



Why Your Sales Team Needs to be Selling to the Executive Suite

The art of selling to businesses is changing. It has had to. As recently as ten years ago a sales person only needed confidence and good people skills to be a major success within the sales industry. Perhaps this could have been due to the nature of the sales process back then. Price was still considered an issue when making the sales pitch. Customers ten years ago were not as savvy or perhaps as knowledgeable about their market place as they are now.

So what has changed? Factors such as increases in global competition and ever increasing customer demands has seen today's business environment evolve like never before. The arrival of the internet phenomenon has given customers unparalleled access to information on their operating markets and suppliers. Margins are being squeezed across many sectors and maintaining consistent growth, as well as increasing shareholder value, is becoming tougher than ever before.

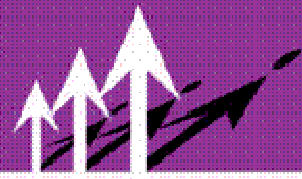
These factors have not only changed the face of business, but they have fundamentally changed the face of sales today. Ten years ago, having the confidence and excellent people skills may have been considered an art form, but today, being able to talk the talk is not going to differentiate their business from the rest of the pack. The days of in office jokes and high-fives at the monthly sales meeting are long gone. For many organisations, the monthly sales meeting has gone down a path to nervousness, and is approaching depression!

How can this be avoided? Only by a distinct change in your sales team approach to sales. If your sales team is not differentiating your business from the rest of the pack and building competitive advantage for your customers, then something has to change. If it doesn't, in today's ultra-competitive market, depression will be the only emotion felt during the monthly sales meeting.

What Has to Change?

In recent research at the University of Warwick, Nigel Piercey highlighted that the biggest issue that has been driving the focus of business over the last twenty years had been an improvement in total quality management. He then goes on to state that incremental improvement today is very small in this area and says that the biggest advance that businesses can make over the next twenty years is by improving their differentiation and competitive position in the marketplace.

The way he believes this will be achieved is by improvements in account management functions and, through that, enhancing the customer's perception of the unique value that an organisation delivers. In today's market, given the similarities and cross over between technologies, it is clear that the technology itself is no longer the core differentiator and differentiation now can only be created when the customer perceives one organisation has a better understanding of the needs of its business than another. This needs to be the focus for business in the 21st Century.



This approach is only the first step in the changes required for a 21st Century business. Many academics have talked about the need to differentiate in today's global market to attract and retain their tactical and more importantly, their strategic accounts.

One thing that hasn't been talked about so much is the best way to differentiate one business from another. The answer could be staring you in the face. Your sales team and who, within their prospects, they are talking to. A CEO of a major pharmaceutical company, speaking to The Real Learning Company in 2006 was quoted as remarking:

"The right people in the right roles is the only thing that differentiates companies anymore..."

Consider this statistic. In the 2006 Manpower Global Talent Shortage Survey the hardest job employers has filling [with success] were sales representatives. What was top of the list in the 2007 equivalent survey from Manpower? Sales representatives.

Commenting on the 2007 findings, President of Manpower North America Jonas Prising said:

"...on a daily basis we hear from clients who can't find the right people for open positions and candidates who are struggling to get hired. The reality is that the talent crunch is more complex than a shortage of people. To bridge the talent gap, we must dig deeper and consider issues such as skills shortages..."

The business-to-business sales persons job has become more and more complex. As stated above, the business world is constantly changing and demands from your customers, and their customers, seem always to be on the increase. Although your sales team can be one of your businesses biggest differentiators, in today's harsh environment, what really matters is who, within your existing and new customers, your sales team is talking to.

What's so Important About Who They are Talking to?

In the last couple of years, there has been an increasing mindset that the ONLY people your account managers should be talking to are the Senior Executives; The Decision Makers.

Your business may have been successful in the past selling to the managerial or operational level, but they still need to get the 'all clear' from the senior executive above them. If the managerial and operational staff have to get the all clear from the executive above them, why not have the first conversation with the person that really matters?

Why has this happened? Economic challenges of late have pushed purchase decision-making for high-value solutions to senior executive levels. These new market realities

Accelerators



ICDL

drive the absolute need for ROI justification. Moreover the group of middle managers, who were formerly “buyers” in the old go-go economy of the late 80’s and 90’s, no longer have the same level of buying authority (Volkort May & Associates, Inc: 2006).

