

Selling Out of an Economic Slump

Don't get hit by the bus!

By **Marie Warner**

As seen in...**Software Sales Journal**

An experienced and successful sales colleague recounted to me how he lost a major software deal...to a *school bus*. This Sales Rep had strongly positioned his educational software against competitive products and capably demonstrated the innovative product features of his offering. He provided satisfied client references to his prospect, who was a long-standing customer and financial approver for past deals. Confident of the "rubber-stamp" approval of the school board and a sale closed before month-end, he was stunned to learn that all "non-critical" IT budget dollars had been diverted - to acquire a new *school bus*. My sales colleague lost his deal not to a competitor, but a school bus, in the battle for scarce budget dollars and recognized *value* in the minds of all key players.

He got hit by a bus - How can you avoid getting hit by a bus?

The importance of sales process

It is very clear to anyone who sells for a living that selling technology, telecom or any complex product or service is fundamentally different now compared to just 12 months ago. The impact has been most severe on the sales of new products or services - whether these are sold to new or existing customers. But even sales of existing, proven products and services to long-standing customers - historically the "easy", warm, internal reference sale - are now more challenging. Sales cycles have lengthened and outstanding proposals languish for weeks without action.

Sound painfully familiar? What's going on here?

Jeffrey Moore's book *"Inside the Tornado"* defines "early market" buyers as those who embrace innovation and distinguishes these technology enthusiasts or visionaries from the pragmatists, conservatives and skeptics of the "late market". Late market buyers are unable to independently visualize the use and value of a product or service, and therefore need the guidance of a trained and disciplined sales professional to reach that vision. The late market needs help in understanding the value of your product or service to them, measured by ROI or cost versus benefit.

But In the harsh technology economic climate of the past two years, acquisition of innovative new technology took a back seat to corporate survival. The "early market" buyer has been hiding in the bunker, dodging bullets along with their "late market" colleagues - everyone chiefly concerned with keeping their job!

So how does a sales professional effectively sell to both a jittery early market and a reluctant late market? Successful sales must be achieved through a complete understanding of the sales process - coupled with your sales rep's discipline to execute the sale cycle guided by this process. The sales process is a set of clearly defined steps in the sales cycle. It is a road map guiding the sales professional from lead generation and initial interest to prospect qualification. The sales process will be unique for each company, and even for each offering, but critical elements are common. These elements should include goal development or problem diagnosis with all key players, plus identification of the business value - in the buyer's mind, not yours - of meeting that goal or solving that problem (more on this later). Controlling the sales cycle with a process effectively leads to final negotiation and closure.

The Shifting Powerline

As the economy deteriorates, your selling conditions change. In the poor economic conditions of the past year, two significant changes occurred among buyers of technology.

Change 1. Capital expenditures, and in particular, IT budgets, were slashed and all non-critical expenditures were virtually abolished. Overall corporate budget dollars were dedicated to quarter-to-quarter company survival. For my colleague, his prospect's survival demanded a new school bus, not a new software package. Not realizing that his competition was for value and budget dollars - he lost his deal.

Change 2. The spending power of many senior managers was restricted or totally eliminated by decree of upper management. So, your contact the CIO who formerly had both authority and discretion to make those five figure deals with you must now get all such purchases approved by his boss (or boss' boss). This is known as **Powerline shift**. The Powerline is an imaginary line in your prospect's organization. Those above the Powerline can secure unbudgeted dollars to "invest in value". In other words those above the Powerline can loosen the purse-strings to purchase your offering - once you have effectively created value.

Why Your Contact Manager Doesn't Work Anymore

The technology slump has impacted prospecting, as well as sales to your established client base. In January of this year, a review of our contact database and the business cards collected in the past 12 months was sobering, as name after name of both the individual and the company were relegated to the "dead zone" - either the contact was out of the job (and not replaced) or the firm no longer exists - perhaps as many as *60% of these potential prospects were casualties*.

These casualties must be replaced with fresh, viable prospects. Sales process and discipline is the key to rebuilding success in prospecting for new potential leads. Even in organizations that have marketing or an inside sales team dedicated to lead generation, no sales professional should abdicate their prospecting activities. It is simply too critical for success.

There is no "silver bullet" in prospecting. In other words, there is no "sure thing". More important is the discipline demanded of the sales professional to set aside time each day or each week to focus exclusively on this important sales activity. Your prospect is bombarded daily with sales messages. Until the technology economy strengthens, a "**bunker mentality**" will persist in your prospect's psyche; "If I put my head up, it may get blown off. I'm not going to be the one to recommend that my company spend money!"

