad news about your company, you'll need to immunize your prospects in advance. Follow the

Be sure to read Chapter 18 on competitive positioning.

How a rep is compensated is often a factor in how aggressively they sell.

advice of Andrew V. Mason, M.D.: "Admit your errors before someone else exaggerates them." Why? Because you'll build your prospect's trust while depriving your competitor of a tactical victory. Even better, if it's early in the sales campaign, you'll set a barrier against negative selling, which might cause your competitor to be seen as less than professional.

- In the past, what tactics have you used against this person that were effective?
- Who or what does your competitor consider their biggest competitive threat? It may not be you—in which case, you may be able to progress quite far in your campaign before you're taken seriously.
- Do they always seem to know and provide your prospects with the names of your least-satisfied clients? If so, what are you going to do about it?
- Do they keep their promises? Do they lie? Do they misrepresent their product, service, or company capabilities? Or are they highly principled, counting on integrity as an advantage?
- What do they do if (or when) they panic? Go over the decision maker's head? Drop the price? Call in a manager? Negative sell against you?
- How much do they know about this industry? If the answer is little or nothing, you have the beginnings of a serious competitive advantage.
- How long have the salesperson and their team been employed by that company? Do they have a solid track record, or have they been doing a lot of job hopping, perhaps leaving unhappy customers behind?
- When winning and trying to speed up the process, what incentives do they offer the prospect to get the deal closed? Discounts? Free service? Platinum customer status? How might you dilute the value of those offers?
- Does your competitor always ask for the first or the last slot for presentations? How might you take advantage of this behavior?
- What does your competitor do to hide weaknesses in their product, service, or company? How might you set them up for embarrassment or failure?

Where to get Level 3 information:

- Attend the next bidder's conference and learn what you can about the person you're competing against.
- Ask someone in your prospect's company, with whom you're on good terms, to talk to you about the value you're providing during their evaluation. Lead into some questions about your opponents.
- Call someone who used to work with your competitor. If you work within an industry niche, as I suggest you should, you'll invariably hear about personnel changes like this. Not only that, you'll probably attend industry association meetings, where you'll have opportunities to meet or find out about your competition.
- Call up any recruiters you've worked with. They may know your competitors personally. If not, they may know someone who does.
- At your own company's sales meetings, discuss specific competitors on breaks and after hours. Don't trust your memory; take notes. In fact, suggest that a rep at each future meeting present Level 3 information about one competitor.
- Ask a sales rep from another vendor who serves the same industry but does not compete with you.
- Get access to your own company's win/loss reports. With any luck, these will have been done by an impartial third party who knew what to ask—and whom. If that's the case, important Level 3 information is just waiting to be brought to light.

Maintaining enough competitive intelligence to make a difference is a task that never ends. That's why you have to get into a competitive state of mind.

The winners will tell you that you don't have much choice.

Chapter

16

THEY WILL BUY FROM ME BECAUSE _____

STRATEGY NUMBER SIXTEEN

DEVISE UNBEATABLE SALES STRATEGIES

Pretest: Fill in the Blank

Think about the most important sales opportunity you are pursuing. Now, complete the following sentence:

The executive, whose career and company's success or survival depends on getting this purchase right, will buy from me because _______.

If you can't fill in the blank or aren't 100 percent comfortable that you have the right answer, read on . . .

Back in Chapter 11 when I talked about sales planning, I deferred the discussion of strategy. The reason? It is so critically important to winning. Nothing, I repeat, nothing can take its place, including, as many companies with tough competitors have seen, giving your product or service away for free.

Let's review for a moment. Your sales objective is no more complicated than stating (1) what you will sell to your prospect, (2) for how much, and (3) by when. You can't realistically develop an achievable objective in a vacuum. It has to be derived from your in-depth assessment of this unique situation.

Devising a Winning Strategy

Because of buyer power, commoditization, and hypercompetitiveness, it's highly unlikely that you will be consistently successful using a default strategy for winning big deals. Every opportunity now has to be uniquely assessed, a sales objective derived from that assessment, and a strategy devised for that opportunity, at that time, taking a multitude of conditions into account.

Here are some specific considerations relating to your prospect.

- Their financial situation
- Their buying criteria, evaluation, and decision processes
- The criticality of this purchase
- Specific ROI guidelines
- The position and political ties of the real buyer

Here are some specific considerations relating to their market.

- Trends
- Issues
- Leaders
- Size
- Your prospect's position
- Their goals and objectives—for example, targeted increases in market share

Here are some specific considerations relating to your competition.

- Company and product strengths and unique value as perceived by that prospect
- Company and product weaknesses as perceived by that prospect
- Sales strategies and tactics
- Market reputation as perceived by that prospect

- Allies in the account
- History in the account

Here are some specific considerations relating to your business partners.

- Company and product strengths as perceived by that prospect
- Company and product weaknesses as perceived by that prospect
- Selling capabilities
- Market reputation as perceived by that prospect
- Resources available to assist you in the sale

Here are some specific considerations relating to your company and ability to win this opportunity.

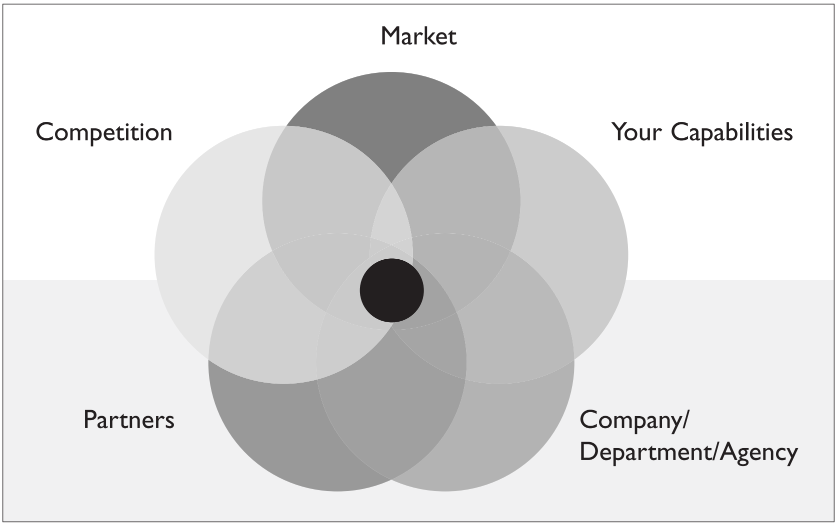
- Company and product strengths and unique value as perceived by that prospect
- Company and product weaknesses as perceived by that prospect
- Sales strategies and tactics
- Market reputation
- Allies in the account
- History in the account
- Resources available to assist you with the sale

You can see from Figure 16.1 that each component listed above is by definition variable by opportunity. If you look at each circle in the Venn diagram as an unpredictably revolving spotlight on opening night in Hollywood, you'll see the analogy. The center—the confluence—of those five circles is where you have to be to devise a strategy for winning under those conditions.

My clients and seminar attendees are still winning big deals—million dollar deals, even hundred million dollar deals. Believe me, it's not by chance. Every sales professional I know who has won a large, critical deal since the economic downturn beginning in March 2000 stated to themselves, their team, their management, and especially to the prospect exactly why the prospect would buy from them—their strategy statement.

Here are ten strategy statements that were the basis of actual deals won by some of my clients during even the most challenging times.

FIGURE 16.1 *Unique Approach for Every Opportunity*



1. The prospect will buy from me because I will prove that we provide the lowest total cost of ownership.
2. The prospect will buy from me because we will (and are in the best position to) guarantee the successful installation of my product on or before a defined date for a fixed price.
3. The prospect will buy from me because we are by far the safest alternative.
4. The prospect will buy from me because I will prove I have the best understanding of their business and the capability to contribute most broadly to their success going forward.
5. The prospect will buy from me because we will deliver a customized solution based upon their unique needs and requirements.
6. The prospect will buy from me because we are the best alternative for the most critical subset of their overall requirements.
7. The prospect will buy from me because we provide the highest quality postsale support and service.
8. The prospect will buy from me because we have unparalleled integrity, a key requirement for this initiative.
9. The prospect will buy from me because I will leverage board-level relationships to validate our capabilities.

T*actic*

Analyze the strategy statement (the customer will buy from me because . . .) for your last three wins and losses. (If you didn't have a strategy statement at the time, what would it have been?) Now decide whether the ones you won articulated more unique value than the ones you lost. If not, why did you win those deals? Maybe, in retrospect, you had the wrong strategy statement, but the customer bought for the right reasons.

10. The prospect will buy from me because I will propose my solution in phases to accommodate their budget constraints.

Remember that each and every one of these strategy statements was created after a thorough and objective assessment of that unique situation.

Your strategy may involve changing the prospect's buying criteria, overpowering the competition in capability where you are very strong, delaying a decision, or even dividing up a larger opportunity into smaller pieces. Each of these approaches must be considered as well.

Here are some dos and don'ts relating to strategy development.

Do:

- Create a unique strategy for every opportunity.
- Make sure that what you are counting on to win has measurable and important value to your prospect and that it is either unique or indisputably superior to what your competitor offers.
- Create a series of events, tactics, presentations, meetings, etc., all of which will contribute to driving forward your strategy. (Please refer to Chapter 11 for sales planning and tactics.)
- Include the capabilities of your competition as they are perceived by your prospect, not as you see them or as the competitor markets them.
- Completely understand the prospect's buying criteria and decision process before deriving your objective and devising your strategy.

