

Destined To Fail

In today's business world more and more companies, particularly in Financial Services, are looking to technology to deliver differentiation on product, improvements to client service and meet compliance and regulatory demands. This increasing dependence on technology provides huge opportunity for the IT supply chain but in turn increases the supplier risk that these companies will carry. As such it would be reasonable to expect the procurement process to become more rigorous.

John Mitchell shares 5 mistakes people make when selling IT into banks or large corporates

When it comes to selling, the key area where companies and their people struggle is that they fail to establish credibility with the customer during the buying process. Which obviously begs the question - what do I mean by credibility?

Well, we all have had, at some point or other, builders and other tradesmen into our houses to do some work. If that work is likely to be pricey, the first thing we do is get some quotes by inviting the people in and doing some form of vendor selection. So, which one do we end up going with? As illustrated in Figure 1, there are multiple factors to weigh up. It probably won't be the cheapest you choose, and I suspect it will more than likely to be the one with whom we felt most comfortable and who has given us a warm feeling that everything would go smoothly.

It is well worth reflecting the next time you do this on what it was that he or she did that got you to that state of mind. In the world of IT software and services, those things might be anything from the people, the marketing material, proposals, presentations, right the way through to tender responses. I cover some of these in this article, but essentially **the buyers are looking at the risk of doing business with you**. If some components during the buying process do not come across as credible then a seed will be sown that the end product may be equally deficient.



Figure 1: The buyer's balance.
The most important thing you need to understand is that throughout the buying process there is this subconscious hidden agenda

The Mistakes

It is easy, having been a buyer for a long time, to be over critical, but I have seen and heard things that really made me wonder about which sales school some people had been to (or not as the case may be) and why their companies allowed them to do this. From a fairly long list, I have selected 5 illustrative aspects that are, by their very nature, complementary.

Mistake 1: Understand the buyer

The overriding thing here is that many sales people are, perhaps unsurprisingly, unable to put themselves in the shoes of the buyer as they do not appreciate or understand what I, as a buyer, have to go through in order to buy something.

Having worked in banks and large corporates, I can share with you that they are very complex organisations. Few people get the opportunity to work in many parts and therefore tend just to know about their silo and rely on others to do their bit during the very lengthy buying process.

This makes it difficult to manage the integrity of the whole piece as internal resources have to be obtained through a prioritised process, and frequently what you get is of a variable skill level. There are many stakeholders involved, all of whom may not have a vote but definitely have a say in the selection of a vendor. For example, in the case of a bank buying a complex application package there could be as many as 22 people involved.

Additionally, there are cumbersome and lengthy processes that few understand the purpose of but still have to be completed. For example, project managers are measured on a milestone basis so the procurement process is date not quality driven. It is more important to get the RFP out than whether it is fit for purpose.

The insane and self-defeating length of time vendors are given to respond is again due to there being a date for responses being received in the project plan. The fact that the responses are, as a result, not as a good or helpful as they could be does not seem to matter.

Due to reputation, regulation, data volumes, performance and scalability, the technology requirements are always particularly demanding.

Without doubt, there is a culture of being risk averse by which I mean 'if it goes wrong it won't be seen to be my fault'. This becomes clearly evident during the final vendor selection committees.

The Take Away

So, if that is some of what I have to deal with, those companies that can relate to those issues and position their sales approach accordingly will clearly create an advantage for themselves.

Mistake 2: The failure to bring Added Value to life in terms that mean something to the customer

During the buying process, a lot of sales people use the phrase 'we add value' or something similar. They do this as a potential differentiator and also when discussing price with the procurement people to justify their proposed costs. What most of them then fail to do is to bring that to life in terms that mean something to the customer.

To help explain what I mean, if you can visualise an iceberg with the price being the visible bit, the value then lies below the surface. To be different from your competitors you should analyse and describe what this value could be and establish what that might be worth to the potential customer. During this very interesting and rewarding exercise, it is worth remembering that companies do not exist to buy things – so how can you assist their success in selling. Also, analyse how you can assist in taking cost out of their business. This could be an

actual cost or alleviating some pain point. Read the two examples for further ideas.

Example 1:

I was role-playing an underperforming salesman as a favour to his director. The company was effectively selling testers, i.e. people. He was a junior salesman and after saying that I met a lot of people who sold testers, I asked him why I should buy from him (being the very important 'why you' question). His answer was 'it is the quality of our people'! After a pregnant pause, I asked him why the quality of his people was any better than the quality of the other companies I saw. He was totally unable to bring his statement to life in terms that meant something tangible to me. I later worked with a similar company who as a result became able to do just that and began winning significant testing contracts because they could differentiate themselves in terms that meant something of value to the customer.

