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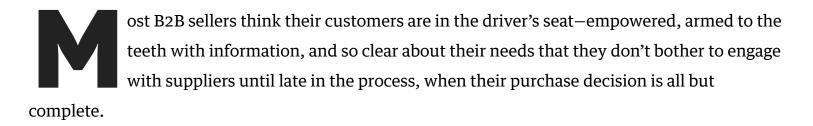


SALES & MARKETING

The New Sales Imperative

by Nicholas Toman, Brent Adamson, and Cristina Gomez

FROM THE MARCH-APRIL 2017 ISSUE



Customers don't see it that way. They may be better informed than ever, but CEB research shows that they're deeply uncertain and stressed. Buying complex solutions, such as enterprise software or manufacturing equipment, has never been easy. But with a wealth of data on any solution, a raft of stakeholders involved in each purchase, and an ever-expanding array of options, more and more deals bog down or even halt altogether. Customers are increasingly overwhelmed and often more paralyzed than empowered.

In our work with companies around the world, we've seen decision makers pushed into unproductive, open-ended learning loops by the deluge of information. With each iteration they work harder to ensure that they fully understand the requirements and the alternatives. More

information begets more questions, with the result that customers take longer and longer to make a purchase decision—if they ever do.

At the same time, the number of people involved in B2B solutions purchases has climbed from an average of 5.4 two years ago to 6.8 today, and these stakeholders come from a lengthening roster of roles, functions, and geographies. The resulting divergence in personal and organizational priorities makes it difficult for buying groups to agree to anything more than "move cautiously," "avoid risk," and "save money." One CMO has memorably referred to this as "lowest common denominator purchasing."

Finally, the expanding range of options that B2B customers face requires increasing amounts of time for evaluation as stakeholders deliberate over the trade-offs. Research shows that for individual consumers, greater choice isn't necessarily a good thing (see "More Isn't Always Better," by Barry Schwartz, HBR, June 2006); the same principle applies to big B2B purchases. No matter the choice, some stakeholders will always find aspects of an alternative more appealing. In addition to slowing the purchase process, an excess of options leads to post-purchase anxiety: "Did we do the right thing? Would another choice have been better?" Our research shows that such second-guessing occurs in more than 40% of completed B2B purchases.

That customers struggle to buy comes as a surprise to many suppliers. At CEB we've asked thousands of senior executives at companies around the world to describe the complex-solutions purchase process in one word. Among their responses are "hard," "awful," "painful," "frustrating," and "minefield." We find that a typical solutions purchase takes twice as long as customers expect it will. What's more, 65% of customers tell us that they spent as much time as they'd expected to need for the *entire* purchase just getting ready to speak with a sales rep. Clearly, much of what makes the process so hard has nothing at all to do with suppliers and everything to do with customers themselves.

The solution? Make buying easier.

Suppliers have of course been working on simplifying sales since the dawn of selling—and the majority in our surveys assume they're succeeding. Unfortunately, the very tactics they think will increase ease of purchase often do the opposite. Our research finds that the vast majority of sales

professionals believe that giving customers more information helps them make better decisions; that they must flexibly respond to a customer's direction (even when they disagree with it); and that it's "extremely important" to help customers consider all possible alternatives. Sellers are striving to be more responsive than ever—taking the customer's lead and providing whatever support is requested. They ensure that customers have all the data, cases, and testimonials they might need to guide their decision making, and they lay out a suite of options, continually adjusting the offering as customer demand evolves. This approach seems like the right one, and it's in keeping with suppliers' desire to be more customer-centric. Yet it drives an 18% *decrease* in purchase ease, according to our survey of more than 600 B2B buyers. Piling on more information and options just makes things harder.

A Powerful Prescription

We evaluated the impact of dozens of selling tactics on the purchase process and saw a clear pattern: Whereas the responsive approach typically depressed purchase ease, a proactive, *prescriptive* approach *increased* purchase ease by 86%. Prescriptive suppliers give a clear recommendation for action backed by a specific rationale; they present a concise offering and a stable view of their capabilities; and they explain complex aspects of the purchase process clearly. A simple prescription might sound like this: "One of the things we've learned from working with customers like you is that purchasing folks are going to get involved, and probably late in the process. And when they come in late, things tend to blow up. So you'll want to bring them in earlier. When you do that, they will have two main questions: X and Y. Here's how to answer them."

