



NETSEA Quarterly Session

Integrating the C-Suite to Drive Revenue Productivity

Mike Bosworth

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Trends Since 2000

- It is no longer the “seller’s market” of the late 90’s
 - Y2K took “No decision” off the radar screen
 - Buyers were actively acquiring technology
 - More uncertain business climate
- Vendors are trying to be *perceived* as customer-centric
- The internet is changing sales cycles
 - Interest processing
 - Interest generation



Information Gives Buyers Power And Control

1970's – late 1990's (pre-internet)

Vendors/sellers had the latest information that prospects wanted – vendor interaction was *required*.

Late 1990's - today

Latest information available “on demand”

- Web site
- Blogs
- Discussion Groups
- Google

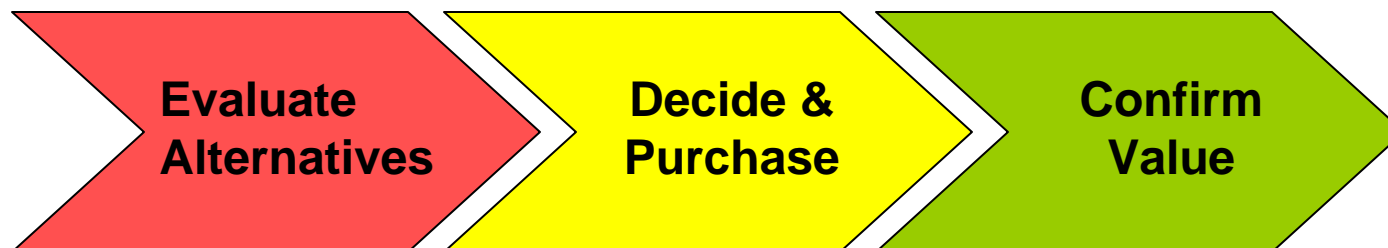
Vendor interaction has become *optional* prior to deciding to evaluate.

When Are Vendors Being Contacted?

Pre - "commitment"



Post - "commitment"



***Commitment = (commitment) to expend resources, evaluate, etc..**

Escaping The Black Hole, Bob Schmonsees

Website & Collateral Strategies

- Who are you attracting to your site?
 - Technical buyers
 - Business buyers

- What is the website experience for these two groups

- Consider the danger of providing too much detail
 - Some vendors are losing without being contacted



We're Customer-Centric Because I Say So

Can you walk the talk when it comes to customer-centricity? If you hope for your business to survive with today's empowered customers, you're going to have to. And it doesn't work to just say your business is customer-centric. Not even if you shout it from the rooftops and come up with new slogans, new branding and a fancy new way to spell the company name.

Gwen Young
Editor
CRM Guru
July, 2006



Barriers To Becoming More Customer Centric

- Buyers' views of salespeople and selling
- The organizational definition of selling
- Product training treats offerings as nouns, not verbs
- CRM limitations in improving customer buying experiences
- Minding the customer's experience



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How Are Salespeople Perceived?

How many of you had a mother that had a vision for you, her child, that you would have a career as a salesperson?



From A Buyer's Perspective What Is Selling?

- Convincing?
- Persuading?
- Getting someone to do what you want?
- Overcoming resistance?
- Handling objections?
- Taking at least 5 "NO's" before giving up?

Buyers Stereotype Salespeople

Until proven wrong buyers assume salespeople are:

- Aggressive
- Insincere
- Manipulative
- Obnoxious
- Prone to exaggerate
- Anxious to tell “everything you ever wanted to know”
- Poor listeners
- Likely to do what’s best for them, not the buyer
- Not trustworthy



People Would Rather Buy Than Be "Sold"

Objective: Buy a new television that meets your needs.

Two scenarios:

- A buyer who is unaware of their needs
- A buyer who knows what you want

The salesperson's role is different in these scenarios.

What Is Customer Centric Selling?

