

Managing Sales Opportunities

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For many business-to-business markets, the customer is not a single decision-maker, which means the sales process can be prolonged and complex. The traditional process of generating leads and handing them to the sales force for completion may not be sufficient. The sales and marketing program has to penetrate far deeper within the customer's business to communicate with everyone who influences the decision to purchase.

What You Need to Know

How can I identify the decision-making structure when my sales representatives meet only the purchasing manager?

You need to use other research techniques to find out who actually influences the decision to buy your products. Telephone research, direct mail, or advertising with a response mechanism can help to identify other team members. However, it can be difficult to reach other decision-makers; purchasing managers may guard their status and resent approaches to other team members that appear to be undermining their position.

What to Do

Analyze the Buying Process

Companies rarely buy products or services on impulse. The decision to buy is the result of a long process of investigation, consideration, and review. Different people will evaluate products and companies. To be able to market and sell effectively and to make the best use of your marketing resources, it is important to understand how your customers and prospects buy, and to recognize which stage of the cycle they are currently in. Although your customers and prospects may vary in size, most companies share a common buying cycle. Those common factors can help you determine the nature of your marketing campaign. The buying cycle typically moves through four key stages:

- Identify a business need.
- Research a solution.
- Design and evaluate different solutions.
- Purchase.

Change Marketing Focus

The complexity of the buying process places a fundamentally different emphasis on the role of sales and marketing teams. It is no longer enough to base the success of a campaign on the volume of leads. The real measure is the conversion ratio and quality of business wins. Marketing activity needs to go beyond stimulating interest—it has to play a crucial part in all stages of the process until closure. This is a process called joined-up marketing.

Joined-up marketing places a far greater emphasis on the whole sales process, ensuring that all parties communicate with consistent messages that adapt to different stages of the buying cycle. The process of managing sales opportunities with joined-up marketing recognizes the role and relative importance of different influencers and decision-makers and changes campaign emphasis depending on their views and concerns, objectives, and interests.

Identify Decision-Makers

In business purchasing, more than one person influences the choice of supplier. Individuals make different contributions to the decision-making process and they have different information requirements. Many companies have adopted team purchasing structures to deal with high-value purchases and it is vital that you communicate effectively with every member of the team. Depending on the value and complexity of the purchase, a decision-making team could include:

- senior executives;
- purchasing professionals;
- technical staff;
- manufacturing managers;
- service providers;
- marketing staff;
- departmental managers.

Constant research is essential to ensure that your sales team is focusing on the right people at the right time. Purchasing situations are fluid, and it would be easy to concentrate on the wrong members.

Build the Right Relationships

To drive the sale toward a conclusion you need to develop a program that successfully builds relationships before, during, and after the sale, qualifying the process all the way through. If the process works properly, the final negotiations are more of a formality than a pitch to secure a sale.

The decision has often already been made. The initial contact, the proposal, visits to the Web Site, meetings and discussions, presentations, and support material have all contributed to a sales process in which the decision-makers recognize the value of your company over competitive offers.

Manage Customer Relationships

The traditional sales team focus is on short-term sales success. Moving to an account management process can help to build the broader focus that is essential to managing more complex sales opportunities. Building the essential broad customer relationships is a time-consuming process and that can pose problems for sales people who are accustomed to improving sales productivity—achieving the highest levels of turnover for the minimum investment of time. Meeting other decision-makers, reviewing progress on technical projects, making proactive customer care visits, arranging meetings between different members of the account team, and briefing other specialists within the company are activities a traditional sales person would regard as distractions from the main task of selling. It is vital that the sales force understand the importance of these activities and do not regard them as a waste of time.

Create a Core Value Proposition

The purpose of a value proposition is to identify and satisfy an unmet need in your target market. Examples might include:

- helping customers increase their revenue;
- helping customers decrease their costs;
- helping customers increase their profitability.

Effective value propositions create a strong differential between you and your competitors and help to align your business operations more closely to customer needs. Although a marketing team can develop value propositions aimed at groups of customers or market segments, it is essential for the sales team to create a unique value proposition that fits individual customers' specific needs. The proposition can be refined even further by tailoring it to the needs and concerns of individual decision-makers. To be successful, you need to present the value that means the most to each individual at the time the decision is being made.

Build Understanding Among All Decision-Makers

Just getting the right message to the right person is not enough. The objective is to ensure that, at every contact point, your communications build understanding among all decision-makers. When the decision-makers are working as a team in your favor, your chances of success are high. Each

decision-maker will have his or her own agenda, but you should be encouraging a collaborative decision-making process that recognizes your wider contribution to customer success.

So, when a chief executive asks a technical director for an evaluation of your product, or discusses the potential financial benefits with the finance director, you can be confident that they will be basing their views on the information you have given them. What you are doing is creating a group of advocates within a customer organization who share the same perception of your company and your products.

Create an Atmosphere of Collaboration

The lines between companies and their customers are increasingly blurred, with companies seeking to build a “collegial environment” in which customers interact easily and participate in product development and other processes. Conferences, workshops, collaborative working, and joint development projects, as well as interactive online services all help to contribute to the “collegial environment.” Collaborative working is an aspect of the collegial environment. The collegial environment is an approach to customer relationships that encourages friendly cooperation and involvement, rather than the traditional supplier/buyer relationship. Building a collegial atmosphere can help position your company as an influential trusted resource. Your marketing communications work from a solid foundation of experience and expertise because you have earned the trust and respect of customers.

Reinforce Internal Understanding

Every point of contact through the course of the sale is an opportunity to reinforce what you stand for, what you deliver, and how you differentiate yourself from competitors, whether that opportunity is a shareholders meeting or a telephone call for help and support. That means building understanding and commitment within your own company. Internal marketing is essential to promote the values and messages you take to customers and prospects. Sales, marketing, customer service, administration, accounting, and logistics all play a valuable role in enhancing the customer’s experience.

If you handle field sales, advertising, direct marketing, customer service, and telesales through different departments or external agencies, your customers could be receiving a different message every time they contact you. It could be costing you money as well. You may be missing additional sales opportunities, and you could be duplicating some of your customer management costs. Talking to customers with a single voice ensures high-impact marketing campaigns, increases retention rates, and maximizes return on marketing investments. Internal communications should therefore feature the same messages that you use in external communications.

What to Avoid

You Concentrate on the Wrong Decision-Makers

It is easy to focus your sales team on the wrong decision-makers. Companies rarely make it clear who influences the purchasing decisions. Regular meetings with the purchasing manager could be wasted if it is the technical manager or departmental manager who draws up the specification. Make sure that you communicate with the right people, the decision-makers, not the person who simply issues the purchase orders. Purchasing requirements change and so do the people who make the decisions. Customers may launch new products, drop old ones, or acquire other companies. Personnel change and that influences the structure of the decision-making team. Make sure you keep up to date with the latest developments.

Where to Learn More

Web Site:

Patricia Seybold Group: www.customers.com