Not surprisingly, customers perceive prescriptive salespeople as being one step ahead, anticipating and eliminating obstacles. That translates directly into business results: Suppliers that make buying easy are 62% likelier than other suppliers to win a high-quality sale (one in which the customer buys a premium offering). In fact, purchase ease is by far the biggest driver of deal quality we've found across three large studies. What's more, customers who complete a prescriptive, easy sales process are dramatically less likely to regret their purchase or to speak negatively of the supplier, and are more likely to repurchase, than customers in conventional sales interactions.

The Peril of Responsiveness

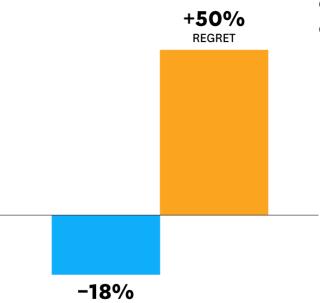
Most supplier sales reps wrongly believe that satisfying customers' every request for information and support makes buying easier.

86% of sales professionals agree that "helping the customer consider all possible options and alternatives is important."

79% agree with the statement "I remain very flexible to customer needs and opinions throughout a sale, even when I don't necessarily agree with their direction."

68% agree that "more information generally helps customers make better decisions."





In fact this "responsive" sales approach has the opposite effect, decreasing the likeliness of purchase ease and increasing the likeliness of purchase regret.

SOURCE CEB FROM "THE NEW SALES IMPERATIVE," BY NICHOLAS TOMAN, BRENT ADAMSON, AND CRISTINA GOMEZ, MARCH-APRIL 2017

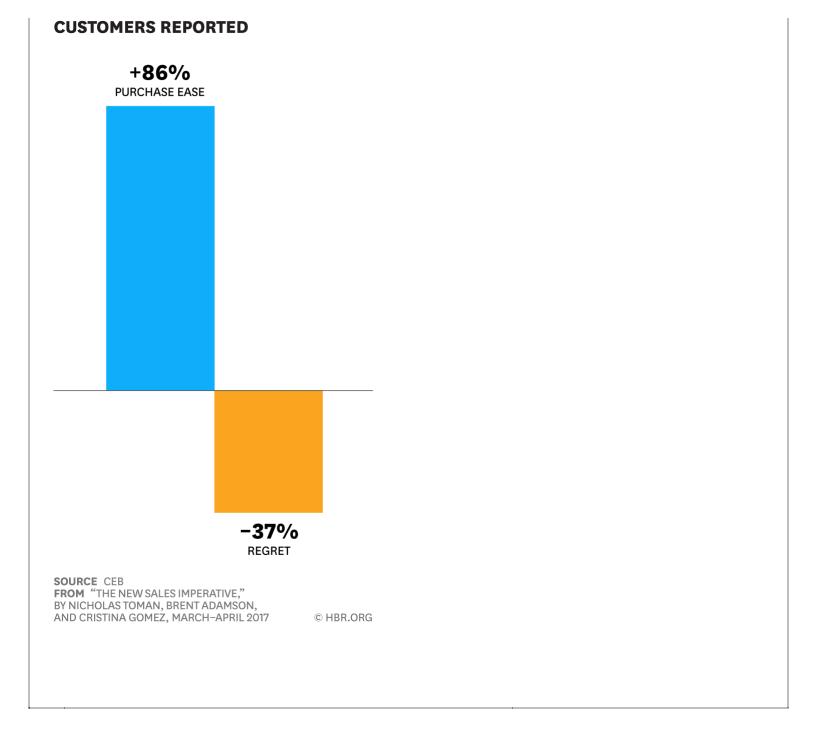
PURCHASE EASE

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The Power of Prescription

A proactive, prescriptive approach that guides customers through decision making increases the likeliness of purchase ease and decreases the likeliness

of purchase regret.



At CEB we've worked with hundreds of sales organizations globally and have run frequent workshops on how to be a prescriptive sales organization. Although every deal is different, all deals are typically more similar than not—especially within a particular industry, across a specific customer segment, or for a given offering. The most effective prescriptive sellers learn from the purchase processes and challenges of a handful of customers to effectively prescribe to a wide range of similar customers, scaling their capability. Selling prescriptively is less an individual rep skill than an organizational aptitude that can be deployed across channels, from sales conversations to marketing content to customer diagnostic exercises. (Click here for further materials and to take an assessment to gauge how prescriptive your organization is.)

Prescription may take many forms, but the companies that have mastered it employ the same practices: They work to deeply understand the customer's purchase journey; identify the most significant customer challenge at each buying stage; arm their salespeople with tools to help overcome each challenge; and trace the customer's progress so that they can intervene at any moment to keep the process on track.

Let's look at each step in detail.