Don't:

- Begin executing tactics without a strategy.
- Be ambiguous or indecisive in your strategy statement. Phrases like *we can* rather than *we will* make a difference in intent and execution.
- Depend on something to win that a competitor can do just as well. That's a common strategic error.
- Build a strategy based upon playing up a competitor's weakness. Focus only on your strengths.

Be clear on your strategy, but learn to expect the unexpected. Mergers, acquisitions, reassignment of key personnel, changes in strategic direction, new competitors, as well as regional, national, global, or industrywide economic trends—these things happen, more often than ever in today's business world. Your assessment of the prospect's situation must be kept current, and any change should cause you immediately to reconsider your sales plan, to adapt even the cleverest strategy.

GE's former CEO, Jack Welch, knows the shortcomings of strategic planning in business. He quotes a letter written by a Bendix planning manager to *Fortune* magazine:

> Detailed planning necessarily failed, due to the inevitable frictions encountered: chance events, imperfections in execution, and the independent will of the opposition. . . . Any cookbook approach is powerless to cope with independent will or with the unfolding situations of the real world.
>
> —Jack Welch, *Jack: Straight from the Gut*

The same is true for sales professionals. Every day in the field brings changes and new challenges to which we must adapt. Fortunately for us, a sales plan is only a microcosm of the kind of massive strategic business planning that Welch talks about. When you think about it, we have it pretty easy. When major changes occur in the business climate, a sales strategy is easier and faster to change than our clients' corporate business plans.

Knowledge is the key. Your ability to anticipate how such events will affect sales is directly related to your knowledge of each account, your relationships within it, and a keen understanding of the competition, your target market, and the way the business world works. In other words, you need to think like a businessperson, not just a salesperson. When you do, you tune in to the signs and signals that changes are coming. Then by selling business value, rather than just the products or services that deliver it, you position yourself with key people in your accounts who can provide the business information you need.

So how, you ask, can anybody plan strategy without knowing what changes lie ahead? Isn't it an exercise in futility to plan a detailed strategy, when everyone knows things will change but no one knows what the changes will be?

Keep in mind two words: *reasonable* and *flexible.* Your strategy should be reasonably detailed, down to the level where you are comfortable improvising the finer points in the field. It should be flexible too—readily adaptable when you have to change direction unexpectedly.

Be flexible; don't overplan. But above all, plan.

Chapter

17

GETTING THE SITUATION UNDER CONTROL

STRATEGY NUMBER SEVENTEEN

HAVE A PLAN FOR TAKING CONTROL

Buyers are grappling for control—total control. The indicators are everywhere: reverse auctions, tougher purchasing agents, consultants getting paid big bucks to shield us from potential customers, more demands placed upon us, thicker RFPs, pricing up front, more tightly scripted presentations and demonstrations—and less information provided by the buyers to us, the sellers.

If you take a moment to think back to the deals you've won and those you've lost, I'm certain you'll agree that your chances of winning a deal where you had no influence on the customer's buying process were less than even. If there are 5 contenders for a deal, you have less than a 20 percent chance of winning. Because one or more of your competitors probably have some control or influence over that company's buying process, if you don't as well, you are in a highly disadvantageous position.

It takes a good measure of courage (one of the critical personality attitudes of great salespeople) not to blindly follow the demands of a prospect. Admittedly, that's hard to do when you have a slim pipeline, are selling a product or service that isn't rated number one, work for a company with little name recognition, or come into a deal late. But when you think about it, that's exactly when you should assert yourself.

Here are a few ways to gain and maintain some control over the customer buying process.

Ask for it, early. A long-term, mutually beneficial customer relationship begins with win-win right from the start. In fact, the beginning of their evaluation process is when they need you the most. They want you to answer an RFP? As a condition, ask to meet with the executive from whose budget that investment comes. They want a presentation to a committee? In return, you get to speak with each of the committee members in advance of the meeting to assure you understand their issues, expectations, and objectives. Is this risky? Sure. But I'd rather take the risk and push the customer a bit early on to find where I really stand in the deal. I don't like to waste my time answering questions, responding to lengthy RFPs, or making presentations if I'm really only being included in the deal so the prospect can negotiate better with the vendor they have already chosen. The way I see it, if you ask for some things and they say no enough times, that's a pretty good indicator that they'll say no when you ask for the order, if you even get that far.

Just say no. Sometimes, a point comes where not accommodating every request of the prospect pays off. A client of mine who had totally cooperated with an extremely demanding prospect was dead in the water. They had earned credibility in the account and had proven themselves to be a qualified potential supplier. But no feedback was coming from the prospect relating to where my client stood versus the competition or what the prospect perceived as their strengths or weaknesses. After a lengthy strategy session, we decided that we were not going to provide any more information until the prospect began to share their perceptions, observations, and concerns. We figured that if we were truly still in the running, the prospect would yield, even if just a bit. If they held fast, we would lose either way—by not getting the information we needed to continue our selling effort or by getting eliminated. We said, no. The prospect was upset but ultimately gave in. We were provided with the information we needed and began to knock off objections, one at a time. (Ironically, my client won the deal but, at times, is sorry they did. The customer was, as expected, extremely difficult to work with, never satisfied with anything my client does.)

Demonstrate leadership and integrity. As determined and educated as a prospect may want to appear, the risks associated with decision making are greater for them now than ever before. That scares them. If they believe you have integrity, you can often get in a position, over a period of time, to earn some control of the deal by leading them through their own buying cycle—by coaching, educating, and guiding. Your first displays of leadership may very well appear self-serving. But, if your prospect believes their success is foremost on your mind (their success leads to your success), they will most likely relent and gradually allow you to influence their thinking and behavior. One of the ways you can accomplish this is to introduce them to customers of yours who have gone through a similar set of challenges. Another is to have a strategic plan to win their business and to actually share (parts of) that plan with the prospect.

Sell higher, sooner. You've heard this advice before. I can't tell you how many salespeople don't have a plan for getting executive access or miss an opportunity that presents itself because they aren't prepared. Want to gain control in an evaluation? Do everything you can to get access to the executive who is the real buyer and tell them exactly how you can get done what they need (1) sooner, (2) with less risk, and (3) with the highest return on investment. Then ask if they'll help you. They often will. If you missed my discussion about selling bigger, refer back to Chapter 3.

Enlist and train an ally. Most selling takes place when you aren't there. If you haven't taken the time to recruit and train an ally within your prospect's company who will work on your behalf behind the scenes, you're just rolling the dice. An ally, once they trust you, becomes your "sleeper agent," who can provide you with information about your competition, changing decision criteria, objections to your offering, insights into the real decision-making process, and most importantly, will sell in your place when you aren't there. Be sure to read Chapter 14.

Timing

So much of sales success is dependent on timing. Driving mechanism, compelling event, end of quarter, budget cycle, presenting first, presenting last, product life cycle, getting in early, forecast slippage, "please respond on or before," time to value, sales cycle, buying cycle, time lines, decision time frame, billable hours, development schedule, sales momentum, time to market, early adopter, project deadline, rapid ROI, net present value . . . These all relate to time.

Sales winners have learned how to optimize their efforts within the strict and immutable constraints of the ever-present ticking clock.

"If it wasn't for time, everything would happen at once."

—WOODY ALLEN

Time and uncertain business conditions. When the economy is unstable or your customer's industry is unsettled, waiting is often seen as much less risky than making a decision and funding an investment.

During those times, your prospects devote less time to evaluating your value proposition and have fewer people to help them. Those conditions add time to their buying cycle and push out your deal.

Your prospects look for creative ways to mitigate the impact of impending events that would normally force them to buy by a certain date. They delay a project, negotiate an extension to maintain their current situation—even stick their heads in the sand making believe that something bad really isn't going to happen. Here's an example. Some of my clients sell to companies in government-regulated industries. In the past, the threat of fines would keep those companies compliant with regulations on an ongoing basis. These days, however, we find that some companies would now rather risk a fine than absorb the expense and related risk of getting compliant now.

More delays. The companies to which some of us sell employ buying services, send their purchasing managers to seminars, have procurement audit teams, and even hire consultants so they can learn how to negotiate better deals with us. As a result, those negotiations now take more time than before. The same goes for their lawyers, intent on reduc-

Tactic

Answer this question for each deal you are forecasting to close within this quarter: what event or business condition requires your prospect to buy when they say they will?

ing already high levels of risk and exposure. They are ever vigilant, knowingly or unknowingly extending their company's time to value by delaying purchases, delivery, implementation, and services. (We've also trained our prospects by rewarding them with dramatic discounts for waiting until the end of financial quarters to buy.)

Most important is to know why and when they are buying. Before I talk about controlling timing, you have to be able to answer this question: what event or business condition requires your prospect to buy when they say they will? If you don't have an answer, you may be looking at a deal that is destined to slip into next quarter or next year—or never happen at all.

Assuming that the competitive playing field is even (granted, that's a big assumption), here are some tips on how to influence the timing of your prospect's buying process.

