

# The Sales Behaviours That Keep Companies Winning (Whatever the Weather)

A Leadership Guide for B2B and B2B2C Sales

by Richard Barkey

## Another paper on “Selling in a Recession”?

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Imparta has grown over the last 10 years to become one of the largest sales training companies in the UK, and unlike many, it's a company that takes its own medicine. Imparta runs an internal Sales Academy for its customer-facing staff, and sales grew organically by 24% in 2008. Performance was particularly strong in the second half of the year, in the teeth of the recession.

This White Paper sets out some of the thinking that has helped Imparta and its clients to perform well when others have not.

It is not a list of tips for selling in a recession, because fundamental buying behaviours don't change in a recessionary environment. It's just that the bar is lifted. Customers still need to

believe that there is a genuine business problem to be solved – the problems just have to be bigger and more clearly defined to justify action. They'll still look for ROI – but over a much shorter period. They'll still pick the best value solution – it's just that their criteria for what constitutes value will change.

So what this White Paper does offer is a reminder of the behaviours that underpin good selling, with some insights into how to apply those behaviours in a recessionary context. But this is no gimmick; the same skills that will help your top line survive the storms of 2009 and 2010 will also help you outsell your competition when the economic sun shines again.

## First, get the managers coaching

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The first challenge in driving performance lies not with the market or the economy, but with your sales managers. Putting a salesperson under pressure to produce results without coaching them on the “how” creates a vicious cycle of underperformance.

They chase every deal, and become flustered. They skim over opportunities rather than dig deeply into them, leading in turn to poor results and more pressure.



This “pressure cycle” is common even in good times (it’s often the reason new salespeople fail to bed down in a new company, and why a PIP is usually a ticket out of the door). It can, however, become endemic in a tough market, and it – as much as the market itself – is the beast to be battled.

The flip-side, of course, is that while your competitors are flapping around, there’s a fantastic opportunity to grow market share.

Would you rather your team was chasing deals that will never make their quota, and skimming from customer to customer (or channel partner to channel partner)? Or would you rather be the company that digs under the surface, bringing a better idea to a contact that the competition hasn’t even met?

Would you rather be the company that isn’t paying attention to its existing accounts, or the one that is creating defensive strategies on the one hand, while working around entrenched competitors on the other?

To break that cycle, you have to go against the grain for many managers. The leadership team and sales management community has to manage activity, not outputs. And not just the quantity of activity, but its quality. That is why coaching is such a critical part of sales performance in any market.

The good news is that coaching can be trained, though training on its own is not enough; sales managers in turn need to be measured and coached on their coaching skills. You can use specialised internal or external coaches, of course – this can be especially helpful in running “deal clinics” – but in the end, coaching is at the heart of the manager’s role.

So what behaviours should your managers be helping to develop? There are a large number of sales-related behaviours, from time management to advanced negotiation. But three areas that are especially important in tough times are:

- Working with the customer's agenda, not yours;
- Spending sales time wisely;
- Defending what you already have.

The rest of this paper aims to provide some practical insights into each of these areas in turn.

## Work with the customer's agenda, not yours

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Any good salesperson is fundamentally a facilitator of the buying process. Contrary to popular belief, customers rarely buy because of a strong relationship, or because someone offers them a discount. They buy – no surprise here – to meet a need. Of course, a strong relationship is a great way to uncover new needs, and to persuade the customer that your solution meets those needs effectively. But simply reinforcing the social relationship is not enough to ensure growth - or indeed survival - in any market. To meet your own needs, you have to be proactive in uncovering and then meeting those of the customer.

That said, there *are* ways in which the customer's agenda will change or intensify when the economy is shrinking. Being aware of these will help your managers and salespeople to apply the general principle in this specific context.

- *In a downturn, customers become even more overwhelmed by contacts from salespeople, and are even less likely to respond to an unfocused approach.* Cold calling is dispiriting and rarely productive. There are better approaches to lead generation – and the very best approach is usually

seeking referrals, both from existing customers, and from those who have left a customer's organisation to join a new company. So focus on what works and create a proactive referrals programme. Track people leaving your key customers so that you can follow them to their new employers. Use LinkedIn and other networking sites so that you don't lose touch when their email goes dead. Talk to satisfied customers and ask them about other parts of their organisation, as well as their own network. Imparta recently ran a referrals training programme during which calls were made to real customers. Over the course of two days, the attendees created over 100 live referrals, with another 100 in the two days following – more than they had generated in the previous three months.