1. Map the Journey

Most B2B marketing executives will tell you that they already map customers' buying journeys. But the mapping they commonly do is insufficient to support a prescriptive sales strategy. Conventional journey maps typically include four main steps—awareness, consideration, preference, and purchase—often depicted as a funnel narrowing to the sale of the supplier's solution. At CEB we call this the customer *purchase-from-us* journey, because of its focus on the supplier's process and offering. In this model, if we were to ask, "Awareness of whom?" the answer would be "Of us, the supplier." "Consideration of whom?" "Of us, the supplier." And so on.

But recall that the obstacles customers face often have nothing to do with the supplier, because they lie early in the purchase journey, long before the supplier has entered the picture. Thus a supplier-oriented perspective fails to expose many of those obstacles and is of relatively little help in determining what steps sellers should take. That's why we advise companies to construct supplier-agnostic journey maps for their customers.

At the outset, think of the typical purchase journey as spanning three phases: early, middle, and late. In the first phase, customers are simply identifying whether they have a problem that merits attention—for example, whether their CRM system needs upgrading or replacing. This first phase might involve identifying, sizing, and prioritizing competing business challenges. In the middle phase, customers assess various approaches to addressing their highest-priority problems. They might explore build-versus-buy options, technology-versus-people solutions, and the implications of integrating various solutions with existing systems. In the late phase, having agreed on a suitable solution, the customer considers suppliers and engages, often for the first time, with a sales rep.

Your goal is to uncover struggles that customers would have with any supplier.

Across these three phases—each broken into discrete steps—customers study a wide range of information, explore numerous options, and work to align diverse internal stakeholders. Each step may contain land mines. A detailed understanding of customers' activities during these steps, regardless of who ultimately lands the contract, is therefore essential. (A word of caution: Although precision is important in fleshing out a journey map, we find that five to about 10 steps is ideal; beyond 10, the map may be too cumbersome to use effectively, especially by individual reps.)

The task of creating journey maps has typically fallen to marketing. But that function tends to approach the job from the supplier's perspective. Many of the supplier-agnostic maps we've helped design are developed by sales operations or sales enablement. That said, the most effective commercial teams work collaboratively across functions and with customers to create a comprehensive map couched in language that is readily understood throughout the organization. High-performing sales reps are instrumental in refining the maps, because they often have superior insight into their customers' processes. Additionally, a supplier's established customers are often willing to collaborate in the exercise, since they stand to benefit from the supplier's improved understanding of their processes. Gathering customer information needn't be complicated:

Suppliers can conduct interviews, focus groups, or surveys to ask straightforward questions about a past purchase, such as "What sources of information did you consult?" "What information was most or least helpful?" "Who was involved in the purchase, and when did they become involved?"

Beyond following the framework outlined here—work across functions, tap star reps' expertise, involve customers—there's no rigid blueprint. We have seen many variations on the theme as companies tailor the process to their circumstances.

One provider of workforce management solutions we worked with was relying heavily on its top reps to identify the key steps in customers' journeys. Its leaders assumed that because deals are so different, a common buying map would be too general to be helpful. But after weeks of debate, the team converged on a nine-stage map that worked for a broad range of customers. The more they used the map, the more clearly they saw its applicability to virtually any purchase of their complex solution.

Another CEB client, a global logistics company, used this same map as a starting point and found that it described much of the company's own customers' buying process, despite the very different industry. The sales enablement team held a daylong workshop to customize the map to the needs of sales leaders, creating a pilot version in a matter of hours. To achieve this, the team members identified similarities in buying behavior across diverse deals—an approach that allowed them to build a map with wide application.

The marketing department at an e-learning and training provider took a different approach to map development. That team focused less on the details of specific buying stages and more on understanding the concerns of individual customer stakeholders. Starting with a rudimentary map of three buying stages—early, middle, and late—the team interviewed the stakeholders, teasing out what information they sought, where they looked, and what challenges arose at each step in the process.

2. Identify Barriers

We've treated mapping as distinct from identifying obstacles to purchase. But as the example of the e-learning firm suggests, the two often overlap. Particularly when customer interviews are part of the journey mapping, questions about pain points in the process can be integrated.

Customer surveys or in-person interviews should explore questions such as: "What specific challenges did you encounter in the process and at what stages?" "What information would have helped you make faster progress or a better decision?" "Was there anyone who was not involved, or involved late, who should have participated or have been brought in sooner?" "If you were starting over, what would you do differently?" and "What advice would you give others embarking on a similar purchase?" Remember that the goal is not to learn about the problems customers encounter in dealing with you (such as your complex contracting process or hard-to-navigate website) but, rather, to uncover the struggles they would have with any supplier.