Asking directed questions to help buyers visualize how to **use** your offerings to:

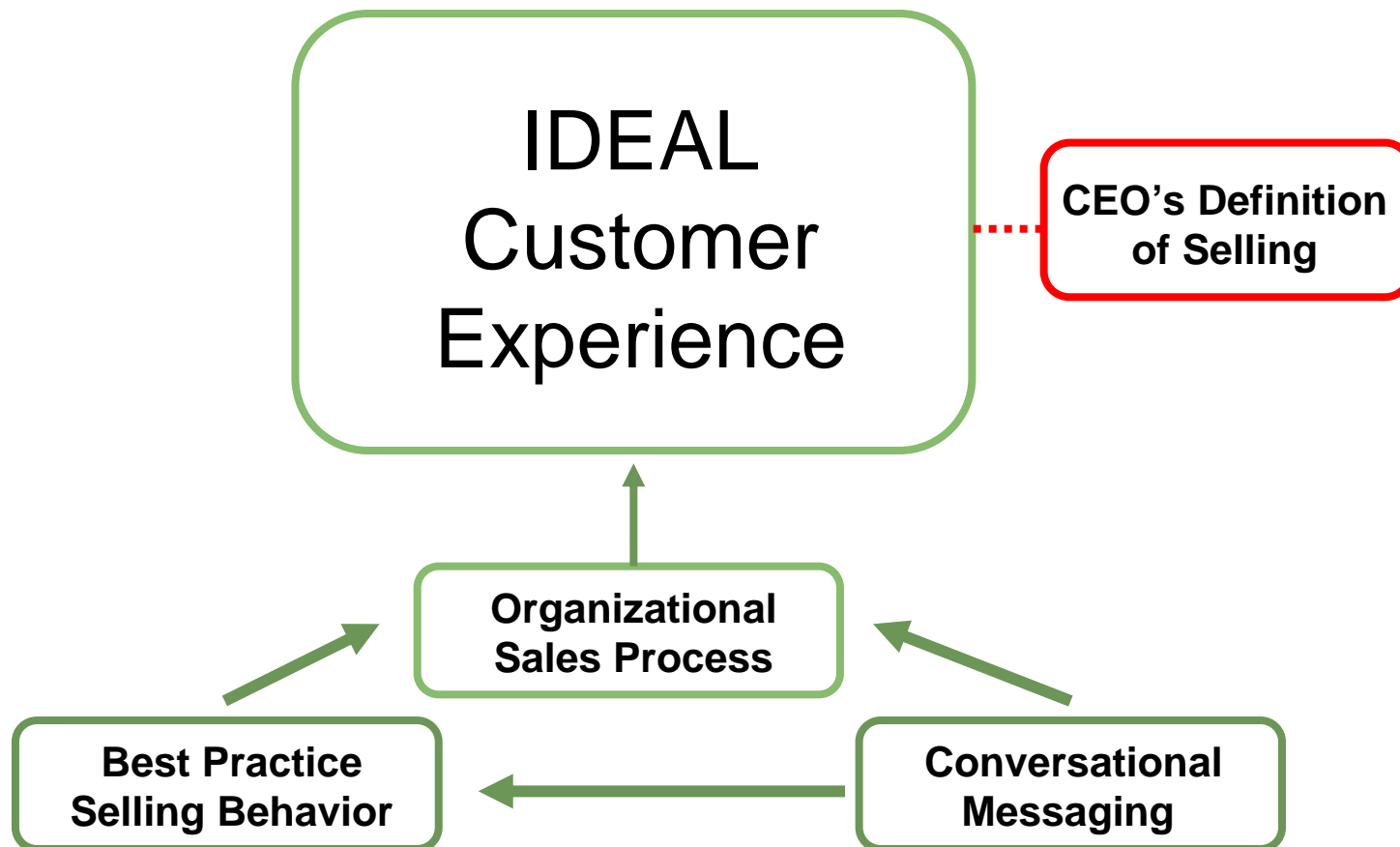
- Achieve a goal
- Solve a problem
- Satisfy a need

and facilitating a mutually determined buying process.

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Barriers To Becoming More Customer Centric





Many CEO's Delegate The Customer Experience

Organizations develop reputations for how they treat customers and how they sell. Some are perceived as:

- Aggressive
- Arrogant
- Technology-centric
- Quarter to quarter deal makers

When senior executives delegate the customer experience, often the style is set by the VP Sales.

How Does The CEO Define Sales?