- *New issues drive new needs.* After some time in a new role, salespeople often fall into the trap of assuming they know what customers need. They don't ask as many questions as they used to, and they certainly don't listen to the answers as closely. This is always a problem, but in a recession, it can be fatal. Your sales

team and account managers need to take the time to understand where the genuine sources of pain are, and help customers see the value in fixing that pain. Furthermore, the things that drive a sale in a downturn may well live in an entirely different part of the business. For example, if you can help finance to manage their Working Capital better and conserve cash, you might create an entirely new set of allies within the customer's business. Salespeople need a systematic process for reviewing needs, and they need to be encouraged to follow that process *with* the customer rather than back at the office. The rewards are huge; we've seen literally millions of dollars-worth of new business opportunities uncovered in a single meeting.

- *The bar is raised on ROI.* As go/no-go decisions migrate to the higher reaches of the organisation and companies tighten up on spend, there is an intense need to create a clear and quantified statement of value. This is still a skill with which many salespeople struggle, but it is teachable. Ideally your Marketing or Sales Support team can help with well-quantified case studies that get to the heart of the financial benefits of what you do; it's hard to understate the impact of a strong, numerical case, especially in the early stages of the buying cycle. Just remember to focus on the metrics that your customer cares about... not the ones *you* care about.
  - *Safety and risk become hugely more influential as buying factors.* When times are tough, people are rightly focused on the downside. Big, risky investments are harder to justify
- and there is a greater desire for reassurance about the payback on any investment. So customers prefer to buy in smaller, less risky tranches – and they want the ROI calculation to show a shorter payback period than before. (As the CEO of a company, I haven't stopped buying things, but typically I now look for payback within 4-6 months, rather than the 18 it might have been before). You can help this along by reducing the upfront investment required, even if the ongoing cost is slightly higher. If the cost can be funded by the savings you create then so much the better; I would always prefer to make a purchase that is self-funding, and this can be a clinching factor in a competitive situation.
- *Decision cycles slow down; there are more signoff points and increasingly senior involvement in decision-making.* As companies seek to control their expenditure, spending limits are tightened and decision processes involve more (and more senior) people than in the past. This can create a number of issues for your team:
    - The sales cycle can slow down significantly. It takes time to set up all those meetings... and a reluctance to spend will manifest itself in passive delays as much as an active "no". One answer here is to coach your team to make good tradeoffs between the speed of any given meeting and the attendees. Having the right stakeholders at an early meeting can eliminate a whole meeting stage from the process – and that can add up to a month or more.
    - There are more people to get to know.

A downturn is no time for staying in the comfort zone. As more customers become involved in the decision cycle, it is increasingly important for salespeople to get to know a broader and more senior group of stakeholders. That in turn will require coaching, training and most likely direct assistance from your own senior management.

- Meetings happen without you. Some of the most senior meetings your customer has about your products and services may be internal only ... so your team needs to coach their customer contacts to handle these meetings well, even when they're not there.
- *Budgets may get frozen.* Sometimes they do. So what can you do if a customer says "we're not acting on this until next year"? First ask yourself (and the customer) "are there other budgets we can tap into?" Can you make the project self-funding, by taking a percentage of cost savings, rather than an upfront fee, for example? Can

you do the work now (which generally lets you recognise the revenue now) but invoice the customer next year? Is there another part of the business that's willing to move ahead now? If the answer to any of these is "yes", that's great... but if not, don't waste too much time trying to push against the tide. Move on to better opportunities, and stay in touch, adding value where you can. A little informal value-creation in difficult times can help you build a strong long-term business relationship.

Selling in a downturn is like any kind of selling – a few basic skills go a long way. Encourage your team to be curious. Help them to uncover needs and show customers how big those needs are, rather than offering a solution up front. Check that they understand the customer's decision process, and help them come up with ideas to accelerate it. Ask how the customer will compare alternative solutions. Help them understand the increased importance of risk in decisions, and get involved with risk alleviation.

## Spend sales time wisely

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In a downturn, the temptation is to chase any deal that moves. Paradoxically, though, a recession is the time to become even more focused, not less. In addition to doing the right things as set out above, it's important to do them with the right customers.

