

There's Sales... And Then There's Strategic Sales

Successfully selling new innovations requires non-traditional mind sets from both the entrepreneur and the prospective customer. Tried and true sales and marketing methods are useful foundation tools, but can a sales force actually create demand? With the right skills, an adaptable product, proper organizational alignment and solid strategic sales and marketing strategies there are ways.

“Strategic” sales versus “Catalogue” selling

Strategic sales must be approached utilizing an agile sales philosophy coupled with heightened sales & marketing skills. While the sales cycle may be longer with some products, strategic selling results in a stable long term partnership and a mutually rewarding business relationship. Strategic selling must be supported by a different organizational culture from the “one size fits all” catalogue sales approach. Think of strategic sales much like the role of the Special Forces in the Military.

Strategic customers require strategic attention

While all customers are important, major strategic accounts need to be first identified and then intentionally treated differently by *everyone* within the company. A company's size is irrelevant. A strategic customer must be culturally accepted as having different needs in order to capture the high upside potential. Your whole organization must embrace this difference. It must be instinctive within your company to intelligently respond to your strategic customers with a greater sense of urgency, positive action and increased customer service.

The sales cycle and time to revenue

Strategic account selling is normally focused upon the longer term. The object is for your company to become embedded in your strategic customer's competitive advantage. Selling and developing custom product or service solutions often extends the sales cycle from design win to revenue generation. Management must recognize and accept short term trade offs for strategic sales success.

... But no one likes to be a First Adopter!

That's generally true. Few customers will risk a blemish on their career by supporting a risky innovation strictly for *your* convenience. No one likes to feel they are being force fed an idea or product, no matter how interesting, innovative, cost effective or price attractive. We've all experienced uncomfortable feelings of mistrust and anxiety with an overly aggressive sales approach or one that promises the world. Creative sales people learn to adopt this understandable human reaction to their advantage. Much like the Taoist concept of water, strategic sales people flow with the sales situation towards a path that offers the least amount of customer resistance. What is the easiest sale to make with the least amount of objections?

Simply stated, selling the customer their own ideas, *and* doing so at the highest levels of the strategic account. How many people in *your* sales force consistently practice this?

Strategic selling builds trust

Top performing sales people listen first, gather information second and express their opinion third. Less successful sales people immediately swing into their generic pitch, usually on automatic pilot, and then pray the customer sees the infinite wisdom of placing an order. They are disappointed when the prospect shows no interest in their attempts to follow-up. What is the crucial difference the effective strategic sales person presents to any strategic customer? The value perception of being perceived as an indispensable, forward-thinking, problem solver as opposed to another “peddler” who occupies valuable time.

You mean my customer understands his problems better than we do?

That’s an affirmative. Listen, learn, think and positively react to your strategic customer’s unique situation and problems. Generic features and benefits are often over rated. Learn the *specifics* of the strategic account. What is the culture? How are people rewarded? Who are the real decision makers? What motivates these decision makers? What is the company’s strategic roadmap? How can you evolve into being a vital part of that roadmap?

Strategic selling eventually leads to a partnership, usually initiated by the customer itself, tasking the strategic sales person to provide customization services on their behalf that are focused upon providing a measurable competitive advantage. The role of the strategic sales person ideally evolves into being the “voice of the customer” within his own organization. This is where the

previously mentioned organizational alignment comes in. The organization must have an embedded and instinctive culture of supporting strategic customer’s needs in the most effective way possible.

Your strategic customer will reveal important issues and problems that your marketing and product development team did not anticipate. Many of these issues are broadly applicable to the larger market, many may be customer specific. A strategic customer may want exclusivity for a period of time. Exclusivity normally allows the partnership to blossom.

Carefully review strategic customer inputs from the sales force and decide which ideas are meaningful and broadly applicable across the market, and which are specific to an individual strategic account. Rationally perform triage on the incoming data for broader market applicability, identification of market trends and to increase your competitive advantage.

Evolution of the strategic partnership

In time, a properly managed strategic partnership evolves from merely offering another commodity-like product to being requested to provide an indispensable service vital to your customer’s business plan. This takes time, hard work and a strategic sales person with the right dedication, personality, stability, sales and people skills.

Encourage your marketing and product development teams to listen and learn from your key strategic accounts. Proactively discuss new product ideas and request feedback. Such targeted marketing data is indispensable and gathered far quicker, with more accuracy and at much lower actual cost than could have been achieved without the strategic partnership in place.

What about the competition?

The best compliment you can be paid by any competitor is when they copy your product or service and offer it for less cost. Your competitor is now attempting to capitalize directly upon your success and provide price incentives that often originate somewhere within Purchasing. Your competitor is performing “catalogue sales” where price alone is tendered as their main value.

Your product development teams need to anticipate these inevitable “price wars” by raising product specification hurdles. What unique or proprietary content can be incorporated into your product? How defensible is the product specification? What is patentable? All these add time and cost to your competitor’s ability to respond.

Price erosion is to be expected. The trick is fully recouping dedicated development costs with adequate sustainable volume before competitors successfully gain some market share. Forward looking pricing contracts tied to volume can offer one solution. The Upper Management of the strategic account will usually internally encourage such win-win pricing contracts.

As a particular product’s life cycle matures, multiple sourcing and commodity price erosion occurs on a larger scale. Your strategic selling partnership should

position your company for revenue stream renewal as the next generation of strategic customer endorsed products start a whole new product life cycle.

Conclusion

Strategic accounts should be identified and targeted for a superior level of account penetration than those accounts with less potential. Strategic selling allows key members of the sales force the opportunity to develop long term mutually rewarding partnerships between the two companies. Strategic account support needs to be culturally engrained through organizational alignment. Offering product innovations to specifically address a strategic customer’s needs provides the customer with a strong sense of ownership.

Chris Pugh is a founding partner of injenio, inc. a unique consulting company specialized in teaming with entrepreneurs to accelerate the commercialization of innovative ideas. Located in Silicon Valley, Chris can be contacted at cp@injenio.com More information about injenio can be found by visiting the company web site at www.injenio.com

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