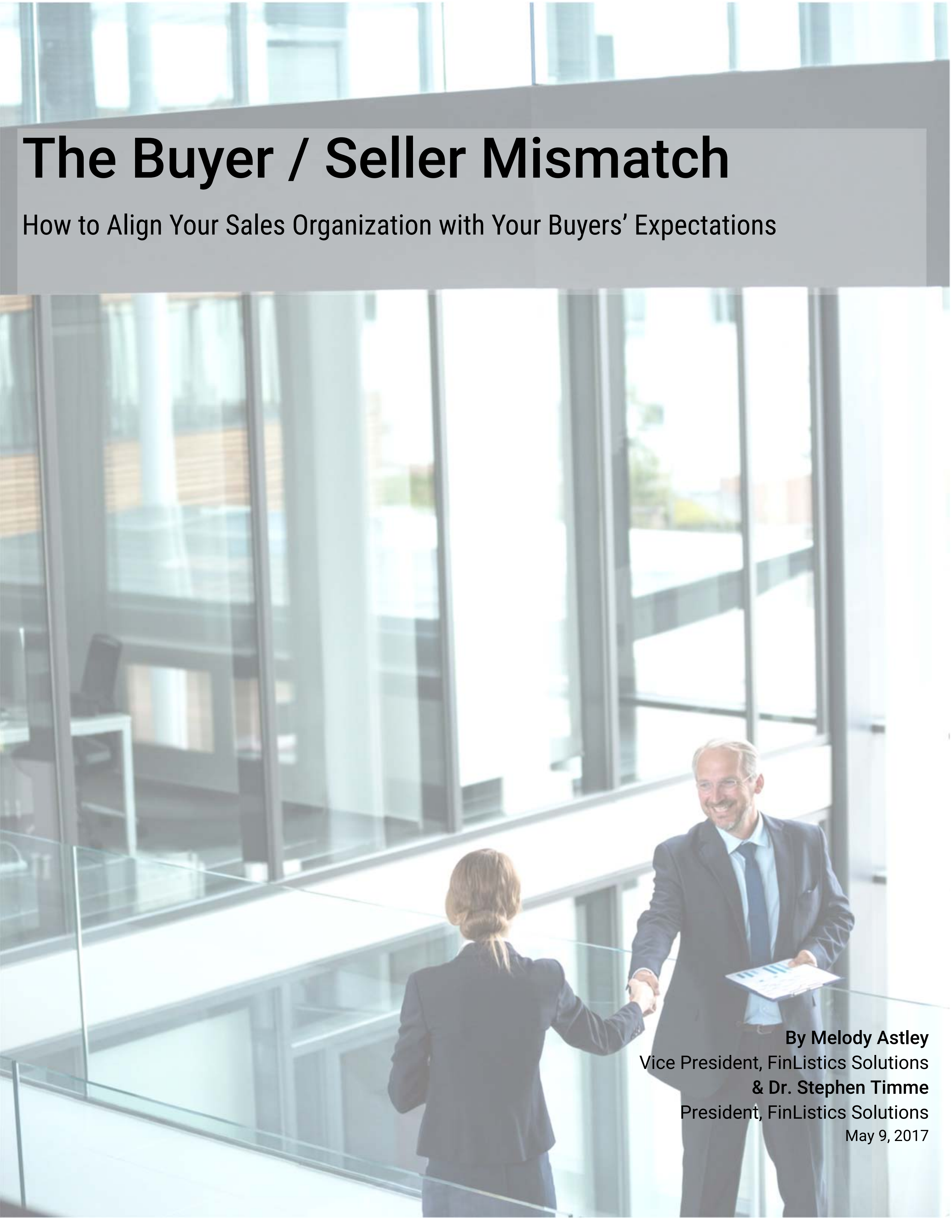
The Buyer / Seller Mismatch

How to Align Your Sales Organization with Your Buyers' Expectations



By Melody Astley
Vice President, FinListics Solutions
& Dr. Stephen Timme
President, FinListics Solutions
May 9, 2017

The Buyer / Seller Mismatch

How to Align Your Sales Organization with Your Buyers' Expectations

The buyer profile and landscape is changing, and sales organizations are learning that if they don't adapt to meet new expectations, they'll be left in the dust. What's causing the change in the way buyers buy? More importantly, what are you doing about it?

Let's explore some of the challenges sellers face.