As suppliers gather data, they may be tempted to act on input from a single customer. But it's smart to consider answers from many and to look for patterns that reveal the few higher-order obstacles that give rise to a disproportionate amount of buying difficulty. For example, stakeholders at one company might have trouble making an effective business case for change; those at another might struggle with getting internal buy-in for a course of action; and those at a third might have difficulty

dislodging a particular function, such as finance, from an alternative point of view. In aggregate these challenges might speak to a broader problem buyers have in assembling clear, quantifiable evidence. Or they might indicate a very specific category of purchase requirements that the supplier failed to consider—something, perhaps, that seemed only tangentially related to its solution but proved to be essential to the purchase. In addition to helping the supplier focus its prescription efforts on high-ROI targets, attacking a small number of big problems reduces the burden for reps who are already inundated with new tools, systems, and rules.

We have identified common themes among the challenges customers most often encounter. In the early stages, as they engage in learning and research, they are likely to struggle with information-based challenges—for example, drawing clear conclusions from often conflicting data or recommendations. In the middle stages, as more stakeholders find their way to the table, communication breakdown tends to be a major obstacle. This may include failing to uncover all stakeholder concerns—perhaps by overlooking a compliance team's focus on data vulnerability or IT's interest in system integration when selling a new app to the head of sales. Other challenges include aligning decision makers' competing priorities—such as operations' focus on efficiency with safety's concerns about injury—and reconciling conflicting interpretations of business needs or leadership directives. Finally, in the late purchase stages, customers often bog down when considering options and selecting a course of action. Challenges here might include an inability to agree on a specific plan for implementation (such as a pilot versus a large-scale rollout) or a disagreement about the ROI of various product options or configurations, such as on-premises versus cloud-based CRM.

What Slows Customers Down

Customers encounter predictable impediments at each buying stage. Suppliers should anticipate and remove these to simplify the purchase process.

CUSTOMER MIDDLE **EARLY** LATE BUYING STAGE COMMON Information challenges People problems Options issues OBSTACLES TO PURCHASE **EXAMPLES** Trouble distinguishing Competing priorities Having too many between meaningful and purchase options · Different criteria irrelevant information is overwhelming for purchase Trouble interpreting • The late introduction Conflicting views on conflicting information of new ones is confusing the need for change Trouble knowing The implementation Hidden concerns how much information plan for different options is enough is unclear SOURCE CEB FROM "THE NEW SALES IMPERATIVE," BY NICHOLAS TOMAN, BRENT ADAMSON, AND CRISTINA GOMEZ, MARCH-APRIL 2017 @ HBR.ORG

Consider how one mobile-technology solutions provider mapped customers' single greatest challenge at each of six buying stages. The provider, which sells radio-frequency identification, wireless networking, and other products and services for real-time collaboration across dispersed systems and staffs, encountered a host of obstacles. For example, it found that customers sometimes get derailed in the first stage of the journey as they simply seek to understand and prioritize the value of connecting a widely dispersed workforce. Until they have a clear grasp of the technology's benefits, they won't move to the next buying stage. The provider also discovered that in the second stage, various customer stakeholders across IT, operations, and finance often had differing ideas about the solution's uses and its value to their function and to the company. Without a common understanding, no deal with any supplier is likely to proceed. That's not because the provider fails to meet customer expectations but because the customer stalls on the journey before a specific solution is even on the table.

By clearly identifying the principal obstacles to purchase, this provider was able to devise an effective prescription sales strategy, as we'll discuss in the next section.

3. Design Prescriptions

Prescriptive approaches vary widely and are delivered through a range of channels: content produced and distributed by marketing; live customer conversations; workshops led by reps, specialists, or executives; customer diagnostics; and self-assessment exercises. For example, customers might complete a benchmarking survey that shows their performance is falling short relative to that of similar companies with comparable goals.

However they're delivered, prescriptive efforts must meet three requirements. First, they must be unbiased and credible. If they're principally promotional, they'll not only fail to help customers buy but will be regarded with suspicion. A customer's natural reaction to effective prescription is never "I see what you're trying to do there..." but, rather, "Wow, you just made my life so much easier!" Second, they must reduce indecision and compel action. Therefore, an effort should systematically focus customers on a manageable set of considerations and make concrete, evidence-based recommendations. And third, without explicitly promoting the supplier's solutions, prescriptions should facilitate progress along a purchase path leading to a solution that the supplier is uniquely able to provide.