In addition to perseverance, the best recommendation is to try different messages, as you never know what may resonate with a prospect. Recently, an inbound call came from a new lead who read and saved an email message sent to her last Fall. The message was simply interesting then, but now more compelling need. Try different deliveries, from cold-calling to email to networking, and different times of day to reach your prospect. There is one constant. Your message should focus on a potential prospect's problem or need, one you suspect may resound with your target audience, and one which your offering's capabilities can address.

Selling Value and competing with the safety of doing nothing

In the depressed economy of the past year, buyer's inertia descended on technology sales. The relative safety of "no spending = no risk" (more bunker mentality) carried more survival weight than the value of an investment in your offering. Mistakes were also made in communicating the value of a technology investment to the prospect. Most sales reps use value justifications with metrics generated by their own marketing departments to "prove value" or ROI to a prospect. This carries no weight. Uncovering the **Buyer's perception of value** is the key to advancing the sale at this level.

Once you establish the Powerline in your prospect company, and you have gained access to those individuals who have the authority to purchase without budgeted funds, the next step in your sales process is "solution development" with that buyer. Keys to that dialogue are:

1. The buyer must share with you a goal, problem or need that can be addressed by your offering. This goal must be able to be measured in dollars, such as cost savings or revenue dollars gained. Until and unless a goal is shared by your "Above the Powerline" prospect, your sale cannot and should not be advanced. No PowerPoint pitches. No flashy product demonstrations. These are a pure waste of time and your selling resources until you know that goal. No goal = no sale. Seek not the living among the dead.
2. After your key player has described a goal or issue that your product or service might address, the sales rep must resist the urge to immediately propose their solution, "We can fix that!" Rather, now is the time to gain an understanding of the value your prospect places on solving the problem or meeting that goal. What is the business impact? Once your client has voiced impact and quantified the value (in dollars) of meeting that goal, you then introduce the capability of your offering that empowers your prospect to achieve that goal.

A disciplined and well-planned process for this sales call, coupled with relevant and sales-ready selling tools, empower the sales rep to guide this key conversation at all levels, including the "C- level" of the prospect. Patient and professional dialogues enable the sales professional to drive toward a value-based close, using the information offered by these key players.

I can't take it anymore! The end of the drought - who do you believe?

According to a ChangeWave Corporate Survey* completed December 1, 2008, only 6% of 3029 respondents indicated a projected increase in capital budgets in 2009. 45% project a decrease in expenditures. My own highly informal survey of buyers and sellers of technology, telecom and related services reveals (perhaps unfounded) optimism; "*Someone* has to start buying *something* pretty soon."

The big question is, "How can you make certain it's **your** products or services that are purchased? These guidelines can help sales professionals sell out of a slump:

1. Clearly define your unique sales process, the "roadmap" that will bring your prospect from initial interest to final closure and success. Be highly disciplined in following this process.
2. Always determine the Powerline in your prospect for your deal, and gain access to those with the clout to make budget available for products or services offering true value. Be aware that in tough times, the Powerline line is likely to shift upward.
3. Maintain good prospecting habits. Change your message and delivery to find a combination that works for you.
4. When holding those important conversations with Above-the-Powerline players, question to uncover their business goals, needs or problems. Then solicit from them the impact of meeting those goals or solving that problem. This is the only definition of value that matters - your Buyer's opinion.

The bus is leaving the station sooner or later - make sure you are *on it* - *not hit by it!*

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About the Author

Marie Warner is founder and President of Warner Professional Sales, LLC. Warner Professional Sales helps companies achieve **sales force success through people, performance and planning**. Warner Professional Sales helps companies get more revenue growth from their sales force by *recruiting* the right sales staff, 2) *training and developing* those sales professionals to consistently exceed revenue goals, and helping management to define and implement the best sales "process" and tactics for sales cycle control, territory assignments and quota planning.

Marie brings to client engagements over two-decades of leadership in the sale of technology, consulting and financial products and services to the Fortune 1000 and major financial institutions. This includes nine years of experience as Chief Sales Officer, in both enterprise-level and start-up organizations.

Marie Warner has authored articles in ***Mass High Tech, SalesResources.com, SalesVantage.com, EyesOnSales.com, Software Sales Journal, SalesDoctors,*** and ***Women's Business*** addressing successful sales strategies and tactics. She is a member of NETSEA (New England Technology Sales Executives Association), WITI (Women in Technology, International), Human Capital Institute, The Commonwealth Group, NAPS (National Association of Personnel Services) and participates in numerous other entrepreneurial, technology and marketing organizations.

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