1. Buyers are more educated than ever, but sellers aren't bringing new insights.

In today's digital world, everyone has access to more information than what they know what to do with. You can be sure that by the time a buyer proactively approaches you, she's done her research and has some predetermined ideas about how to proceed. According to Forrester[1], 59% of buyers prefer to do research online instead of interacting with a sales rep.

And you know it to be the case – sometimes you'll walk into the office and the marketing materials are already printed on the desk, or your client will reference some research she did. In other words, she is predisposed to a solution before you get in front of her – and it may not be yours.

Bringing new insights to your buyer gives them a different, more positive experience, and builds your credibility. Linda Crawford of Salesforce.com, gave an interesting perspective when she said that selling is a "knowing" skill. Your customers expect that you're the expert in your solution; what matters most to them is that you know their business enough to filter through your solutions that can deliver meaningful results for them.

What can you do about it?

Change the game. One of the reasons buyers prefer to look online instead of talk to you is because they expect that you'll push your agenda rather than focus on helping them solve a problem. Bring insights that show you understand their organization and how to help them. Two good places to start are by researching the company's goals and how the company is performing compared to its peers.

Once you understand the goals, you can begin to connect your solutions to achieving those goals. Think about it from the buyer's perspective – instead of hearing "We're company blah, blah, blah, and we operate in 100 countries", they're hearing "Based on your company's goals of achieving X, I would like to share with you some ways we can help you to close the gap". As a buyer, which message would you rather hear? By starting with customer-specific insights, you're leading a different conversation, and one that they're not used to hearing. Spending the time to research and bring new insights to your buyer, and you'll differentiate yourself by giving them something to think about.

Another area is to understand the company's performance relative to its peers. This is helpful for a few reasons – first of all, by uncovering areas of strengths and weaknesses, you're highlighting what matters most to your customer and focusing your pursuits to maximize your success.

Sometimes sellers become fixated on selling a particular solution, but after understanding the customer's goals and areas where they can improve, they changed the message to align the solution to a specific goal and to the business outcomes that it can deliver.

A second reason to get familiar with the company's performance is that you gain insights about the broader industry trends and the challenges and opportunities for industry peers. Customers are hungry for industry insights and what you're doing to help clients like them achieve their goals.

2. There are more stakeholders than ever in each buying decision, but sellers have a difficult time identifying and connecting with those stakeholders

Deals are getting more complex. There are now on average 6.8 stakeholders per B2B deal[2]. Every time a new stakeholder is involved, expect the cycle to get longer and more difficult to navigate. Stakeholders often have different motivations and competing priorities, many of which aren't obvious in the buying criteria or scorecard (assuming the purchasing process is that structured to begin with).

With the changing technology landscape, buyers expect a faster time to value, and they can get it with a cloud -enabled solution[3]. What this means for the buying journey is that the traditional buyer is changing, and so is the authority structure. Traditionally, the decision committee was in a functional area, so a seller could influence the hierarchy and find a path to consensus. Things have changed. Now stakeholders sit in different lines of business in the organization, and can share authority with the traditional decision maker, or can report to different leaders. Sellers need to forge relationships outside of their traditional buyer's organization so that they can influence the stakeholder committee. Personalities, politics and gatekeeping can get in the way of building these important relationships. While not easy, bridging between your traditional buyer and lines of business is critical.

What can you do about it?

Learn what each of the stakeholders value. In a perfect world, the buying team is aligned and have the same motivations, but we live in reality. If stakeholders sit in different lines of business, make a point to understand the unique goals and strategies of the divisions, and know the role each group plays to contribute to the goal.

For example, if the company goal is to improve customer experience, IT may be most concerned with building a cost effective, in-house solution, while Marketing wants a cloud solution because it gives them what they want faster than IT can deliver. A way to better understand the buyers' different priorities is to uncover the KPIs that each group has in place to measure success, and to connect your solution to the KPIs that matter for each group. Many of these KPIs are common to the industry and to the specific role, so familiarizing yourself with common KPIs is a good place to start, and can help you with starting a more insightful conversation with the lines of business.

3. Buyers think that IT is a commodity, and sellers think talking about more features and functions will prevent that thinking

Every business wants to do things more effectively and efficiently – and most of the C-suite have some measurement in their executive compensation to incentivize it. Cost takeout has become a table stakes proposition – buyers expect it, especially from a product that they consider a commodity. On top of that, findings show that buyers already researched your solution before they even talk to you, so your solution's special feature or function likely will not command a premium in a commoditized market.