It must be remembered, states the author of *Selling to the Executive Suite*, Brad Stribling, senior executives don’t *have* budgets, they *make* them. Your sales people have to start talking to the very highest management levels. The message seems clear, why talk to those people who spend the budgets when you should talk to the people who make the budgets.

There has been many a thought that the senior executive does not get involved in purchasing decisions until late in the sales cycle. If the senior executive *makes* a budget, then surely they are the one of the very first people involved in the purchasing cycle. According to a white paper from The Real Learning Company, senior executives are involved early and often. Long before they are visible to outsiders, they are shaping the ultimate purchase decision.

The following diagram highlights when executives get involved in the buying cycle for major and strategic purchasing decisions:



(Source: The Real Learning Company)

In their research, senior executives told The Real Learning Company that they had staff to make sure that purchases met their requirements for product features and other staff to make sure that the purchases solved a broad set of business problems. But when it comes to making sure that purchases advance the organisation’s ability to fulfil its



mission and respond to its business drivers, the executives themselves must be involved (The Real Learning Company).

What do the Senior Executives really think?

Is it really as easy as that? The short answer is a resounding no. Brad Stribling explains:

'Most senior executives have worked long and hard to be sitting in the corner office. They now work on a conceptual level. Day-to-day tasks are delegated. Their skills lie in analyzing data quickly and, just as quickly, reaching decisions. Their time is at a premium, so they've got to see a benefit for granting an appointment.'

The statement above suggests senior executives are difficult to approach when trying to sell an offering. It's not that they are difficult to approach that seems to be the issue. In fact, senior executives do want to talk to sales people as they can offer solutions to their markets business drivers. In an interview with Eyes On Sales, when asked why he talks to sales people, a Chief Information Officer of a large technology corporation replied:

"Because salespeople can often offer solutions to my business problems that even people in my own organisation can't address, I want to meet with them because of their experience in solving problems in other organisations and the subsequent value they can offer to me."

The difference with talking to the decision maker is that, those executives your sales team need to engage, are more demanding of those people with whom they share that time.

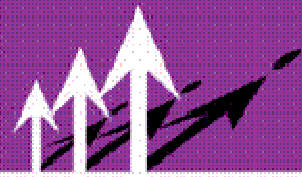
If your sales team is ineffectual at engaging with the Senior Executives, your business could ultimately fail, and at present this appears to be happening in the mind of many Senior Executives.

As a session leader for the 42nd SAMA (Strategic Account Management Association) conference, Phil Stryland, President of the Summit Group stated:

"In a recent survey of decision makers only 7% of sales people were seen by those customers as being worthy of their time."

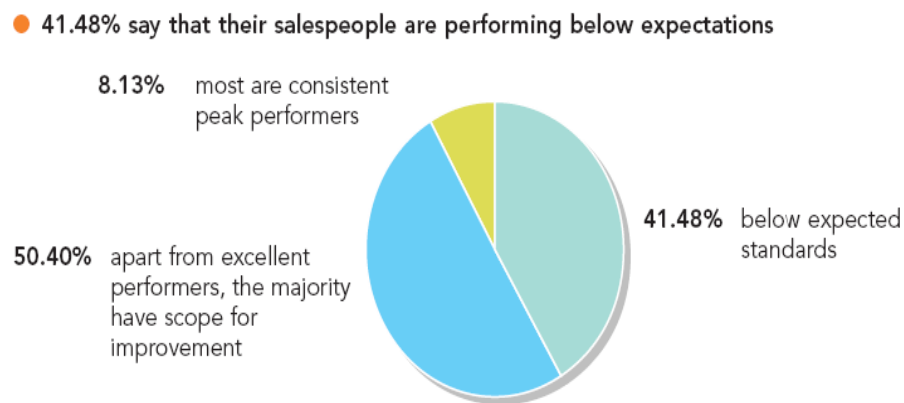
A powerful and damning statement I'm sure you will agree. Evidence from other Senior Executives seems to suggest sales personnel of today have particular problems with their skill set when it comes to pitch to a Senior Executive or decision maker.