Example 2:

When working with a bank to buy an application software package, one of their largest costs and biggest pain is that of the end-to-end testing process. The thought then occurs that it might be of significant value to them if you could say and bring to life 'our code is of such a good quality that you may not need all the testing cycles that you are currently planning'. With an internal team of around 40 people there may be significant savings to be had, but even if they don't take you up on it what a powerful and empathetic statement that was.

If you want any more ideas on pain points, just think about the way companies invoice for expenses and the budget forecasting pain that creates for project managers.

The Take Away

If you are unable to find any tangible and meaningful added value, and therefore end up trading on price, do not be surprised when you are treated just like a commodity supplier.

Also, it is worth remembering that customers do not choose to buy from you just because you offer great features, functionality and benefits. They choose the vendor who can provide the most value – to their business as well as on a personal level.

Mistake 3: The failure to use credible materials

Through working with many different-sized companies, I have become aware as to how many sales people find it difficult to write credible formal business documents. There is distinct tendency to write lengthy and verbose documents perhaps from a sense that these papers lack credibility if they are not full of lots of words. This is particularly true for proposals and tender responses. With younger or inexperienced people or as people move from other disciplines into sales this is perhaps understandable as they may have not had to write anything since their A levels or thesis. We have all read things that made us say to ourselves:

- **What was that all about**, I didn't understand what they were trying to say
- **I am confused**, as the point being made is ambiguous
- **The look and feel of this is so bad** that I cannot be bothered to read it, which is a shame as it might have been quite informative; this is often manifested by the typeface and fonts being too small or fancy and perhaps the huge number of words in a paragraph

Formal tender responses are particularly bad for this; I have examples of people writing 80 odd word sentences within a bigger paragraph. As I couldn't really understand the answer and the person who wrote it clearly didn't have the reader in mind I scored the answer a 'no', which was a shame as it was a MUST requirement.

In practically every bit of written material I have been presented with there is a high volume of what I call '**weasel words**' which are words and sentences that do not impart any useful information and fail the 'so what' test. In other words, if after reading them I come away thinking 'so what' then that information did not need to be there as it gave nothing of relevance or value to the customer.

In these days of Tweeting and text speak there is an argument that says spelling, grammar and punctuation do not particularly matter. However, a small example of what difference it can make to the meaning of something is the three words 'Let's eat grandma'. This can come across as:

'Let's eat grandma' or 'Let's eat, grandma'

The insertion of a comma ensured what I hope was the correct meaning!

I suppose the style and language used depends a little on what you are selling and to whom. However, in the world of selling IT software and services to large corporates and banks, where the need for quality in your product or service is paramount, I would argue that anything that paints a different picture could come across negatively:

- **Communicating effectively to the customer is not important to you**, so there is a risk that the wrong perception may be taken and you get rejected from the buying process.
- **'They don't pay attention to detail'**, suggesting the risk that your technical or user documentation will be as bad which is not a good thing.
- **'We don't care about you and your needs'**, suggesting the risk that you won't be there during the difficult times in the project. Again that may be enough to cause rejection from the process

The Take Away

It is really worth remembering the truism that 'less is more', which is particularly relevant in proposals, executive summaries and beauty parade presentations.

Mistake 4: The failure to establish an empathy with the buyer or buyers

A venerable and successful salesman once told me that he had never sold in his life, he had just had conversations. Whilst simplistic, it is true that successful sales people tend to be those that manage to establish an empathy with the buyer or buyers.

Through having a conversation, rather than a scripted sales pitch, it becomes easier to determine the buyer's needs and pain points, and therefore establish an empathy or rapport. It is worth remembering that we are all buyers. We buy from pubs, restaurants and supermarkets. We buy from plumbers and builders for our homes. In fact, we probably buy something every day.

When buying, we have an expectation as to how we would like to be treated and what it is we want to know and hope that we get that from the prospective vendor. In fact, if we don't get the information in a way that we understand or don't like the people, for whatever reason, we tend to go elsewhere. Why is it then that when we become a 'sales' person we forget all that and do something completely different?