When sellers are faced with a competitive situation that looks a lot like commoditization, they tend to talk about what they're most comfortable with – features, functions, and specs. Sometimes, they lean on FUD tactics – fear, uncertainty, and doubt – to caution the customer about buying the cheapest option. This is exactly the conversation that makes buyers avoid interactions with sellers. Buyers don't want salespeople – they want insight-led sales engagements[4]. What can you do to bring new insights to the conversation?

What can you do about it?

Even if your buyers are primarily focused on cost takeout, it doesn't always have to lead to a price war. We've all heard that we need to focus on value instead of price, but what does that mean? Customers value different things than you. Can you identify what those things are? How do you talk about them? Are they quantifiable? As you look at the opportunity through your customer's lens, they likely don't care about a cool feature or function that your solution delivers. They're looking for results. Maybe that result is reducing budget, and it also could include things like risk mitigation or speed of delivery. Even for the toughest buyer, there are one or two value stakes beyond price.

In addition to the above, the ability to align your solution to your customer's goals is a game changer. This is the "how" and the "how much" – how specifically can you help your customer make progress toward their goal, and by doing so, how much financial or operational benefit is achieved? Transformational programs have success criteria or a scorecard, because if you can't measure it, you can't manage it. What if you could articulate the direct and indirect benefits that your solution could deliver? A customer-centered conversation is not a commoditized one, and shifts the focus from price to partnership.

4. The CFO has an increasing role in the decision making process, but sellers don't know how to articulate a business case

The CFO is often a stakeholder in large purchase decisions, and their involvement has grown into multiple areas. There are always variations to the CFO's role, but think about CFO involvement in three ways: budgeting, efficiency, and transformation.

The CFO approves final budgets, so she has visibility into all major projects – and what solution provider doesn't want to be on the major project list? Even the more transactional spend often stays in the CFO's organization, as the Chief Procurement Officer often reports to the CFO. The procurement office helps with maximizing efficiency in the organization, as one of the key KPIS for procurement is the amount of money saved vs. budget and discounting – the measure of their success is how inexpensively they can get a solution from you.

On the transformational front, CFOs lead the charge on digital readiness, which drives significant change and spend[5]. It often falls on the CFO to manage disruption and to introduce emerging technologies to further drive efficiencies. Who would have thought that the CFO would be a change leader?

From the beginning to the end of the buying journey, the CFO has a key role, with no indication that this will change.

What can you do about it?

Embrace the CFO – don't run away. In fact, the CFO can provide some data points to sink your teeth into – she can share formal and informal hurdle rates, including ROI, and other dimensions to the decision that transcend features and functions.

The numbers help to tell the story – the numbers alone are not the story. It's up to you to bring the numbers to life. You can think of this as "in person" vs "on paper" – you can put together the most beautiful and detailed spreadsheet, but the power of the numbers lies in your ability to have a conversation around them. The CFO does have a unique language, so be sure to understand "CFO-speak".

Finally, don't assume that the CFO isn't interested in learning about your solution – especially if it supports her efficiency or transformational strategy. Test new insights and ideas with the CFO, and position yourself as a thought leader. You could find an advocate that you didn't expect.

Conclusion

The new buying environment brings a unique set of challenges and opportunities, and the good news is that buyers are clear about what they want. They expect their sellers to take the role of thought leaders and not of product specialists. They want to know that sellers understand their business, know how their solutions help with business outcomes, and care that they succeed.

An easy way for sellers to start to meet buyers' expectations is to spend the time to learn how the company works. Who are their peers? What are their industry challenges? What does their financial performance look like, and what is your ability to improve it? Discovering just a few of these insights and bringing them to your client helps to meet their expectations, and creates a differentiated message for you.

The Buyer / Seller Mismatch

How to Align Your Sales Organization with Your Buyers' Expectations

[1] Forrester Research, https://www.salesforce.com/blog/2016/06/selling-to-the-modern-b2b-buyer.html

[2,4] Qotient blog, September 19, 2016, http://www.qotient.com/qblog-sales-acceleration/2016/6/27/its-harder-to-sell-to-68-stakeholders

[3] TechTarget whitepaper, 2013, http://www.techtarget.com/wp-content/uploads/files/clientresources/IT_LOB_WhitePaper.pdf

[5] EY Disruption of CFO, February 2016 , http://www.ey.com/Publication/vwLUAssets/EY-the-disruption-of-the-CFOs-DNA/$FILE/EY-the-disruption-of-the-CFOs-DNA.pdf