Get in there early. The best insurance against your losing control of timing at the end of your selling cycle is to build relationships with key buyers and future decision makers before they are in buying mode. Target the companies you are going to invest time in selling to. Meet the key executives over time. Provide value. Understand their business. Establish yourself as a knowledgeable and trusted resource. Later on, when they are buying, you'll be connected to the people who have the authority to shorten the buying process.

Negotiate early on with the people in your prospects' organizations to whom the lawyers and purchasing agents report. At the beginning of an evaluation cycle, you can negotiate skipping (or at least expediting) some steps later on. I've seen this done very effectively by reps that work for my clients, and I've done it myself. "Ms. Prospect. I'm going to pull out all the stops to provide you with what you need to evaluate my offering. If, at the end of your evaluation, you decide that my company is in the best position to provide you with a solution, can I count upon you to work alongside me to expedite the process through purchasing and legal?"

Drive the deal. You are in a position to manage the development of certain events. Your strength is in your information, resources, customer references, specifications, conference room pilots, proof of concept projects, subject matter experts, future product plans, executives, insights, best practices, investors, and board members—are all capital which should not be given away for free. The value of that capital to the customer during their evaluation should be carefully measured, then dispensed in such a manner that you are developing interest first, then attention, then excitement, and ultimately mindshare.

Uncover or create urgency on their part. When you unequivocally link the business value of your product or service directly to your prospect's achieving a critical component of their business plan, time is on your side. Find out who is financially responsible for that project, operation, or initiative. The pressure is on for them to perform strategically, operationally, and financially. Get them to help you drive the process forward.

Get your prospect to sign up for a plan. You'll need to merge the steps of their buying process with your selling process and get your prospect to agree to the timing of the steps in that plan early on. Understand that early in their buying cycle you, as a potential supplier, have much more leverage than later, because your prospect needs information from you. Negotiate with them then, not after they have what they need. Put whatever you negotiate in writing before you start spending your company's money on winning that business. If you do, you'll find that you have more control over timing. In addition, the resources within your company (including management) will be more likely to contribute to your efforts.

Don't forecast deals for the end of the quarter. Select a date four weeks before the quarter ends as the basis of your sales objective. Build your plan and your activities around that date. Then you'll have a buffer in case things progress more slowly than agreed with your prospect. Be prepared. Your prospect will know the pressures on you and your company to deliver revenue by the end of the quarter, especially if yours is a public company.

Find out in advance from your prospect what might delay their purchase. Risk is one of the factors that will keep your prospect from going forward. Make sure that you have identified every area of potential risk and have the people, resources, messages, documents, and proof at hand to assure yourself that risk is not an obstacle for them going forward. Work with your prospect, not in contention with them.

Get advice from other vendors. Ask other vendors who supply that prospect to coach you on timing as it relates to their experience. They'll tell you where the bottlenecks are, whom to approach for help in getting things expedited, how and when, and what reality is when it comes to your prospect signing a contract.

Compress the space between events. Always work to speed things up. Get back to them, before they expect you to, with answers to their questions. Set the next phone call for tomorrow, not next week. Cover more at meetings with prospects so, as a result, there are fewer meetings. Anticipate their needs. Not only can you compress timelines, but you gain respect and credibility at the same time.

For you to be a consistent performer, bringing in the numbers quarter after quarter, year after year, assuming at least some control of the buying process is critical.

Chapter

18

. . . AND DAVID SLEW GOLIATH

STRATEGY NUMBER EIGHTEEN

BECOME AN EXPERT AT COMPETITIVE POSITIONING

I don't know about you, but I get a big thrill when I watch a high-integrity, seasoned sales pro competitively position their company and offering. It may happen during a presentation or during a sales call as objections are raised by the buyer.

When you think about it, competitive positioning begins when you formulate your strategy. From that point onward, your messaging, talking points, and objection handling are driven off the same thing—the unique value you can provide to your client.

Here are some examples of how winners I've worked with masterfully handle competitive positioning.

Situation 1: Selling against Goliath.

If you sell for a smaller company that competes against the big guys, the age-old story of David and Goliath might come to mind. In this story, the giant, Goliath, was beaten in a fight by the small boy, David. I often see "Goliaths" beaten, but it takes flawless execution of a well-designed plan.

The most important thing of all when selling against a much bigger competitor is to be certain that, if you meet or exceed all the prospect's requirements, size—for size's sake—does not matter. That's an issue of qualification. You may have the best product, innovative service capabilities, committed people, stellar customer satisfaction levels, top product quality, most respected investors, or anything else that you consider of value, but if size matters, little else will measure up. And if size does matter, and you can't convince your prospect fairly quickly that it shouldn't, you need to get out of there—and on to another opportunity. Know your prospect's history regarding doing business with smaller companies. It may mean nothing to them, because they do it all the time. On the other hand, you may be the first and have a long, bumpy road ahead.

There are certain opportunities for which you should not compete, because you can't win them. Sorry, but that's a fact.

Now what do you do? You'll need to influence your prospect's decision criteria, so that the perceived value of your competitor's size as well as other size-related capabilities are diluted, neutralized, or in the best case, seen as a disadvantage. Many salespeople are accustomed to highlighting a competitor's weaknesses. In the situations where you are competing against a bigger company, you will (professionally and subtly) dilute their strength.

Here is a simple, well-proven example. Let's say I sell for a smaller professional services firm and I am up against a major player. Based upon preferences and needs of the buyers, I may decide to use the small-fish-in-a-big-pond approach.

It goes like this.

> Mr. Prospect, there are few people who would not be impressed by my competitor's size, global reach, and financial as well as human resources. I'm sure they proudly reference some very prominent customers. However, you might consider that a project such as yours, although highly critical for you, might very well not have the same level of importance for them and therefore may not generate the ongoing attention within executive

levels of their company that their premier customers' projects would. It's only natural . . .

From that point, you would discuss how you would meet their technical requirements and establish a business relationship going forward, stressing the attention that your executives would pay to the progress. You'd convince them that your company's success would depend directly on their success, not the other way around. You'll be portraying them as big fish in a small pond, with the driving message being how important their business is to you.

If you are effective with this approach, you will have moved factors such as size and impressiveness of customer list down in importance, while moving up in importance executive attention as well as your company's interest in their success.

Here are challenges you might face in a David and Goliath situation and some alternatives to consider.

- *Challenge.* The competition questions your viability to the prospect. "What would happen to you if they were to go out of business or be acquired?"
- *Response.* Don't wait for this to happen, as it most likely will. Immunize. Exploiting their opponent's size is the first card most sales reps who sell for large companies—the Goliaths—play against the smaller guys. You need a solid story, prepared in advance, concise and compelling, which must be credibly and sincerely delivered first by you, then echoed by your most senior executives. Mitigating perceived risk is critical on the path to success when competing against a much larger rival. Don't wait.

- *Challenge.* The competition attempts to expand the scope of the evaluation into areas where you don't have a solution.
- *Response.* Again, this practice is pretty standard for the big guys. Alert your prospect in advance that this may happen. Praise their efforts in defining their requirements as well as they have. Ask if they are prepared to have the scope of their initiative, project, or investment substantially expanded. If they say no, alert them that other vendors may employ this sales strategy to differentiate themselves as well as to increase the size of their contracts.

Please understand that I never advocate negative selling, mud slinging, or slamming the competition. On the other hand, when you have built relationships in your accounts with influential people who are willing to help you, you'll need to provide them with the messages—the sound bites and talking points—to position your company advantageously.

- *Challenge.* The competition attempts to impress your prospect with hordes of resources to demonstrate their prowess and convey a safety-in-numbers message.
- *Response.* Again, prepare your prospect in advance that this may happen. Qualify them on this issue, again. Suggest that these bigger companies have extra resources on board just to impress prospects to make a sale. If you know your competitor's bid will come in considerably higher than yours, you may want to subtly suggest that using resources to win business may be a reason that their overhead is so high. Also remind the prospect that if they do go with your competitor, the meter will start running.

This approach is mandatory when you compete against companies who lavish prospects with toys, gifts, free trips, and other goodies to try to influence their decision.

- *Challenge.* The competition, because they are bigger, is willing to guarantee results in a way that you cannot.
- *Response.* They may be able to guarantee that their product will get installed (or service delivered) by a certain time, but what if they don't deliver? The customer may not have to pay the vendor any more cash, but what about lost business opportunities, reduced customer satisfaction levels, and employee morale if things go wrong? Will the guarantee cover that?

Tough qualification combined with strategic competitive selling does work. After confirming that size did not matter in a face-to-face meeting with a division president of a $5 billion corporation, my client, the CEO of a small enterprise software company, commanded that his team pursue a $2 million contract competing against a $750 million rival. Now there is a David and Goliath scenario.

I coached that sales team during the nine-month sales cycle. Among other things, we diluted the competition's apparent strengths and portrayed their large size as a liability, which in this case it really was.

My client's team outsold the competition, won the business, and earned a lot more business after that, because they delivered what they promised to their customer. As the CEO, elated with a contract five times larger than anything his team had secured up to that time, related to me, "the most important thing for me is that this process is repeatable."

Situation 2: Outselling a Competitor Who Slashes Their Price to Win

You've just read some suggestions on how to compete against a bigger company who uses size and strength to win—the Goliath. Now, how do you compete against the smaller, more agile David out there who, for example, drastically discounts at the last minute to win business?