In the same 42nd SAMA Conference survey (which suggests only 7% of sales people are worthy of Senior Executives time), the same decision makers were asked to disclose what their major hesitation was in meeting sales people. The overwhelming response was:



'Most sales people, who call, simply don't know enough about the issues in my industry and how they are affecting me, for me to waste my time to meet with them.'
(BobBeck.com: 2006).

This is reflected in research from Trainique Limited. In a survey of U.S. and UK sales directors, they found that only 8% of their sales people are consistent peak performers, whilst a huge 41.48% felt sales people of today are well 'below standard expectations', as demonstrated by the pie chart below:



(Source: Trainique Limited)

These findings are further strengthened by research conducted by Revolutionary Marketing and Sales Strategies; 82% of top-level executives interviewed who stated that the ability to demonstrate they understand their issues was the key reason for sales success.

Just how big is the gap in Sales Peoples Skills Shortages?

Evidence suggests that, in the minds of the Senior Executive, the skills shortage within the sales arena is at the highest it has ever been for a long time. As the data from the Manpower survey suggests, for the last two years at least, executives globally have had an extremely difficult time in attracting the essential sales talent required for any global business to succeed.



There is no doubting that attracting the best sales people is one of the Senior Executives key concerns. Research from The Real Learning Company (RLC) highlights this fact. In a survey of key executives, the data gathered by the RLC proved to be a real eye opener. When asked 'what keeps them up at night', the response of 'Getting and Keeping the Right People' was high on the agenda, as shown in the results graph below:



(Source: The Real Learning Company)

Getting and keeping the right people continues to be a challenge for the companies we interviewed, even in the current economy, explain RLC. The CEO of an innovative e-business that has survived the shakeout in his industry says, "The trick is to get really good people, keep them aligned, and execute really, really well." Another executive, the Chief Marketing Officer of a major wireless retailer, echoed these remarks, "People almost always keep you up at night, she says. "Is the company taking a turn in its organisation design or strategy, and can those people make that turn?" she asks (RLC: 2006).

Interestingly, by getting and keeping the right people, inroads into the biggest business driver (Customer Satisfaction) for Senior Executives can also be met.

The research conducted by Revolutionary Marketing and Sales Strategies revealed Senior Executives come across a wide range of perspectives for 'meeting customer needs.' Unfortunately, continues the study, these perspectives are often observed in practice as 'persuading customers that our product will meet their needs.' (Revolutionary Marketing & Sales Strategies: 2006).



Relationships, Relationships, Relationships

Many sales gurus, as well Senior Executives, have talked about the importance of building a relationship with decision makers. Jeff Thull, author of "Exceptional Selling: How the Best Connect and Win in High Stakes Sales", asks the question:

'How many sales have been lost because your competition had inroads with the Senior Executive and you didn't? How often did you find out, too late, that the middle managers you had been talking to didn't have the power to make the final decision to buy?

The hard truth is, continues Thull, many times it's very difficult to get the executive's attention and connect your products and solutions to their priorities and business agenda. Initiating and developing relationships with executives requires more than getting in and presenting your value proposition (Eye on Sales: 2006).

As mentioned, Senior Executives do not want to talk to sales people who show no understanding of their market drivers and strategic needs. Sales people need to be delivering proactive recommendations on how to run a business better and how a business can gain competitive advantage. According to Manpower, these are attributes that are no longer something that's just nice to have; it's become a must have.

Providing the Senior Executive with recommendations based around their market drivers is the beginning of forming a relationship based on trust and advocacy. At the 42nd SAMA Conference, decision makers stressed they almost always grant access to sales people who display an understanding of their problems and get directly to the point. Sales people who were prepared ahead of time and came equipped with the knowledge of the prospects role, responsibilities, business issues and industry, built instant credibility and trust. Those sales people earned the right to call at the executive level (BobBeck.com: 2006).

