

# The Sales Gazette

Sales Mastery Forum

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## GETTING STRATEGY RIGHT

When senior level sales people are asked for their observations of what differentiates the selling practices of top vs. average performers, a consistent response is: *“The best sales people think and act strategically and the best sales managers help them learn how to do it.”*

If one has the courage and fortitude to wade through a modern collection of “how-to” selling books, the importance of selling strategically is a theme echoed time and time again - the larger and more complex the sale, the louder the advice. However, advising someone to sell strategically is somewhat akin to suggesting they “sell smart” – a great idea, but a little vague unless you can provide some specifics about *how* to do it!

So what are the specifics? What is required to get strategy right? Those who are good at it have several things in common. Some of those things are by-products of innate talents such as creativity. Realistically the sales person must bring those abilities to the table. On the other hand a vast majority of the selling skills required to be a top performer when it comes to thinking and acting strategically are, in fact, learnable. So, let’s explore four key performance areas which are learnable and which are highly correlated with formulating and executing winning sales strategies.



**Selling Value.** If you’re trying to get better at selling strategically a great first challenge is to abandon the price sale and move to selling value. How do you make the switch? For starters, a great piece of straightforward advice is: *Keep it simple – selling value is first and foremost about*

*developing a thorough understanding of the customer's business.* Get to know the customer's business better than anyone else. What's different about the customer's future direction vs. where they've been in the past? What's the customer's value proposition to their customers? How are they trying to differentiate themselves in their market? If a sales person can't answer these basic business questions, then they can't sell value and; consequently, they're trapped into selling price by default.



A correlated best practice for selling value is developing a better understanding of the business environment. Events occur in the business environment that positively or negatively impact what you need to do strategically. Top performers are aware of, manage and influence these events. These events tend to fall into three categories:

- **Business Context** – e.g., a new competitor
- **Your Company** – e.g., a new product introduction
- **Your Customer** – e.g., your internal champion leaves

Bottom line: it is extremely difficult to think and act strategically and sell value if you are not savvy about what is going on in the surrounding business environment.

Next, it is helpful to remember the **Triple Crown**.

- The first jewel in the Triple Crown is the notion that **products have no inherent value**. Products possess features; they do not possess value. If a product does not address a need that matters it has no value. Implication – in order to sell value you must be able to tell a compelling story about the fit between your product and services and the customer needs. It's about solutions not products.
- **Value migration** is the second component of the Triple Crown. Whether you analyze it from the perspective of the individual, organization, or an entire industry, what constitutes value tends to shift over time. Implication – a sales person must be aware of and be an early warning system for Value Migration.

- Last, **value is positional and situational**. What value means to any COO or Administrator is different in every organization. And people holding the different positions in the same organization have different views on value. Implication – there are no generic customers; how you sell value must be customized to every individual.

**Networking.** *A big piece of selling strategically is simply getting the right message, to the right person, at the right time.* Networking is about knowing who's who and having relationships characterized by superior access and credibility.

In regard to the who's who piece, the entry level requirement can be summarized by the following three questions:

- Which people will be involved in the buying decision?
- What's the importance of the role each will play – is Lee Harris the key decision maker or simply a minor influencer?
- What are the players' opinions of your company – are they internal champions, adversaries or do they have a neutral position?

If the answer to these questions is in doubt, then the doubt must be removed.

Everyone knows it, some because of experience and some by a leap of faith. A big piece of winning is about building and managing customer relationships. So what are some of the key success factors – first some fundamentals.



- If you don't know – don't pretend
- Do what you say you are going to do
- Own up to problems and mistakes
- Appreciate the arts of discretion and timing

*The thing about the fundamentals is not the knowing – it's the doing. The key, for example, to “do what you say you are going to do” is consistently and reliably delivering on that promise day in – day out. One can do a lot of other things really well plus have a great product but if the fundamentals are lacking, building great relationships and winning against a strong competitor is a hit and miss proposition.*

In addition to the fundamentals there are some best practices for building relationships in a complex sales environment. Three deserve particular attention.