Red alert. First of all, once you learn that one of your competitors in a deal has bought business in the past at a price you could not (or would not) meet, your alert status should immediately shift to red.

Remember, early in evaluation cycles, prospects may say that price is a consideration but not first on their list. Later on, once they have ignored or devalued any unique capabilities that your product or service can provide, to the point where they, "can see no measurable difference between your offering and your competitor's," price gets elevated to the number one consideration. We've all seen it happen. By that point, it's generally too late to remedy the situation. You're trapped. So recognizing potential situations early on where a buyer will buy on price must become second nature.

Here are some recommendations that will point you in the right direction.

Qualify. In any competitive sales situation, you have to monitor the prospect's decision criteria like a pilot checks instruments—ever vigilantly. During the course of an evaluation, decision criteria often change. In fact, aren't we often the ones who attempt to effect that change to gain competitive advantage?

Among the most critical of all decision criteria these days is price. What are the key evaluators', buyers', recommenders', and decision makers' requirements and expectations with regard to price today? If you are just getting engaged with a prospect and their number one decision criteria is price, you (or your management) will have to decide whether it's even worth competing. Clearly, knowledge of your competitor's historic actual selling price will be critical in this decision. So will an understanding of your prospect's recent buying patterns with regard to price.

Buyers focused on price de-emphasize or entirely ignore factors such as the following:

- Supplier product or service quality
- Supplier viability
- Supplier postsales support capabilities
- Postsales costs (contributing to total cost of ownership)
- The knowledge and experience a vendor can provide
- Areas of additional value that you may be able to provide above and beyond what they have specified
- Quality of vendor personnel
- References

Address the issue head on and early. "Is your company going to make a decision based entirely or substantially on price?"

And please, make sure you are asking these questions of, and selling to, decision makers. All this matters very little to the people at lower levels in organizations.

Educate yourself. Here are just some of the questions for which you need answers to outsell a competitor that dramatically discounts.

- Is their discounting tactical or, in the case of some very successful companies, strategic—a key component of a go-to-market strategy supported by their business plan? (It's hard to compete against Sam's Price Club on price.)
- When do they offer these drastic discounts and under what conditions? How do they dilute the value of what you are selling in the prospect's eyes?

- How well do they deliver postsales service?
- How often do they produce new products or upgrade their services?
- What is the satisfaction level of their customer base?
- What is their financial position? If they are publicly held, look at their P&L, balance sheet, and cash flow statement for the most recent quarter and going back in time. If they are privately held, get your CFO to create a pro forma set of financial statements that might represent what that competitor's financial position might look like. It will provide you with insights into where that competitor's vulnerabilities lie.
- What do you know about their human resources? Look into staff and executive attrition rates, quantity and quality of subject matter experts (SMEs), levels of staffing, and customer care hours—anything that will point toward discounts causing reduced margins, which in turn impact operating effectiveness.
- Look at their corporate culture. What do they value? Integrity? Quality? Are they doing the right things for building a long, profitable future, or are they highly opportunistic, with little regard to what will happen tomorrow?
- Uncover what the competition uses to deflect their prospects from exploring the areas listed above. In technology, you'll often find that the lowball competitor has the sexiest demo, for example.

One client did a terrific job of figuring out that their competitor's service and support resources were stretched very thin. Highlighting their own strengths in these areas pointed the prospect in the right direction. As a result of a bit of probing, the prospect found that my client's competitor couldn't appropriately support them postsale. "If they can't bring people to the party now, when they are selling to us, it'll only get worse if we become their customer," the prospect told our rep. Bingo.

Discover and quantify the value. Whether or not you suspect that a low-price competitor will be included in the bidding process, you'll need to quantify the value of your offering—in terms of financial return. When you compete against someone who drastically discounts, it's especially important to get close to the prospect and really understand their requirements. Not only will that relationship enable you to position your solution better, but more importantly, you'll be able to uncover areas of

T *actic*

Go through each opportunity in your forecast. What specifically will you do when your competition undercuts your price to win the deal? Add to your sales plan specific tactics to prevent them from doing this.

potential additional value for the customer that can be derived from the differentiators that you are selling. If these differentiators are linked to financial impact for the prospect, they are not likely to become expendable nice-to-haves, eliminated from consideration in what might turn out to be a commodity buy. Even if the prospect doesn't want to or can't invest in that added value now, you've expanded their vision past what your competitor has offered and set yourself up for add-on business later.

Educate and position. Winners who are really good at competitive selling subtly but definitively alter their prospect's perception that buying at the lowest price is the prudent thing to do. You can really only do this effectively when you are selling at the appropriate executive levels.

- Talk to the buyer about the challenging business conditions that face all of us and the natural tendency to buy at the lowest price.
- Talk about companies in the prospect's as well as your own industry who have gone out of business as a result of tactical discounting and the impact that had on those companies' customers. (You need to do some homework here.)
- Implore the prospect to ask questions of the other contenders that will expose weaknesses that result from tactical discounting. (See the previous section, "Educate Yourself.")
- Educate the prospect on the differences between price, cost, and business value, and the impact of those factors on their business. Understand the prospect's own business model, their culture, and how they sell to their customers so you can link your approach to theirs. (If they sell a commodity themselves, at the lowest price, you may have a serious challenge.)

See Chapter 15.

- Immunize the prospect in advance against what will likely be a lowball bid by your competitor. Explain how, when, and why it will happen. Prepare the prospect for what you know will come. Don't just sit there and wait.

- Convincingly reduce what will likely be price differentials into meaningful, real terms. "Because there is typically a five-year life cycle associated with my product, and it will, admittedly, require potentially a $240k additional investment, I figure that comes to 4k per month, which, you have to agree, is less than a rounding error (or full-time employee) in terms of the business value we've been talking about."

Get creative. If you haven't tried risk sharing, phased deliveries, guarantees or extended warrantees, or other creative approaches that will enable you to win the business without discounting, you need to do some brainstorming with your team. Very often, a cash strapped competitor who has been discounting to win business falls flat on their face when asked to match such creative selling.

Few of us can afford to sit back and wait for the competition to slash their price and walk away with the business. Understand your customer, your competitor, and your value. Then sell.

Chapter

19

MANAGE TO LEAD YOUR TEAM

STRATEGY NUMBER NINETEEN

HARNESS THE POWER OF YOUR VIRTUAL SALES TEAM

Up to now, we've spent most of our time talking about managing yourself, your sales campaign, and your prospect, with particular attention to the skills, attitudes, and behaviors needed to win the big sale. It's time to acknowledge the fact that winning sales is not an individual activity but a group or team pursuit.

In the Introduction, we discussed some of the reasons behind the challenges facing sales professionals today. I mentioned two crucial factors in consistently winning business: differentiation and credibility. In today's playing field, it's getting harder and harder to make your offering seem different from all the others or to earn credibility at the executive level.

The fact is that most competing products and services do what they're intended to do. Few offerings fail to perform, few perform markedly better than the rest. Because so many products and services compete for a limited number of buyers, suppliers advertise that they can do everything their competitors can do, only faster, cheaper, and more effectively.

How can companies differentiate themselves from all the others? By building in extra features, by backing what they're selling with top-notch customer service, and by making their products and services more complex. However, this approach to differentiation goes well beyond what even the most articulate, charismatic salesperson can communicate. Explaining and managing that complexity to the prospect requires the help of specialists, technicians, and other experts. That means taking a team approach to selling.

"Effective leadership is putting first things first.
Effective management is discipline, carrying it out."

—STEPHEN COVEY

Team selling isn't new. Its growth has been spurred not only by the proliferation and complexity of goods and services but by many other trends over the years: multiple and diverse buying influences, user empowerment in organizations, globalization, commoditization, economic uncertainty, and companies springing up and crashing down almost randomly. It all adds up to a hard reality: we can't do all the selling alone.

The Team

The team we're going to talk about is not just the people who work directly for or with you. It's much broader than that. In effect, your sales team includes people inside and outside your organization, independent technicians and professionals, people in other organizations, even people in other industries. As a sales professional charged with harnessing the skills and energy of this diverse crew of workers—some of whom aren't even aware they're on your team—you are, in effect, the CEO of your own virtual sales team. Your mission is to deliver to your company the revenue it needs to achieve its business plan.

Who's on your virtual sales team? The roster can include (inside your real company) executives, customer support reps, on-site service or delivery personnel, engineers, designers, developers, subject matter experts, cost accountants, marketing personnel, consultants, suppliers with complementary products, other sales reps within your own company, attorneys, one or more current customers, and even consultants who can give you insight into how to win the business.

Your virtual sales team encompasses much more than just your inside people. Remember what we said in the first three parts of this book about cultivating relationships and gaining knowledge inside the company you're selling to? Think of your virtual corporation as including the prospect's team—the evaluation committee, decision makers, steering committees, executives, middle management, technical approvers, purchasing and human resources personnel, finance and legal people, external consultants, administrative assistants, IT people, and, if you're the master of your domain, the real buyer. Yes, that's right: they're on the other side of the bargaining table—but with knowledge, insight, a professional attitude, and people skills, you can enlist them in support of your cause.