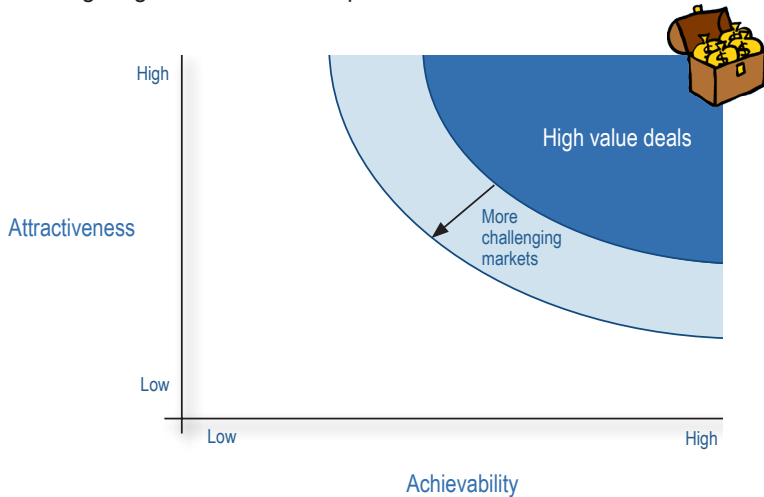
Now, as in boom times, salespeople need to match the time and effort invested in any given account to its potential, not just its current revenue.

That potential is the product of two things: how attractive a given account is (in terms of revenue, product mix and therefore margin, etc.), and how achievable it is as a "win" for your company and sales team.

Ideally, you want to focus on accounts and opportunities that are both highly attractive and highly achievable. In a downturn there may be fewer deals around so you may need to loosen

the criteria somewhat... but it is critical to enforce the criteria you have even more aggressively. Otherwise people will fall back on “skimming” behaviour. And as the oft-quoted Chinese proverb suggests, if you chase two monkeys, both will escape.

The following diagram illustrates this prioritisation:



A typical set of factors for assessing attractiveness and achievability would include:

**Attractiveness:**

- Do they need something that we can offer?
- Is this an existing customer (hence lowering the cost of sale)?
- Is it a significant opportunity (either initially or through repeat business)?
- Is there good margin potential (because of product mix or moderate purchasing behaviour)?
- Will they look at factors beyond price?
- Would this account meet our company’s strategic objectives in other ways?

**Achievability:**

- Is there an incumbent player with a strong relationship?
- Is there an important and urgent need that creates value?
- At which stage of the buying cycle are they (generally, the earlier the better)?
- Does the customer seek advice; are they prepared to invest in buying process?
- Do we have a solution that matches their likely decision criteria better than the competition?
- Are they likely to see any insurmountable risks in working with us?
- Do we have any significant supporters or detractors in the target organisation?

You will of course have your own list of qualification criteria, but it's worth noting that many of the factors under "achievability" are not ones that are normally considered. Traditional qualification criteria tend to focus on size and profitability, whereas the additional factors listed here tend to be more value-based.

It's worth reinforcing one observation here: attractiveness means potential attractiveness in future, rather than the size of the initial opportunity. Your sales force should actively seek to sell small deals to big clients – footholds have a habit of growing fast if you implement well and over-deliver.

Equally, your salespeople should not walk away from an account just after they have won a deal. To quote Gerry Duffy, Head of Sales at THUS, that's like rowing up to an island and picking the first coconut you see, then getting back in the boat and spending a year getting to the next island. Wait. Look around. Find more coconuts.

That also means engaging fully with your existing clients. Salespeople and account managers need to spend time with them in informal settings, to get under their skin of their business and their immediate issues. This builds trusted advisor relationships and makes sure that you see their needs better and quicker than the competition – even if the competition is deeply entrenched with the customer.

## Defend what you already have

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Counter-intuitively, downturns offer an opportunity to grow your market share. Customers and channels may become "loosened" from their existing supplier relationships and more willing to consider new approaches. Equally, struggling competitors may find it hard to hang on to their customers and offer rich pickings if you are performing well.