- First, it is useful to **separate business issues from relationship problems**. Relationship problems stem from misperceptions, poor communication or lack of understanding – a better business deal won't help. For example, frustrations can run high if you fail to deliver on a promise. A concession on price is unlikely to resolve such a fundamental communication problem; it may even make it worse. Instead, one might search for ways for all parties to “vent” their frustrations as a first step towards addressing the situation.
- Second, **in all complex sales there is some lack of disagreement around an issue that is important to both parties**. On the other hand, there is almost always some common ground – the customer wants something that you can provide or appreciates something you have done. So leverage the common ground to build the relationship and to provide a foundation for addressing unresolved issues.
- Lastly **be up-front about “showstoppers.”** Showstoppers are constraints where, due to some legal, regulatory, or fundamental company policy reason; there is no room discussion. The key is to get these issues on the table. Top performers share showstoppers early, and equally as important, they help the other party do the same. By sharing these constraints, you can reset expectations and avoid surprises that will probably look like a trick to the customer.

**Managing the Competition.** As the old saying goes – “you have to keep your eye on the ball” and the ball is the customer when it comes to formulating an effective sales strategy. It is easy to take your eye off the ball and fall prey to the trap of getting in a defensive mode by reacting to the competition. It is critical to stay focused on the customer’s needs, challenges and concerns. *Top performers focus on the customer and manage the competition by knowing more about them than the other way around.*



If you focus on the customer and can answer these four questions about the competitor you can probably develop a strategy where you win and they come in second.

- **Capacity** – What is your competitor’s major capabilities and limitations?
- **Assessment** – What does the customer think about the competitor in regard to the present specific opportunity?
- **Performance** – What is the competition presently doing exceptionally well and poorly and why?
- **Strategy** – What is their strategy for the account?

In addition to the above, there are a couple of strategic perspectives about managing the competition when selling in a complex market that are helpful for formulating a more effective strategy.

- **Dealing with Passive Competition** – Sometimes the most challenging competition is the customer “doing nothing.” In those situations one needs a strategy for overcoming the no-decision momentum.
- **Broadening the Definition of Competition** – Often the competition is not for a similar product but a “competition for dollars.” The competitor is selling an entirely different product but you are competing for the same budget dollars.
- **Differentiating on Added Value** – Your core product and the competitor’s may not be significantly different. It is then critical to differentiate yourself by profiling the value of all the other services and assistance you extend to the customer.

**Selling at the Senior Level.** In major sales the probability of capturing the business is significantly reduced if you can not successfully sell at the senior level. If the competition has that access and you don’t, there is a significant limitation on your ability to differentiate yourself.

In some situations the first challenge is one of access. Relating to a previous point, can you gain access to the right senior person at the right time? Here, the research is clear and straight forward. The two most effective approaches for gaining a meeting with a senior person are a recommendation from inside the organization or a relevant referral from the outside.

So let's assume the first challenge – gaining access is accomplished. What are the success factors for the actual interaction with a senior level manager or executive? Are they the same as calling on anyone else in the organization? The short answer is probably yes and no. Of course there are some similarities. More importantly, however, there are some distinct differences as to what drives success at the senior level. Let's explore a short profile of what the research says about success at the senior level:



- **Business Goals and Strategy** – First, this is not the place for “uncovering needs” – that homework needs to have been accomplished. Senior people expect you to know and understand their needs, goals, and business strategy. That is basic information at the senior level.
- **Mastery** – A second expectation relates to having a comprehensive understanding of your company's capabilities plus what you have done and are doing for the organization. And, if something is not working – why is that.
- **Creating Value** – Senior level people are concerned about a set of issues driven by the nature of their position. Value at this level is more about business and financial impact than solving day-to-day problems – more about developing a shared vision of how to work together than how to buy something and more about institutional fit with your organization than connections related to products.

**Summary.** In a major sale you have to have a well thought out plan of action for achieving a competitive advantage. Simply planning one call at a time will not be sufficient to increase your success rate in a highly competitive marketplace. You need a strategy for winning and the recognition that great strategies are always a work in progress.