The Making of a Winning Team

As CEO of your own virtual sales team, you've got an awesome challenge ahead. First of all, most of your team members are not under your direct authority or supervision. You have to understand the knowledge, skills, attitudes, and behaviors of all the sales resources available to you. You'll need well-honed relationship-building skills to get these team members lined up behind you and focused on your common purpose. If, for example, you need an expert to tell your prospect how your company services its customers, but the person available for that task gets defensive and rude when questioned, you have some work to do. You'll need to provide that person with a bit of coaching before the meeting or, if that fails, bring in someone else. Don't leave their performance up to chance.

Like any good supervisor, you must learn to depend on other people to achieve your goals. With this challenge in mind, how can you better manage your virtual sales team? According to Steve Waterhouse, author of *The Team Selling Solution,* team selling will succeed if the following components are part of your sales process.

- *Effective communication.* Make sure everybody gets the word early. You can't imagine how often this doesn't happen. (Heading out the door on Friday afternoon, the sales rep says to a sales support person, "By the way, we've got a presentation in Duluth Monday morning. Have a nice weekend." What's the salesperson's problem? Gross incompetence, lack of a plan, or simply poor communication skills?)

- *Team's understanding of the mission.* Every member of the virtual sales team must be aware of exactly what your objective is: what you are committing to sell, when you are going to sell it, and for how much. Each team member should also understand that every tactic has an objective of its own.
- *A clear understanding of each member's role.* Nothing is more embarrassing than asking the prospect the same question twice because Smith didn't check with Jones. More on this later.
- *Planning.* Back in Chapter 11, we talked about outlining your tactical plan in a spreadsheet or sales automation application. You might also find project management software useful if you're working a complex deal with a lot of resources, tasks, and critical deadlines. Whatever planning tools you use, be sure to keep your team members well informed.
- *Smart use of your team members' knowledge and skills.* Know what all team members are capable of and use these assets at appropriate times. Need to get one of your prospect's decision makers on your side? Bring in your company's cost accountant to help with financial justification, or perhaps a strategically timed visit from your well-known, world-class expert would get the attention of one of your prospect's key executives.
- *Good leadership.* When you earn the prospect's confidence by establishing your competence and credibility, you're well on your way to making the sale. In the same way, when you earn your team's trust with strong, fair leadership, they will buy into your plan and follow your vision to sales success.
- *Focus.* If you follow my sales planning recommendations in Chapter 11 and communicate the plan to all team members, focus will not become an issue. Your sales team will commit to a coordinated effort that makes winning the deal an achievable goal.
- *Support and motivation of team members.* This one takes work, empathy, and an understanding of how your company's departments function. Except for your sales support staff, most of your team

members have other responsibilities, of which helping to win sales is not a high priority. In fact, some of the people who may be essential to your success may be reluctant to help you because they're wary of increasing their risk or their workload.

I applaud companies that provide recognition to nonsales staff who have helped win business. This is a great motivator as well as a chance for engineering, delivery, finance, and other personnel to see where the revenues that pay for their work come from. At company award presentations, again and again, I've seen sales professionals lavish more attention on those who helped them win than on other sales reps. That's smart inside selling.

- *Active participation and collaboration.* Even though the responsibility for winning or losing the sale falls on you, all team members need to feel they are part of a continuing collaboration. Invite and encourage their participation in briefing, debriefing, and brainstorming sessions as well as information gathering and solution design.
- *Integrity.* Showing leadership, vision, and guts will gain you the trust and support of others. Make promises you can't keep or lie to your team or your prospect, and you'll go it alone.
- *Conflict resolution.* Yes, you're the owner of that sales campaign, but this doesn't mean you can dictate. Be ready for the conflicts that are sure to arise with members of your team. How will you deal with them? One way to keep conflicts from derailing a sales campaign is to recruit an executive as a sponsor early in the game—one whose trust you will win with your leadership skills and competence and who will back you in the end.

The most common conflict is perhaps between those who sell and those who have to deliver, install, or implement. I've seen this happen again and again. Sales complains that production or service managers are stalling, refusing to sign off on a deal that would put them over quota. Managers responsible for manufacturing the product or delivering the service complain that sales overpromises, leaving them to face angry customers. The lack of trust can bleed over into customer meetings and presentations, giving prospects the impression that the company can't get its act together and perhaps can't be relied on to meet its commitments.

What can you do about it? Building trust and support will take time, but it can be done. The best solution is to review and apply Steve Waterhouse's critical components—the items you just read. Then the best place to start applying them is in team meetings, where planning and communication take a front seat.

Tier-Level Selling

Many people believe that sales reps just can't be counted upon to gain and maintain access to the CEO level of their prospects' companies. I don't believe that's the case. However, sometimes the seller's or buyer's company will require contacts to be made within a single level—your boss to your contact's boss, VP to VP, and so forth. This policy, known as tier-level selling, is common in Europe and Asia, where calling on your peer's boss is considered inappropriate. For expensive products and services in the United States, the same holds true; the prospect's CEO or CFO will usually want to establish a relationship with their counterpart in your company. This should not be something to avoid, but you need to be aware of certain pitfalls when executive management gets directly involved in your deal.

You need to communicate to the executive—as diplomatically as possible—that they are working for you on the sales opportunity, not the reverse. The best way to do this is to present a complete, well-thought-out, strategic sales plan that specifies when, where, and how the executive will be involved. When you've demonstrated that you've accurately assessed the sales opportunity and designed appropriate objectives, strategy, and tactics, the upper-level manager is more likely to follow your lead.

Briefing and Debriefing

When I talk to sales professionals about how to prepare effectively for executive-level meetings, I hear frustration on all sides. Sales support people (everyone from subject matter experts to your CEO) underperform when they are called into a sales meeting without being well briefed. Executives are e-mailed 25-page tomes with more detail than they could ever digest and still wind up going into a meeting ill prepared. Sales representatives, as instructed by management, forward their sales plans to the other members of their virtual sales team only to find out that no one is reading those plans. The result? An uncoordinated, less-than-effective effort which will likely leave the team embarrassed, exposed, and at a competitive disadvantage.

After the meeting, it's pretty much the same story. "Got a plane to catch," or, "As long as I'm in town, I've got a few customers to see." Little time is left for getting heads together to figure out what really happened and what to do next.

There is tremendous leverage in the process of briefing and debriefing your team. Here are some benefits on the briefing side.

- Each team member will have been educated on your assessment of the prospect's situation and on the people who will attend the meeting.
- Each team member will know exactly what is expected to be accomplished at the meeting.
- Each member of your team will understand precisely what their role is.
- All team members will be aligned, delivering the same messages.
- Your team members will be prepared when the unexpected happens.
- Prospects will see a united, organized, and centered team.

The debriefing will provide benefits, too.

- An opportunity to hear your colleagues' impressions of the meeting, including observations you may have missed.
- A forum to discuss new issues raised by the prospect.
- Feedback on your approach, ability to gather information, and the effectiveness of the team with your audience.
- Surety that action items are understood, assigned to the right resources, and accepted by each.

How to Brief Your Team

The sales representative's responsibility is to make certain that every member of their virtual sales team is prepared for a meeting with a prospect. Preparation requires two-way communication. Hundreds of thousands of salespeople have proven that it is simply not effective to e-mail a sales planning document to their team and expect that everyone will read it or extract much relevant value.

I recommend to my clients that they create a very simple sales call briefing document, which should be used in addition to any sales planning documentation. By now, you won't be surprised when I tell you the document should have these sections.

- *Situation assessment.* The who, what, when, and where. Be sure to include information about the attendees, the agenda, meeting time, location, equipment needed, and specific time that the meeting will be debriefed (see below).
- *Objectives.* Our objective(s) and the prospect's objective(s) are the critical *whys* related to any sales call or meeting. From our perspective, we want to advance the sale in some specific way. (Everyone on the team needs to know exactly what that is.) Everyone must also know what the prospect is expecting from the meeting.
- *Strategy.* The how. How will the objectives be achieved? If your CFO is joining you to convince the prospect's CFO that your company is financially viable, how exactly will you achieve that?
- *Tactics.* These critically important details are not often planned for. If they ask *X,* who answers? What do we do if Ms. Kang shows up at the meeting? Kevin will tell the prospect about our new product announcement. Fred will answer any questions about customer care. You get the point . . .

Schedule an internal meeting or conference call at least two days in advance of the meeting to be sure that everyone has time to prepare what they will contribute. Winners double-check with each team member right before the event to make sure everything is in place.

Get everyone together at the same time, although sometimes that just isn't possible. In that case, you'll have to schedule individual calls with those people who couldn't attend the briefing meeting. Schedule time to do this.

How to Debrief Your Team

A debrief is the postmeeting review, best done immediately after the meeting. Again, it's the sales rep's responsibility. As difficult as it is to get people together to prepare before a meeting, afterwards it is even harder, so schedule that meeting in advance. Don't take no for an answer. The debrief must be considered part of the event, not an optional extra.

Here are key questions to be asked and answered as objectively as possible.

- How accurate was our advance assessment of the meeting? Where were we on target and where did we miss? What do we need to do to perform a better assessment next time? Tip: Starting with a bit of self-assessment is a good thing. It sets the stage so that others feel free to do the same.
- Were the objectives achieved? Was anything additional accomplished? If the objectives were not achieved, where did we miss? Tip: Evaluate and revise the overall sales plan at another time, not during this meeting.
- What new issues were raised? What additional expectations did the prospect voice? What concerns were discussed?
- What observations did the team's members have that were unexpected? Did body language indicate the possibility of new allies or enemies? Did someone attend unexpectedly? Did someone who was supposed to attend not show?
- Reiterate what action items were assigned or volunteered for during the meeting? What additional follow-up actions need to be done? By whom and by when?

