

Strategic thinking

Effective sales processes are proving to be a key competitive advantage as the communications industry squares up to tougher market conditions says Peter Stallibrass, a Consultant on Miller Heiman sales processes

THE COMMUNICATIONS sector is currently undergoing one of the most turbulent periods in its history. After a decade of dramatic growth, fuelled by mobile and internet-based services, demand has slowed significantly over the past eighteen months and suppliers are bracing themselves for worse to come. Decreased spending on big infrastructure projects and price pressures are causing growing concern and having an impact on sales strategies within the industry.

Realising that there is now more at stake, companies that already have sales processes in place are far more rigorous in ensuring they are applied effectively. There is also increased demand for specialist help in reinforcing the process, and building action plans that will maximise the chances of winning the reduced number of major deals that are around.

Similarly, companies that have previously worked successfully in a more ad hoc manner are changing their approach as they are being forced to qualify opportunities better and to understand how to win. Even at a time when budgets are being cut, this has led to requests for process-based training as they recognise their sales opportunity management and planning methods must be improved.

After many years of running global sales teams, it can still be disconcerting to go into

some companies for the first time, and see what they are actually basing their next six months' business forecast on.

In addition to the recent downturn, several other market trends are leading suppliers towards a more strategic approach to selling. The market is moving away from commodity products, to the situation where each solution is a little different, and may involve integrating a range of technologies from one or more vendors. The main driving forces are:

- Intense competition demands that suppliers differentiate themselves and adopt a more solutions-oriented sales strategy.
- The complex nature of these opportunities calls for a more detailed approach both to the identification and management of business opportunities.
- Globalisation means that customer relationships are increasingly pan-European or international and therefore transcend time zones, requiring a different approach to account management and the way virtual teams are deployed and managed.

MARKET TRENDS

Technology is now generating new approaches to business strategies, whether it's intended to assist the opening up of new markets, to find alternative ways of supporting existing customers or to reduce costs; or indeed any

combination of these. At a time when extensive bandwidth capacity is available, the minimum customer expectation is for a seamless service. This generally encompasses a mix of voice, data and image, and provides users with a high level of mobility (by offering the same set of attributes in different countries) and potentially extends the enterprise network to improve communications with suppliers.

As this trend accelerates, Account Managers must build up a comprehensive profile of the organisation and its business activities if they are to succeed in putting forward the most economic and viable solution for the customer's particular set of circumstances. One of the most critical issues is to establish all the 'Buying Influences'. This was brought home in a recent situation in which the supplier got the technical recommendation for a project and from a global perspective appeared to have a competitive solution. However, once they understood the impact that 'Buying Influences' in Asia would have on the decision, and specifically the financial implications their proposal would have locally, there was a lot of work to do at a very late stage, when days earlier they had been very confident!

Many suppliers also have a tendency to build a competitive strategy around commonly understood features, as opposed to readily reflecting what the many 'Buying Influences' actually think. It is not enough to understand what the differences are between you and your nearest competitor. You need to have some measure of their relative importance to each person you are dealing with. Whilst there is an inevitability about a discussion around price, especially in a tougher economic climate, focussing on these other areas materially improves your chances of winning.

A constant request from Sales and Marketing Directors, is for us to leverage the business experience we have and combine it with the programme, to help their people focus more on the business reasons for a particular project and how they can position their proposition accordingly.

These examples are not confined to less experienced Sales and Account Managers. During the time I have been working with Miller Heiman programmes, I have found that although experienced people may be more familiar with the techniques, gaps in their knowledge still exist, and that above all they come to value a process that is logical, easy to apply and, crucially, does not add to their workload.

Miller Heiman's Strategic Selling® addresses these issues through the 'Blue Sheet' – a mechanism for analysing strengths and weaknesses, objectively evaluating potential success in any given sales situation and developing an action plan. The ability to identify key 'Buying Influences' is particularly useful in complex communications sales involving multiple decision-makers. Being able to qualify prospects more accurately and prioritise opportunities enables finite resources to be channelled more effectively, eliminating waste.

The 'Blue Sheet' is tried and tested in every part of the communications company's sales operation including Global, Corporate and Wholesale Accounts and relates strongly to companies that also sell into the telecomms operators themselves.

As companies seek to manage a combination of local Account Managers together with those who have a wider geographic remit, it also provides strong foundations for account handling to be re-organised along international or global lines. Members of these virtual teams are able to communicate using a sales shorthand, which makes the tasks of both building a shared strategy and maximising local opportunities more productive and less prone to misinterpretation.

It is rare that companies do not get a major hidden benefit from running Strategic Selling®, and that is the cross learning that occurs. Because the workshop involves working on the customer's current opportunities, there are numerous instances where a sales person in one

territory can support another who hasn't experienced a particular situation before.

The more interesting dynamic that occurs on every programme is when the team starts to question either whether this is an opportunity at all, or post-analysis what are the "real" chances of winning it. The amount of money and effort expended on opportunities that companies have no realistic chance of winning is a matter of concern. It only reinforces the argument that in the current climate the focus on how time and money is invested is as important as the "blunt instrument" of cutting costs.

Within the telecomms industry the benefits of a strategic sales process in terms of account planning are as follows:

- Teams are able to assess the various influences on the sale which may be spread across different countries. What roles do they play and how do they see the situation?
- The system builds an accurate picture of individual strengths and weaknesses – rather than relying on guesswork suppliers have a clear idea of how well placed the bid is.
- Each situation can be realistically appraised and a decision made as to whether it warrants more time and effort. Without this type of evaluation it is easy to waste precious resources during the typically long sales cycles.
- Wherever they are based, everyone involved in the bid has access to clear and objective sales data – from the core account team to specialists involved in tariffing, pricing, development and support.

CHANGING BEHAVIOUR

Like many other industries, telecomms suppliers are dedicated to creating meaningful, long-term customer relationships. Bringing about this lasting change in the sales approach requires commitment from the top with constant coaching and the creation of

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personal development plans to reinforce key concepts and develop skills.

In such a dynamic, fast-paced environment, any process which adds to the management workload is unlikely to be met with much enthusiasm. In my experience the criteria for an effective sales process are that it must deliver immediate and tangible results and be both relevant and easy to implement. From an Account Manager's perspective it must be regarded as logic rather than a pointless task.

As economic pressures continue to squeeze resources, companies are recognising the value of a system which allows them to make informed judgements about the opportunities to pursue and provides a structured means of identifying what is needed to win the business. Managers are adding value to their teams by demonstrating how a win was achieved or pinpointing the areas which, if addressed, would have increased the chances of success. Finally, in order to sustain these performance improvements they are looking for web-based tools that reinforce learning and coaching modules to measure individual understanding and assess areas for development in addition to conventional training methods.