We launch into a sales pitch that imparts the information that we want to say, about what it is that we want to sell, completely forgetting to undertake the questioning and listening that would have actually told us what the opportunity might be. The upshot is that there is a complete mismatch of expectations and we go away thinking that 'that was a good meeting, think I got my point across really well' and 'perhaps I should put something in my sales forecast'.

However, on the other side of the table the poor person who had to sit through it all just puts a cross in the relevant box. Salespeople who can present their products or service in the way that their prospect wants to perceive it will be more likely to make the sale.

The Take Away

Finally on empathy, it is worth remembering that you are having a meeting with the customer because both parties agreed to it. As shown in Figure 2, that should indicate any or all of these to you:

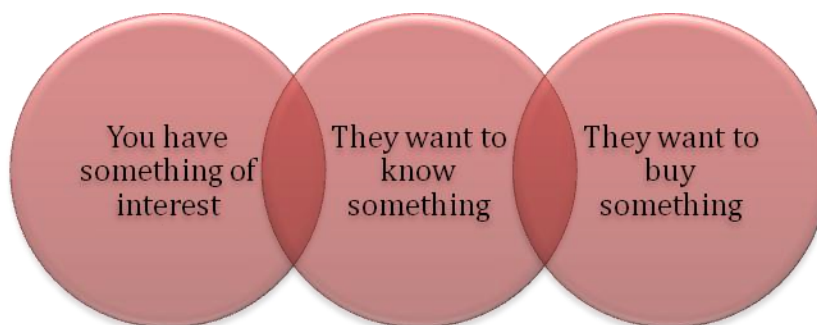


Figure 2: Reasons a buyer will be talking to you.
In all cases, it is worth finding out what it is and its context and then you will be in a position to have a credible conversation.

Mistake 5: The failure to build on an initial sale

I think it is a great pity that when all the difficult customer engagement work has been done, the deal has been won and the project in delivery, so many companies take their eye off that ball in pursuit of new business opportunities. I can understand the numbers pressure of getting new customers but there is strong argument

that says new business can also come from existing ones, particularly with large corporates and banks where there are so many disparate businesses.

To get repeat business across an enterprise requires that the empathy and added value generated during the buying process to be maintained on an on-going basis through an effective and committed account management model. This represents quite a commitment, especially for smaller companies, but there is no doubt that it repays itself many fold.

Those companies who succeed at this are **perceived as a supplier of choice**, which means business comes to you through internal recommendation as opposed to you having to bid for it. There may be occasions when for probity reasons you have to go through a tender process, but from that position of trust you may well be invited to write the thing in the first place. To me, this is relationship-led selling at its best and I do not understand why more companies do not exploit this obvious channel.

Mind you, I do not understand either why companies promise the A team during the buying process and then deliver the C team. It sort of shoots yourself in the foot for future procurements as you may not be believed a second time.

The Bonus

As a bonus for getting this far and for reading all 5 mistakes I offer 3 tips to take away:

- **Research who it is you are going to see:** Simplistically, this is about trying to find out who it is you are going to see, and there may be more than 1 person. Try to find out what type of people they are, their age, character, attention span and, certainly, their role and responsibilities.

Then try to talk to someone who might know what all that may entail and what their business and organisational issues might be. The point being, all of this will enable you to hold a conversation about their issues and in their language.

Through my experience, a good place to find out about the people is via their PAs who love to spill the dirt.... but only if you are polite and ask the right questions

The second thing is:

- **Put yourself in the position of these people:** As I said earlier, we are all buyers ourselves so if you were the buyer engaged with you during the buying process, what is it that you would want to know. Then prepare from that basis.

And last, but very much not least:

- **Get your materials proofread:** Be it the pitch or the proposal, but especially the beauty parade, please get someone to give your materials a check. A simple 'I heard this – is that what you meant to say' can often pick up a total mismatch in expectation. Also remember not to use 'weasel words' or ones that fail the 'so what test'. Grammar is important, remember Grandma. Also, in the UK some buyers take exception to an Americanised spell check that uses Z instead of S. A picky point maybe, but it is an irritant that can be easily avoided.

I hope you found this content valuable and if you would like to explore this fascinating subject further, including the subconscious or hidden agenda, then please contact me, John Mitchell, at sell IT better.

After a business and IT procurement career spanning 3 decades John Mitchell set up sell IT better to help companies understand how to position their product and communicate that effectively to the potential customer ...from the perspective of the customer. See sellitbetter.co.uk or email john.mitchell@sellitbetter.co.uk