Be sure to take notes during this debrief, and another tip: you are much more likely to get your team to take this process seriously if you provide the debrief questions in advance of the meeting with the prospect. Most importantly: follow up.

You have an extremely valuable asset in the people who support you in your selling efforts. It's your responsibility to leverage them to their fullest.

Tactic

Create templates for briefing and debriefing documents based on the material in this chapter. The effectiveness of your meetings with customers will improve. So will your credibility as the leader of your virtual sales team.

Part Five

THE DECISION AND BEYOND

The decision is at hand. You know what the outcome will be, because, effectively, your sales plan was adopted by your ally and artfully merged into the decision-making process, although some members of the evaluation team didn't even know it. You've built business credibility with executives by stating in business terms how your offering will help achieve their business plan and, specifically, by how much and when. The influencers with whom you've built relationships have come through for you—handling objections when you weren't there, highlighting the strengths and downplaying the weaknesses of your offering, providing you with insights into how the decision makers were leaning, and warning you of your competitors' moves. You've differentiated your offering and yourself and established your integrity and your personal capital as a resource, which you have leveraged to win.

You know you'll be selected. Your insiders tell you that you're going to get beaten up on payment terms, the company will want you to assign certain key people to the project, and they'll squeeze another percent or two off your price just so they feel like they've gotten the best possible deal—but the business is yours. The decision has been made.

What happens now?

By the end of this final part of *How Winners Sell*

- you will understand how deals can be lost after they are won—and how to prevent it.
- you'll know how to recruit, train, and utilize an apostle—an unassailable reference.

"OK! IT'S A DONE DEAL! OF COURSE I STILL HAVE TO CLEAR IT WITH YOUR COMPETITION."

Chapter

20

"AND THE CONTRACT GOES TO . . ."

STRATEGY NUMBER TWENTY

DON'T STOP SELLING AFTER THE DECISION IS MADE

Have you ever won a deal, then immediately lost it? It's happened to many of us. We've learned all about buyers' remorse, and we've learned not to try to close the deal before we've addressed all the last-minute doubts and objections. But those aren't the only reasons we can lose a "done deal." Sometimes the competition crawls in and undoes our deal, hoping that by stopping the process, they can reverse the decision.

What do you do after the decision is announced but before the contract is signed? First, make sure that you know exactly what has to be done to get your contract signed. This includes getting approval from legal, purchasing, the board, and the CEO. There are probably steps in the final approval process that weren't disclosed during evaluation because the people responsible for approval at that level didn't want salespeople to call on them. Who on the prospect's side, as well as yours, is

Holden International calls this postdecision effort "advertising the order."

responsible for each step? When must those steps be taken to ensure that the contract gets signed when the prospect promised?

Next, get in there and sell. Reassure them that they made the right decision. When the time is right, walk around with your sponsors and shake people's hands. Ask them to restate why they are buying from you. What made them feel secure? What concerns did they have about your competition? Assure them that you will be there for support as long as they need you (or until the handoff to postsales, if that's how your company handles accounts).

Make sure that any appropriate postdecision meetings are scheduled right away and that they are on people's calendars. Get the sponsorship of the real buyer to assure that this happens. If your product or service delivery department isn't pushing hard enough, you'll need to take a bit more control. Make sure the decision is immersed in quick-drying cement.

"You may have to fight a battle more than once to win it."

—MARGARET THATCHER

Why do all this? Some of your competitors carry the "losing is not an option" philosophy pretty far. They'll figure that, because they've already lost, they've got nothing to lose by trying to stop the prospect from signing with you—and they'll stop at nothing. The merely desperate will tell everybody they can get to, especially at the top levels, that there's been a terrible mistake: "We must have put the decimal point in the wrong place. Let me refigure the price. I'm sure we can beat that guy's number." The viciously dangerous will find a disgruntled former employee of your company—one who's eager to reveal where the bodies are hidden. Unheard of? It happens all the time. Be prepared.

It would be hard for an executive to switch to your competitor once they have personally walked you around headquarters to shake everybody's hand. That's exactly why you should do so. It's also a good time to connect with people who were against you, who supported your competitor. Spend some time with them; find out what you can do to mend fences; address their doubts; reassure them that their opposition will not affect their relationship with you and your company. It's also important to give them a way to save face in the eyes of their colleagues—for example, by asking for their views on an issue or two.

The thing to remember is to keep moving forward. Don't go on vacation just because the decision has been made. You can't take anything for granted.

Jane

One of the salespeople who worked for me was pursuing a deal where, no matter how hard we tried, we could not get the support of Jane, who was a key recommender. She was supporting our competitor in any way she could, while, I must admit, staying within the bounds of ethical behavior. The sales rep was astute. He knew we had the votes, listened to what the CEO was not saying, and realized we were going to win. He knew that once it was announced that we won the evaluation, Jane would reopen the door for the competition in an attempt to reverse the decision.

Just before the voting took place, our rep called the CEO and suggested that if the decision was not unanimous for either vendor, it might be best for the CEO to rally everyone behind what the decision turned out to be—that he had seen too many times where a split decision resulted in less than full support of the new supplier, which could cost time and money and even threaten the entire project.

The CEO listened. The next day our rep got a call from the person heading the evaluation team, telling him we had won the decision. In addition, the person said, the CEO had met with the team thanking them and charging each person with figuring out what they individually would do to make the project a success. He would not accept negatives or dissenting opinions. The decision had been made.

> Bury the hatchet with those who supported your competitor.

The rep called Jane, set up a meeting, and asked, rather humbly, for her support. He got it.

A potential reverse was avoided.

Know Thy Competitor, Revisited

A question for you: What will your competitor do after finding out that your company has been selected? If you can't answer with any confidence, or if you haven't already taken steps to keep your win from being stolen, you are at risk.

Here are some time-tested ways the competition might "flip" your sale. Protect yourself against these tactics.

- *A dramatic price cut.* A competitor of one of my clients offered to give his product away free, hoping to make money later through service, upgrades, and add-ons. I covered this common occurrence in Chapter 17.
- *Going over your contact's head.* Your competitor's CEO calls your prospect's CEO for a meeting and a chance to do some last-minute power bonding. If your competitor's CEO is well known, charismatic, or desperate, this sometimes works. I know of many cases where the competitor's VP of sales showed up at the prospect's headquarters, demanded a meeting, and wound up with the deal in hand.
- *The hatchet job.* Your competitor digs up some unflattering information about you—a customer defection, an internal memo on product failure rates, a former employee's accusations—and hands it to a top influencer or decision maker. Your best approach is to be open and honest with the prospect. Above all, if there's bad news coming, you'd better be the first to tell it. Immunize them.

See Chapter 15.

The message here is clear: information is power. If you know what your competitor has done in the past, build yourself an ironclad, Teflon-coated, Kevlar-lined shield against those tactics. Do it well in advance, while you're selling, not after you've been proclaimed the winner.

Tactic

Speak with a key buyer in an account where you have won business. Ask specifically what, if anything, your competition did to try to upset your victory. Chances are that the competitor will try that tactic again in another opportunity.

Chapter

21

"LET ME PUT YOU IN TOUCH WITH ONE OF MY CLIENTS."

STRATEGY NUMBER TWENTY-ONE

TRANSFORM KEY CUSTOMERS INTO UNASSAILABLE REFERENCES

This book is about winning deals—plural, not singular. That's the natural order of things, anyway, because once you've closed a deal like the winners I've been writing about, you've laid the groundwork for the next deal, and the one after that. You've created the best, most powerful sales tool of all—a good reference.

"Good references are made, not born," says Olin Thompson, my trusted friend and colleague. He's right, of course, and that's what this chapter is about—turning customers into good references. In fact, into apostles.

References fall into two broad categories, which sometimes overlap: those your company maintains, and your personal references. Winners know how to use both to best effect. But, you may ask, if the company maintains references, why do you need your own? Several reasons:

- If your company doesn't manage its references well, you may not have a reliable advocate when you need one.

- The references your company maintains may not be in the region or industry to which you're selling.
- Your company's references may not be in the right function or level to help you in the prospect's company.
- A company reference may not be willing to say what needs to be said.

You need personal references, because when company references won't do, you have to take the responsibility yourself. This means you have to develop and nurture your own, and you have to protect them. If winners are ever possessive, it is when asked to share their personal references with other salespeople. They believe that their personally developed references can be abused, and they're right. Goodwill can be used up.

"An ardent supporter of the hometown team should go to a game prepared to take offense, no matter what happens."

—ROBERT BENCHLEY

The Care and Feeding of References

Think of the practice of turning customers into unassailable references as a 13-step program.

1. Earn your client's business and respect by winning the evaluation ethically and creatively. Be persuasive and tenacious. Be straight about what your product or service will do, and be sure both parties see the result as the beginning stages of a long-term, win-win relationship.
2. Target an appropriate candidate in the account to develop as a reference—ideally, but not necessarily, the real buyer from whose budget the investment in your product or service came. Now, take everything I just said above and see if it applies also to your potential reference. For example, if the potential reference feels you misrepresented something during the evaluation, they will not be convincing when extolling your virtues to your next prospect. By the way, enthusiasm and credibility are extremely valuable attributes for a reference.