CEO A

- Convincing
- Persuading
- Getting buyers to do what we want, when we want
- Overcoming resistance
- Handling objections
- Taking at least 5 "NO's" before giving up

CEO B

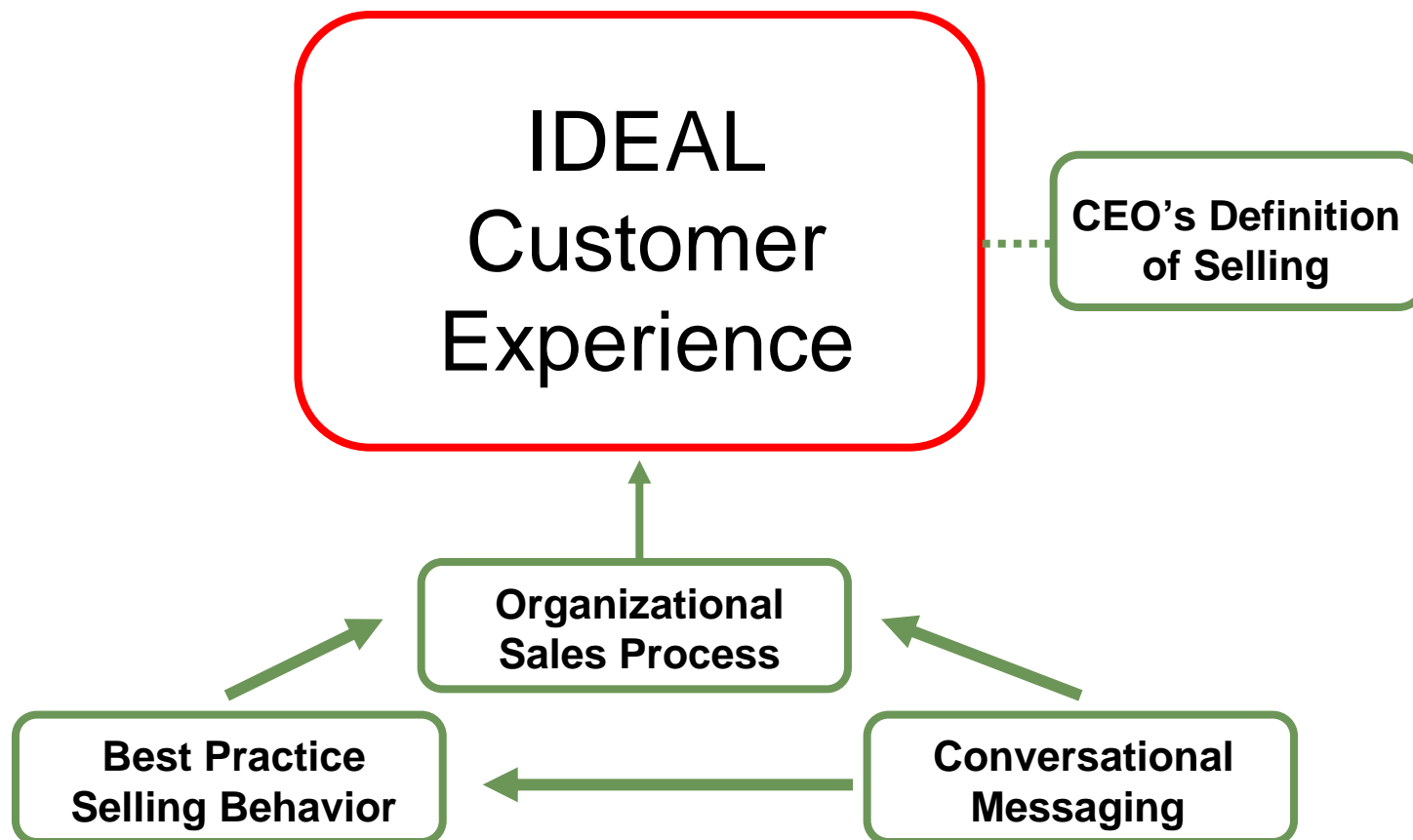
Asking intelligent questions buyers are capable of answering to help them visualize how to *use* our offering to:

- Achieve their goals
- Solve their problems
- Satisfy their needs

and facilitating the buying process.

"The CEO's definition of selling is the "DNA" of the customer's experience."
Gerhard Gschwandtner, Selling Power Magazine

What is The Basis For Your Sales Process?





A Question To Consider

How do your customers like to buy?



Whose Process Is Being Used?

"Over 90% of companies implementing a structured sales process in their CRM system never took the time to identify and document their customers' buying processes."¹

"90% of opportunities don't close as forecast."²

¹ Escaping the Black Hole by Robert J. Schmonsees

² CSO Insights

Timing Of Buying Decisions

For an opportunity you've been working on for over 90 days:

- Predict the date it will close (forecast?)
- When does the buyer think they will buy?
- Whose date will be earlier?

Reverting Back To The Stereotype

If you've attempted to be customer centric through a buying process, what happens if you close before a buyer is ready to buy?