Let's return to the mobile-technology solutions provider. After identifying half a dozen key customer roadblocks, sales and marketing collaborated to develop targeted interventions for each. These included a diagnostic tool to help customers evaluate shortcomings in their current collaboration systems, workshops to help align internal stakeholders on the need for change, and a "rollout readiness assessment" to help customers identify the step-by-step path they would need to follow.

National Instruments, a producer of testing and measurement systems used in production and research facilities, faced a similar challenge. The company found that potential deals often stalled early on because a typically diverse array of customer stakeholders, from CTOs to R&D leaders to design and production managers—all with differing or even conflicting priorities—disagreed on the urgency of upgrading outdated equipment.

Rather than directly pitch the company's solution, National Instruments' sales enablement team built an assessment tool to help customers establish a data-driven view of their own "business and technical maturity," diagnosing areas of underperformance, revealing risks, and identifying the potential business impact of various improvements. The tool serves to simplify purchasing,

regardless of which supplier the customer ultimately selects, while also laying out a decision-making framework designed to maximize National Instruments' ability to help. It objectively gauges competency across 15 parameters in three areas—people, process, and technology—and produces a maturity score that can be compared with the scores of National Instruments' global client base. The assessment's impartial nature cuts through customers' opinions and personal biases, reducing sources of contention and allowing stakeholders to zero in on the company's true challenges and opportunities.

Prescriptive efforts must reduce indecision and compel action.

Meanwhile, data-backed "what if" scenarios help customers quickly reach consensus by modeling the financial impact they might expect from taking specific actions (or no action) across a range of scenarios—from completely upgrading their measurement and evaluation systems with the latest technology to making various piecemeal improvements to making no changes at all.

4. Track Customer Progress

To eliminate obstacles to purchase, you must know exactly where your customers are on their purchase journey. With this information, suppliers can spot problems before customers encounter them and determine which interventions will maintain momentum and maximize purchase ease.

To this end, suppliers rely on "customer verifiers"—clear indicators that a customer has advanced from one purchase stage to the next. Good verifiers share three attributes: (1) They require active participation—customers must take clear steps confirming that they've committed to advancing the purchase process. (2) They are binary and objective, minimizing the potential for misinterpretation—the customer either did or didn't engage in a diagnostic, commit resources, or approve next steps in writing. (3) They signal at each step a customer's deepening commitment to moving away from the status quo. Verifiers range from the fairly general, such as acknowledging the need for change, to the explicit, such as signing a contract.

Below are two approaches to designing customer verifiers. The first uses a diagnostic tool as both a prescriptive device and a verifier. The second relies on a written commitment to progress through defined steps toward purchase.

National Instruments' assessment tool, in addition to aligning stakeholders and suggesting paths forward, pinpoints two early positions on the customer's journey map: acknowledgment of the need for change and degree of stakeholder alignment. For this verifier to be both binary and objective, customers must engage with the diagnostic on a specified date and provide formal executive-level signoff up front. That serves as a clear go/no-go signal. Simply expressing interest in taking the diagnostic is not a strong verifier.

A more structured approach, often used by IT suppliers in the mid to late stages of a purchase, involves creating a staged plan of required supplier and customer actions. This document is developed in close collaboration with customer stakeholders and identifies each step necessary to advance the buying process, with dates and owners indicated for each item and opportunities for the customer to exit the agreement at predetermined points. Steps might include "agree on preliminary success criteria," "present cost estimate," "begin legal review," "review draft proposal," and so on. The document is a highly detailed and customer-specific expansion of the journey map.

Once the plan is set, the customer commits to it in writing, establishing a precise position midway in the buying journey. The completion of each subsequent step serves as a robust verifier of progress.

CONCLUSION

Today's best suppliers help customers consider not just what to buy but how. Here we've described the key tactics they use: mapping the journey, identifying barriers, designing prescriptions, and tracking progress. But they also share two overarching organizational characteristics: First, they avoid focusing on getting customers to buy from *them* and instead concentrate on how customers make purchase decisions. This may seem like a minor distinction, but in fact it's a profound one, and fundamental to the best practitioners' success. Second, they tightly align their sales and marketing teams to support the customer journey from start to finish—breaking down the historical barriers between those functions in the process. As a result, these companies create consistent and relevant tools, messaging, and guidance to shape and simplify the purchase journey, drive sales, and ultimately increase customer loyalty.

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shaif tazir 2 months ago

Question here - "How do you find B2b Selling in IT services from Supplier and customer point of view , when Services are almost same across all the vendors , all are claiming to be no 1 in market"?

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