3. Stay visible. Does your company require you to hand off new customers to a postsales team? If so, then you need to detour a bit from that structure. Set aside some time to stay connected with your candidate reference; call regularly, sit in on occasional meetings, and stop by just to say hello. Get copies of status reports from the postsales delivery or service team, and call the reference if something unexpected happens, whether positive or negative.
4. Work in cooperation with your postsales team, not against them. If an account executive is responsible for your customer after the sale, make sure you build a win-win relationship with them as well. When you can add value, pitch in to help resolve issues with this customer. If someone other than you is responsible for the ongoing care and feeding of that customer and they see that you care about them both, they'll try harder to make things work.
5. Keep track of the value your product or service is providing, in financial terms. This is nearly impossible for a sales rep to do alone. If you're lucky enough to work for a company that does it, get the numbers and discuss them with your reference. This will reassure them that going with your company was the right decision, and it will provide them with convincing data to give to your next prospect.
6. Understand your reference's personal win. If they recommend you to a new prospect, what's in it for them? One of the most valuable things you can provide your reference, whatever their level in the organization, is education. Be a trusted advisor; filter, interpret, translate, and decipher information about the industry, competitors, customers, and suppliers. In exchange for their help, coach them on selling ideas to their superiors. If you do this right, your reference will be more valuable to their own organization.

See Chapter 13.

In an interview conducted in a 2001 study by WR Friend & Associates, a vice president of a $500 million food processing company said, "There is nothing worse than having the day you sign the contract be the last day you see the sales rep." I can assure you that most executives feel the same way.

7. Train your reference. Whether they're the ally you recruited and trained to sell on your behalf or someone you met after the contract was signed, you have to train them to be a good reference. Your reference should know and be able to talk knowledgeably about the following:
   - Your company's messages
   - How and why your company was selected
   - Your competitors' strengths and weaknesses
   - Issues the company had with you and how those were favorably resolved
   - Instances where your company, and you in particular, went the extra mile to meet the client company's requirements
   - The standard sales objections your company faces and responses to those objections
8. Keep your reference informed about anything material going on with your company. Don't ever let them be surprised by information about you during a reference call. In fact, don't allow them to be surprised at all. It's not good business to put your reference, coach, or ally in a potentially embarrassing or precarious position.
9. Before they are called by a prospect, brief your contact just as you would any other member of your virtual sales team. (You may want to refer to the section on how to brief your team in Chapter 19.) Include the following:
   - Who will be calling, their title, and responsibility in the evaluation
   - What that person's company does
   - Where the company is in its evaluation process
   - What the prospect's decision criteria are
   - What the prospect likes and dislikes about your offering
   - Who your competitors are, and how you want to be positioned against those competitors
   - Which subjects should be deferred to you
   - Which subjects your reference should raise with the prospect

   Make sure you debrief your reference as well.
10. Keep up your relationships with others in your reference account as well. If you've invested a lot of time in developing your reference and have learned to use them well, what would you

Tactic

Right now, identify contacts in two accounts and a specific tactical plan, including dates and actions, that will transform them into effective, unassailable references. Then execute the plan.

do if they disappeared tomorrow? Could someone step into their place? Refer back to the Toole's Models (Figures 3.1 and 3.2) for a tool you can use to assess your access.

11. Make sure your company takes care of your references. Without usurping the authority or responsibility of the postsales team, make sure your reference receives special treatment—fast access to customer care, free tickets to your company's annual customer conference, or perhaps a regular round of golf with you and your company's CEO.
12. Use the reference regularly. Don't let months go by without making them feel useful. References grow stale through lack of use.
13. Make sure your reference is believable. My friend Olin reminds sales reps that if their reference's story sounds too perfect, credibility goes out the window. It's good, not bad, for a reference to say, "There are two small issues that remain with ExWhyZeeCo. They've done everything they promised, but these two things came up, which they've been working diligently to resolve. . . ."

One final note: While winning you new business, your reference may begin to wonder whether your success will hurt them. Will they lose resources? Receive less attention from you or your company? Will someone else usurp the favored-reference spot? Bring the subject into the open from time to time. Reassure them that success as a reference will only make them more valuable in your eyes.

THE BOOK IN REVIEW

Now I've given you all 21 strategies that you'll need in your quest to outsell your competition and win big sales today, when conditions are tougher than they've been in two generations. Whether you've enjoyed sales superiority in the past or not, the real question is this: what are you going to do today, and tomorrow, and the next day to put yourself on top and stay there?

If you've made it this far in the book, you've now arrived at a crossroads. It's time to act. You have a range of options, from the incremental approach—incorporating a few of these tactics as part of your current sales efforts—to the equivalent of hitting Control-Alt-Delete and rebooting as someone else.

With that in mind, here's a summary list of behaviors and attributes that are the building blocks and mortar of winning—this time, from the point of view of your customer or client.

- *Winners answer their customers' questions directly and truthfully.* They prove their integrity by acting in their customers' best interests, never selling them anything that will not help the buyer's business. Knowing this, customers don't question winners' motives.

- *Winners are accountable.* Mistakes may be made and deadlines missed, but winners take responsibility and tell why it happened, what they are going to do about it, and why it will not happen again.
- *Winners are diligent and expeditious.* They want to earn, not just tie up, their clients' business, and they understand that time is money. They are on time for meetings, early with proposals, and prompt in responding to questions. Winners underpromise and overdeliver.
- *Winners are methodical.* They work from a plan, a behavior that comforts clients. Winners always know where they are going and how they will get there.
- *Winners are responsive.* Prospects understand that vendors who are not consistently available while selling will be unreachable with a signed contract in hand.
- *Winners understand their clients' business goals and objectives, obstacles, and opportunities.* Having taken the time to listen, study, and explore, they can provide a clear vision in meaningful terms of how their offering, their company, and they themselves can help achieve the client's business plan.
- *Winners ask powerful questions.* They can reveal unforeseen ways of improving businesses and, on the principle that what you don't know can hurt you, probe for hidden risks.
- *Winners mobilize resources.* Whether it's their own CEO or a third party, they bring in the right person at the right time to help the customer.
- *Winners add value—their expertise in the client's industry.* They are specialists. They maintain an active network of industry associates, customers, and resources; attend meetings and conferences; know the issues; and can quote as well as debate the pundits and luminaries.
- *Winners understand their clients' politics.* They find influential people and give them reasons to help their selling efforts.
- *Winners provide value on every call.* It's part of their personal brand. Their name and their company's name are associated with value. Their phone calls get returned, and they get the meetings they request.
- *Winners are technologically savvy.* They use the latest tools to deliver more value to their customers and to win more business.

- *Winners are competitive.* They not only compete head-to-head with their sales rivals but in the customer's competitive interests as well.

That's clear enough, isn't it? If you hold these principles, strategies, and tactics in mind, you'll be well on your way to the winner's circle.

A final word of warning: There's powerful stuff here. Use it with care—and be magnanimous to the losers.

HOW TO GET YOUR PROJECT FUNDED

The contribution that follows is from a friend and colleague, Tim Noonan. Tim is president of The XSEL Group, Inc., a consultancy specializing in providing business and financial training and tools to selling organizations worldwide.

Capital investment is any outlay of money from which your customer expects future benefits. Capital investments differ from routine annual expenses in that the benefits derived from these investments continue into the future for approximately three to five years, or even longer. When your customer invests in a new piece of production equipment or a new plant, the annual benefits could continue for many years. On the other hand, an existing customer may decide to make a capital investment in upgrading their computer systems, thus deriving benefits for five years or less, at which time they will need to be upgraded again to more advanced computers. The time span for derived benefits is based on the estimated useful life of the asset. Fast-changing technologies like computer systems usually have a useful life or write-off period of five years or less.

As a sales professional, it's important for you to know that capital investments are made by your customers to meet the following business goals:

- To satisfy their customers by providing specific products or services

- To satisfy their owners (stockholders) by maximizing profits
- To satisfy the public by being safe and environmentally correct

You can help your customer meet these goals and objectives with your applications and solutions. What you need to understand and how you go about helping your customer determine the economic benefits of your proposed solution, especially if it requires a capital investment, is the most important activity you can engage in as a sales professional.

Capital investments are usually made for the following purposes:

- To improve productivity
- To increase efficiency
- To reduce overall costs
- To enhance revenues
- To increase quality
- To strengthen competitive position

As a sales professional, it's incumbent on you to assess the profit creation potential of your proposed solution in each of these areas. For example, if you claim you can improve the productivity of your customer's manufacturing process, you must be able to quantify or measure and relate the improvement in the value of usable or marketable output or the cost-effectiveness of a workforce in generating it. Either the value must go up or the cost must go down to certify a productivity gain. Reducing the contribution of labor content or reducing the level of skilled labor required, thereby reducing its expense, is one way. Increasing output per worker is the other.

If you claim that you can strengthen your customer's competitive position through utilizing advanced technology in the order-entry fulfillment system that will improve customer satisfaction, then you must be able to show and demonstrate that this solution will allow your customer to better serve customers. This could be demonstrated by speeding the process of getting customer orders into the system and, consequently, reducing overall cycle time. It is not enough to stop here. You must go to the next step and show or estimate the potential economic benefits—such as reduced inventory levels, reduced receivables, and potential for new business (due to reduced cycle time), to name just a few—which mean increased revenue.