1. You are no longer a buying facilitator
2. You try to "sell" the buyer
3. You may try to overcome resistance
4. Buyers feel pressured
5. You could lose the sale
6. You may have to discount

How often is closing done on the vendor's agenda?

How do you know when it is time to close?



Whose Buying Process Is Used?

1. The buyer's
2. A third party's (Consultant)
3. Your competitor's
4. Yours
5. "Ours"

How do you allow customer input into the buying process?

Negotiating Buying Cycles



Week of	Activity	Billable	Responsibility
May 28	Prove capabilities to committee members		ABC Systems
June 9	Survey current system	\$20K	ABC Systems
June 11	Implementation plan developed with IT		Both
June 11	Share survey results and provide estimated cost		ABC Systems
June 18	Facilitate Cost versus Benefit analysis		Both
June 18	Define success metrics		Both
June 18	Provide contracts for legal review		ABC Systems
July 4	Gain legal approval of contracts		Both
July 11	Corporate Visit		Both
July 18	Pre-decision review		ABC Systems
July 25	Deliver proposal		ABC Systems
Aug 2	Begin Implementation		Both



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Noun Oriented Product Training

“It’ will improve your sales forecast!”

“It’ will increase your productivity!”

“It’ will reduce your customer churn!”

“It’ will reduce your cost of sales!”

How will “IT” do it?



Seeing The Solution Before The Buyer

A buyer states:

“Our costs are too high.”

The seller responds:

*“Our software improves productivity.
It will reduce **your** costs.”*



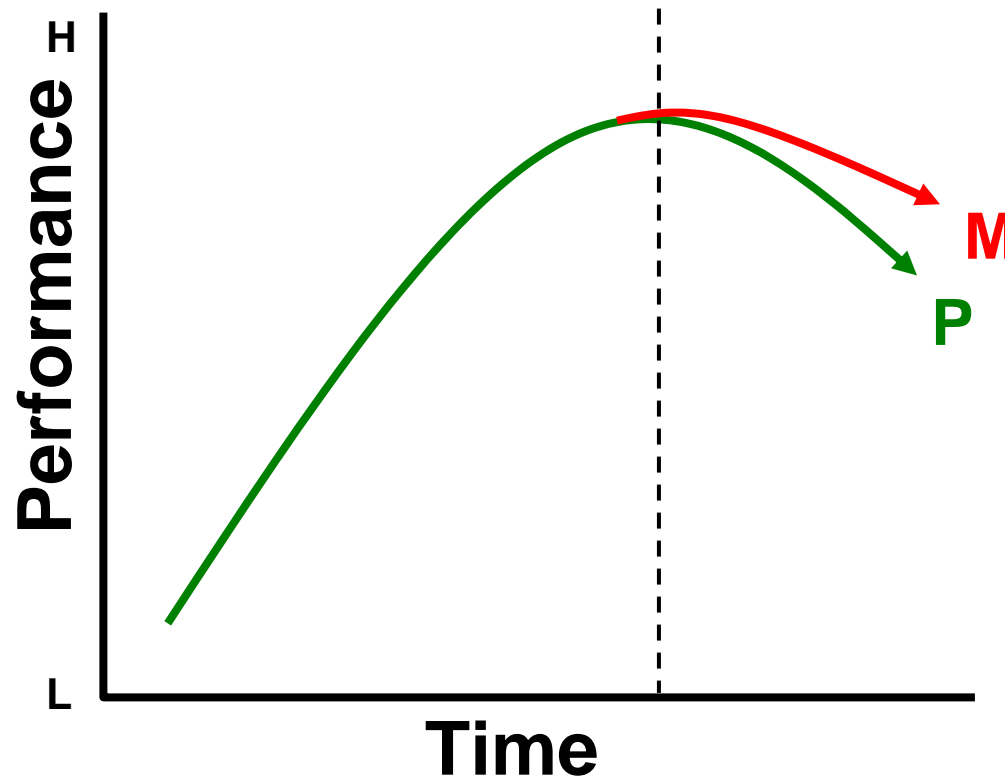
Possible Buyer Reactions To Seller's Statement

- Fact or opinion?
- How do **you** know **our** costs can be reduced?
- How will **our** costs be reduced?
- Who will do it?
- Why should I believe you?
- How many times have I heard this before?

Sales Performance Over Time

$$E + E = E$$

18 Months



How Do You Communicate With Buyers?