As one C-Level executive told The Real Learning Company:

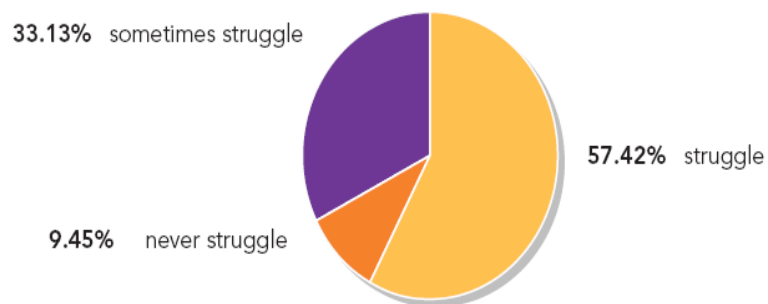
"I'm looking for an advisor. ***I'm really buying people not product.*** I want the sales person to advise me on the challenges I will face and how to overcome them."

Becoming an advisor to the C-Level Suite is not easy. According to two studies focusing on relationships that professional salespeople developed with senior executives, from the perspective of C-level executives, by OnTarget and the Kenan-Flagler Business School at the University of North Carolina and the Center for Business and Industrial Marketing at Georgia State University, reached the same conclusion: That becoming a trusted advisor to these executives should be a major objective for most salespeople involved in high value, complex sales campaigns (Steve Bistriz: 2005).

Is anything being done to address this serious skills shortage?

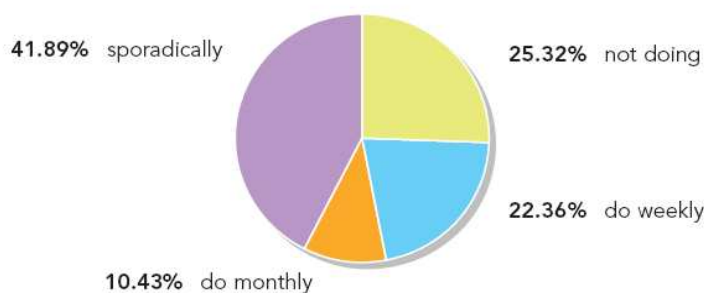
With all the overwhelming evidence that the skills shortages in the sales profession is at an all time high, are organisations addressing this critical component within their sales teams.

Unfortunately, it does not seem to be the case. In their research of U.S. and UK senior sales executives, Trainique revealed that 90.47% of executives say their sales people struggle to keep a proper balance between prospecting, negotiating, closing and managing (building a relationship) an account. Only 9.45% never struggle, as demonstrated below:



(Source: Trainique Limited)

The statistics above suggest there is a need for the development of sales people who are struggling in their role. According to the survey results from Trainique Limited, this does not seem to be the case. Amazingly, 67.21% are not doing or sporadically do sales coaching or development, as shown in the chart below:



(Source: Trainique Limited)



These results could provide an explanation as to why many sales people are struggling to sell at the executive level. Without adequate time on professional development and coaching, then we could be hearing similar quotes from Senior Executives as said at the 42nd SAMA Conference; only 7% of sales people are worthy of their time.

Conclusion

In Executive selling, the outcome is virtually always dependent on the capability of the lead sales person to create a stronger Brand perception in the minds of all key individuals in the customer than their competitors.

The statistics cited above suggests there is a real need in the market place for the continued professional development of sales people. Analysts and the sales gurus of today all agree that in order to be successful in today's highly competitive world, sales people should be making inroads with the C-level suite.

The challenge however is that finding these top sales individuals is becoming ever harder as more organisations realise the simple fact that they are fundamental to success in 21st century enterprise selling. Shortage is driving salaries sky high and scarcity is forcing organisations to accept second best.

The only way, it seems, to get around this is constant professional development and training which equips sales teams with the knowledge and confidence to sell at the Executive level. This is becoming a real concern in the business world and research from global consultancy Mckinsey, revealed that companies using the best talent-management practices outperform their industry's mean return to shareholders by a remarkable 22 percentage points.

In a world of huge demand and ever increasing competition, those employers who can find the best ways to confront and resolve the talent shortage issue will be the winners, as will those employees who can best equip themselves with the right skills for selling in the 21st century (Manpower: 2007). It could be the main differentiator between your business and your competition, and becoming successful in today's cut-throat business environment.

Intellectual Capital Development Limited
Longstaff House, 47a Denmark Street,
Wokingham, Berkshire, RG40 2AY
T: +44 (0) 118 979 8433
F: +44 (0) 118 979 9998
enquiries@thebusinessaccelerators.com
www.thebusinessaccelerators.com
Registered in England 4156466