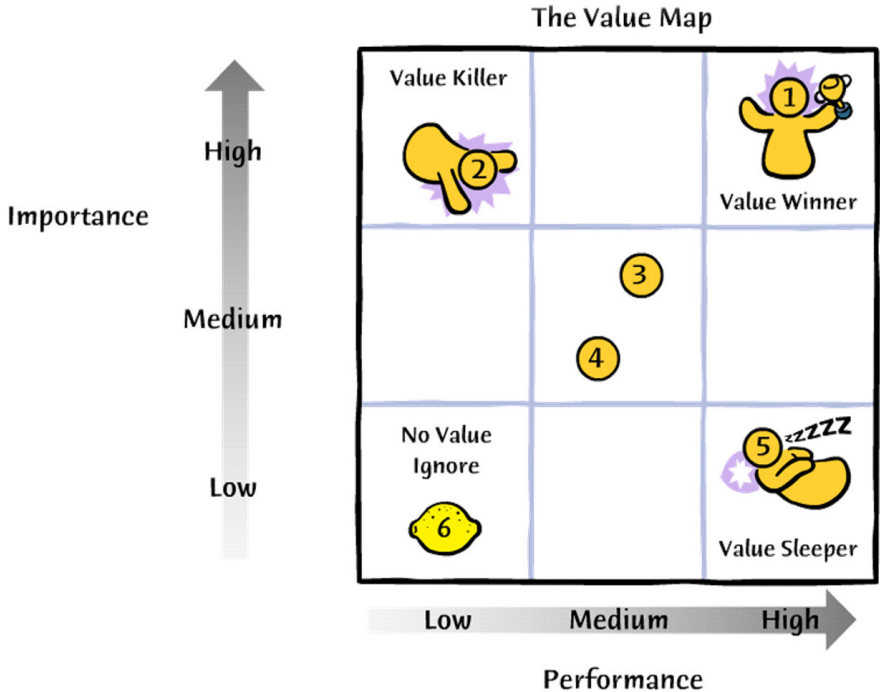
However, there is a flip side to this – you need to work even harder to make sure you retain your own customers.

Imparta's Creating Client Value sales methodology, created in conjunction with SPIN<sup>®</sup> selling author Neil Rackham, includes a powerful tool for winning competitive bids called the Value Map. Fear not, though – I'm not planning to

pitch this tool to you – just to observe that it can be equally useful in defending your existing accounts.

In a bid situation, we train salespeople to uncover the criteria on which a customer will assess different suppliers. Then we place these criteria on the Value Map below, based on how important each is, and how well the customer believes you perform against it. Finally we teach people to develop account-winning strategies based on three main types of criteria: Value Winners, Value Killers, and Value Sleepers.

This same tool can be used to monitor your standing with an existing customer. Ask the customer what issues they would consider when assessing your performance as a supplier. Then ask them how important each is – and how they think you’re doing on each. You’ll uncover some opportunities to improve... and if too many issues fall into the Value Killer category, you’ll gain an early warning system that could save the account.



The Value Map © Imparta Ltd. 2001-2009

## Keeping it on track

Selling in a recession is like selling at any time. It is not just the cheapest supplier that wins. It is the supplier that best understands the customer’s needs, creates a unique solution to meet those needs, and embeds themselves into the customer organisation so that they can constantly find ways to create value.

However, in a recession, the penalties for getting it wrong are much more severe. As we’ve seen, you need to keep your team focused on the customer’s agenda, rather than yours. You need to help them spend their time on the right accounts, and you need to get them defending what you already have.

People tend to revert to old behaviours when they're under pressure, so sales leaders need to work even harder than normal to keep your team doing the right things and to avoid the "pressure cycle". Stay on top of their behaviours far more than on their results. Luckily there are a number of tools that can help, including:

- Assessment tools to identify who is doing the right things and who isn't. This can help you remove the poor performers from the organisation, in turn focusing your training and coaching spend where it will have the greatest impact;
- Training. We are finding that companies with strong sales forces are spending more on training in the recession, not less. They recognise the opportunity to drive the top line as well as the morale of the sales force. But they are only investing in training that is really focused on measurable outcomes;
- Coaching, either internal or external. As noted above, this is a crucial part of driving performance;
- Measurement and tracking of the quality of activity (sales *and* coaching activity) as well as the quantity;
- Working sessions, deal clinics, and online advice... whatever you can do to create a deep and consistent level of customer-specific insight within your team.

## Next steps

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We hope that these ideas are helpful as part of your planning for dealing with the current economic climate – and how best to position your business for when the recovery comes. We would be delighted to discuss any of these issues with you in more depth, either formally or informally. Richard is also available to speak on this subject to appropriate audiences.