STATEMENTS

- Invite contradiction
- Can cause misalignment
- Attempt to impose your opinion
- Make “conversations” one-sided

Tell if you want your buyers to feel “sold.”

QUESTIONS

- Invite participation
- Facilitate alignment
- Allow you to first understand, then seek to be understood
- Allow others to add value

Ask if you want to facilitate buying.

Executive Buyers

- Know products don't achieve business results
- Don't believe sellers who take ownership for results
 - Discount “value propositions”
 - Prefer to have their people empowered to achieve results
- Want to:
 - Understand product usage
 - Delegate understanding products to IT and users
 - Know who to hold accountable for results and how



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An Attempt To Automate Sales

- SFA software became popular in the early 90's
- It was developed to benefit senior management of vendors
 - Increase revenue and control of the pipeline
- Salespeople didn't derive much benefit
 - They were the people doing the data entry
- By the mid-90's, SFA had delivered disappointing results
- What was being automated?
- The name of the application was changed to CRM and the capabilities were extended

How Customer Centric Is CRM?

- The only place the customer comes first is in the name
- The major beneficiaries are executives of vendors
 - Should it be RPM (Revenue Pipeline Management)?
- One of the first steps is defining your pipeline milestones
 - How companies want to **SELL** buyers
- It doesn't improve the customer buying experience
 - Can software manage relationships?
 - CRM doesn't help salespeople have better conversations with buyers
 - It just historically tracks buyer interactions



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Who's Minding The Customer's Experience?

CEO says:

"I want our sellers to represent our company professionally; I want them to exceed their quota; I want them to bring in the business before the end of the quarter."

VP Sales says:

"I want our sellers to bring in their number; I want them to exceed their quota; I want them to be able to negotiate."

VP Professional Services says:

"I want our sellers to set realistic expectation levels with our customers."

VP Marketing says:

"I want our sellers to push our new XYZ product; I want them to sell the products of our newly acquired division."

VP Finance says:

"I want our sellers to sell the products with the highest margins; I want them to spend the company's money as if it were their own."



Who's Minding The Customer's Experience?

Mike Bosworth says:

“I want your sellers to ask intelligent questions to help decision makers visualize how to use your offerings to achieve a goal, solve a problem or satisfy a need in their business”

What Are You Training Them To Do?



Ideal Customer Experience (CEO B) Example

- Our potential customers will be allowed to be curious about how we have helped similar job titles deal with similar issues.
- Our potential customers will be given an example of a success story only when they ask us to "tell me more."
- Our potential customers will be asked questions about their current situation only after they have admitted a problem or shared a goal.
- Our potential customers will only be offered potential solutions that will empower them to retain control of their problem or goal.
- Our potential customers will hear only facts about our company's credibility rather than opinions of our salespeople.
- Our potential customers should experience our sales people as individuals with a desire to help them achieve their goals and solve their problems by using our products.



Does Your Sales Process Encourage Salespeople To ...

utilize conversational messaging to get potential targeted buyers who are not yet looking curious enough to look?

utilize conversational messaging to help “the curious buyer” become interested enough in your offerings to share a goal?

utilize solution development prompts to ask directed diagnostic questions to help their “interested buyer” explore the constraints preventing them from otherwise achieving their shared goals?

utilize solution development prompts to help their interested buyers understand how by using your product, they could achieve stated goal, solve a specific problem or satisfy a need?

to *document* the buyer’s goal(s), current constraints, vision of a solution, and ask for the ability to process the goals of all other Key Players in the buyer’s organization needed to get their offering sold, funded and implemented?



Does Your Sales Process Encourage Salespeople To ...

negotiate a Sequence of Events with the Key Players of their large, complex opportunities that will lead them to an eventual go or no-go decision?

help all targeted Key Players understand the value of their individual and organizational use of your offering?

help financial decision makers document the cost versus benefit of their potential solution?

to negotiate effectively and not cave to pricing pressure from the buyer?

establish success metrics with each new customer and facilitate the measurement of the metrics on a quarterly basis?

Are you institutionalizing your best selling practices?

Summary: Being More Customer Centric

- Avoid stereotypical behavior
 - First understand the buyer's goals and situation
 - Empower buyers by asking versus telling
- Develop an organizational definition of selling
 - Avoid taking ownership for business results
- Offer product training about usage and business results
- Align your CRM milestones with how customers want to buy
 - Try to integrate your prospect's buying process
 - Consider negotiating sequences of events
- Mind your customer's experience

Q & A