The area to be explored next is the your customers' process to decide on the best use of project funding or capital investments. In most companies, there are more proposals for projects than the firm is able or willing to finance. Each year, your customers go through a capital budgeting process and set aside a certain amount of investment money. At any point in time, there could be a few dozen or more proposals vying for this finite amount of investment funds. The total of the proposals will always far exceed the total amount budgeted. Some of these proposals will be good and others poor, and methods or processes must be developed for distinguishing between them. Essentially, the end result is a ranking of the proposals by internal rate of return and business fit, and a cutoff point for determining how far down the ranked list to go. There are several processes your customers can use to make a final determination of which projects to fund. The essential steps are the following:

1. Identify opportunities
2. Estimate the cost-benefit or total value
3. Evaluate the cost-benefit or total value
4. Weigh each opportunity
5. Decide on the best opportunities
6. Implement the best opportunities
7. Evaluate each investment

As a sales professional, it is important for you to determine early in the sales cycle the critical nature of each project you engage in and where and how it fits with your customer's business goals. Then, craft your sales strategy to ensure closure of the business for you and value creation for your customer.

A powerful tool that you can use to show and demonstrate to the decision makers the financial value of your proposed project solution is called Cost-Benefit ROI Analysis. If you use this tool correctly, it can have a major impact on the acceptance and success of your project. It will build your credibility and confidence level with customer managers and decision makers who understand and use it in evaluating the potential financial benefits of all capital projects. If used properly, it can also substantially reduce your selling cycle and increase your sales margins.

There is nothing difficult or mysterious about cost-benefit or return-on-investment analysis. The math involved is not difficult. You perform a cost-benefit analysis every time you decide to move $100 out of your bank account earning only 2.5 percent per year into a certificate of deposit (CD) that earns 4 percent per year. You make that decision because you know that every $100 you move into the CD will earn $1.50 per year more than it would have otherwise.

Cost-benefit ROI analysis is a measure that tells your customer what it will cost to receive a benefit from the proposed capital investment. The formula is quite simple:

$$\frac{\text{project cost}}{\text{project benefit}} = \text{ROI}$$

Figure A.1:

1. Shows the $30,000 initial investment in a mobile telephone system.
2. Shows the ongoing incremental expense of cellular airtime ($48,000) of the initial investment. Depreciation was calculated using the straight-line method of 20 percent per year.

   ($30,000 x 20% = $6,000 per year for five years)

3. Shows the yearly incremental benefits of a mobile telephone system, which is incrementally $160,000 per year.
4. Shows the profit before tax (PBT) of $160,000.

   (total benefits – total expenses)

   Shows the annual tax implication of 35 percent on the PBT.

   ($106,000 × 35% = $37,000)

   Shows the annual profit after tax (PAT).

   ($106,000 – $37,000 = $69,000)

5. Shows the initial and ongoing cash flows (both outflows and inflows) from the investment.

FIGURE A.1 *Cost-Benefit ROI Analysis*

	Initial	Year 1	Year 2	Year 3	Year 4	Year 5	Total	
Investment/Cost:								
• Mobile Telephone								
• Equipment	($30)						($30)	1
•								
•								
•								
Total Investment/Cost	($30)						($30)	
Operating Expenses:								
• Cellular Air Time		($48)	($48)	($48)	($48)	($48)	($240)	2
• Depreciation Expense		($6)	($6)	($6)	($6)	($6)	($30)	
•								
•								
Total Operating Expenses		($54)	($54)	($54)	($54)	($54)	($270)	
Benefits:								
• Incremental Revenue		$160	$160	$160	$160	$160	$800	3
•								
•								
•								
•								
Total Benefits		$160	$160	$160	$160	$160	$800	
Profit Creation:								4
Profit Before Tax (PBT)		$106	$106	$106	$106	$106	$530	
Less Taxes (@ 35%)		($37)	($37)	($37)	($37)	($37)	($185)	
Profit After Tax (PAT)		$69	$69	$69	$69	$69	$345	
Add Back Deprec. &		$6	$6	$6	$6	$6	$0	
Cash Flow	($30)	$75	$75	$75	$75	$75	$345	5
Cumulative Cash Flow	($30)	$45	$120	$195	$270	$345		
NPV @ 10%	($30)	$68	$62	$56	$51	$47	$254	6
IRR	250%							7
Payback (Months)	5 Mo.'s.							8

6. Shows the NPV (net present value) using a cost of capital or discount factor of 10 percent. The discount factor is applied to each year's cash flow figures. For an investment to be attractive, the NPV must be zero or greater. In this illustration, the NPV is a positive $254,000 and is truly an outstanding investment.
7. Shows that the IRR or ROI on this investment is 250 percent.
8. Shows the payback of the investment of five months. Payback is the number of months or years required to return the original investment.

For your proposed investments (solutions) to succeed, you first must determine what key business results your customer wants to achieve: higher customer retention, shorter sales cycles, or lower investment in inventory, for example. Next, identify and map all the processes that go into making that happen. For example, let's assume that you have a solution that will result in a higher customer retention rate. A higher customer retention rate depends on higher customer satisfaction. Satisfaction is derived from successful interaction with the customers. What processes in your customer's organization pertain to customer interaction? Ringing up sales at the checkout counter? Processing catalog orders? Answering the customer support phone lines? Once you understand how your customer operates, you will be able to pinpoint the processes that drive success; you will then be in a good position to recommend improvements to those processes.

Mapping processes—benchmarking the cost of processes—as they are currently handled, will help you distill which of your solutions will have a real impact on your customer's bottom line.

For you to create customer value, your solution must add measurable improvements to the process. If you first measure the cost of your customer's current processes, it's easy to quantify the value of the improvements you hope to achieve.

The following quote from Lord Kelvin, one of the world's most renowned mathematicians, sums up the importance of quantifying the value you create for your customers: "When you can measure what you are speaking about and express it in numbers, you know something about it; but when you cannot express it in numbers, your knowledge is of a meager and unsatisfactory kind."

Articles, Books, and Other Resources

- www.HowWinnersSell.com

Business Information Portals

- www.ceoexpress.com
- www.brint.com
- www.executivelibrary.com
- www.business.com

Telephone and Addresses

- www.switchboard.com
- www.verizon.com
- www.anywho.com

What Board Members Read

- www.thecorporatelibrary.com

Information about Industries, Companies, and People

- www.corporateinformation.com
- www.spireproject.com
- www.KnowX.com (fees for some reports)
- www.hoovers.com (subscription)

- www.freeedgar.com
- www.sec.gov
- finance.yahoo.com
- www.lexis-nexis.com (subscription)
- www.10Kwizard.com (fees)
- www.thomasregister.com
- www.DandB.com (fees)
- www.bizminer.com (fees)

Search Engines

- www.alltheweb.com
- www.altavista.com
- www.google.com
- www.excite.com
- www.teoma.com

Business Magazines

- *Fortune* www.fortune.com
- *Forbes* www.forbes.com
- *Business 2.0* www.business20.com
- *The Wall Street Journal* www.wsj.com (subscription)
- *Fast Company* www.fastcompany.com
- *BusinessWeek* www.businessweek.com
- *Inc.* www.inc.com
- *CFO* www.cfo.com

Information for Sales Professionals

- *Selling Power Magazine* www.sellingpower.com
- *Sales & Marketing Management Magazine* www.salesandmarketing.com
- SalesVault www.salesvault.com
- Sales and Marketing Executives International www.smei.org

About the Author

Before he founded his consultancy, The Stein Advantage, Inc., in 1997, Dave Stein held various positions in several successful corporations—computer programmer, systems engineer, sales representative, and sales manager, followed by executive and senior executive positions in sales, worldwide sales development, marketing, international operations, client services, professional services, and strategic alliances.

During the early 1990s, Dave lived and worked in Europe, initiating international operations for the technology company he helped to build, Datalogix International, which was later acquired by Oracle. In the decade since, Dave has focused on coaching experienced sales teams worldwide, for companies from $5 million in sales to the Fortune 100. His unique skills in devising competitive sales strategies and articulating business value to executives, combined with the success he has brought to his clients, make Dave much in demand as a speaker, author, consultant, coach, and trainer.

The Stein Advantage is a New York-based consultancy that works with CEOs, vice presidents of sales, business development and marketing executives, sales managers, sales support staffs, and sales teams alike in a wide range of sales-related business projects. Companies leverage The Stein Advantage's diagnostic and remedial expertise to hire top sales professionals, overcome tough competitors, motivate their sales forces, and refocus their selling efforts to achieve new levels of credibility and differentiation with the higher-level executives to whom they are selling.

Dave Stein is also an instrument-rated pilot, airplane owner, bicyclist, skydiver, scuba diver, firewalker, yoga practitioner, and early adopter of technology, along with being a recognized expert on business-to-business sales, marketing, and service. He is a professional member of the National Speakers Association, as well as a speaker for and member of Sales and Marketing Executives International. Dave is a native New Yorker with two grown daughters. He and his wife live and work north of New York City and on Martha's Vineyard, Massachusetts, with their dog and two cats.