Issue 08

# **CEO Europe Sales Files**



# Customers are now smarter at buying than the salesmen are at selling.

If you are an executive, you may have read one or more of the thousands of books currently available on how to improve sales performance. With so many books advising on how to be great at sales, you may be forgiven for wondering why there are so few talented salespeople out there.

You see, the thing is, in the last 40 years there have been no significant advances in sales techniques. Virtually all were built on a foundation E.K. Strong laid down in 1925. Any "new way" of selling can be mapped to one of 4 approaches that were first promulgated in the 1960's. Procurement methods have changed - but selling methods have stood still.

If a company is not hitting its sales targets it may be due to one or more of the following problems

# Most Salespeople have had little formal training

In a survey of our clients we found that most salespeople have had less than 4 days formal training in the profession of selling. Less than 2% of salespeople had been on a structured sales training programme that the likes of IBM and Xerox once ran.

# Most companies don't have a formal Sales process

Almost any sales process is better than none, but most salespeople are not required to follow any process at all. Only 12% of companies have a formal sales process.

#### Most executives don't know how to sell

The vast majority of senior executives are not necessarily skilled in sales. Often thought leadership and mentoring on salesmanship doesn't exist. We worked with a large organisation last year where the CEO was shown the Account Plan of his largest client. It was apparent to everyone in the room except him that he just didn't understand the language of sales. For instance, he wanted to know where "the compelling event" was taking place.

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#### Customers are smarter at buying now than the sales are at selling

It wasn't so long ago when the buying department was a much underrated offshoot of the Accounts department. Today it is not unusual to have a Strategic Procurement Director helping the exec team shape the direction of the business. With e-auctions and supply chain strategies in operation, buyers are now better able to take control and the salesman often finds himself dancing to the buyers tune.

#### Sales are not empowered to sell

Many sales people are simply not empowered to sell their product. They are expected to raise the awareness of their product and get to a point where the customer may buy. But they do not have the authority to truly negotiate a creative win-win outcome for their own company or that of their customer. At best they can offer a bit of discount to try and sweeten the deal.

# Sales hasn't got anything to say worth listening to

When I was an IBM salesman in its heyday, I could walk into any MD's office and he would be glad to see me. Why? Because I had something to say that was of interest to him and relevant to his business. If you waste a customer's time with irrelevant solutions – don't expect him to answer the phone when you next call.

# Sales Training is often a waste of time and money

Much of today's sales training is based on techniques that are 40 years out of date. A bigger need is training in the cognitive psychology of selling. Some salespeople are naturally skilled in this area, most are not.

# People don't buy from people they don't like

Let's be blunt. The cruel truth is that if you have salespeople in your organisation that you don't particularly like, the chances are high that your customers won't particularly like them either. You can train, pay or bully a salesperson as much as you wish, but unless they have that certain spark they are doomed to fail.

Now, the good news is that your competition almost certainly has one or more of the above issues. Sadly, the bad news is they may be doing something to address them.

There is a wind of change blowing through the way we look at sales and selling, what worked in the past won't work now.

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Phil Smith the CEO of Cisco UK and Ireland sits on the European board and knows all about the need for a different approach. His view is as follows; "Here at Cisco we recognise that sales models evolve and those traditional models do not always remain relevant and can become costly and ineffective.

The "High Touch" model which has Cisco sales teams directly building relationships with customers, while partnering with a highly enabled and motivated channel, provides flexibility for our partners and we believe the best possible solution for our customers. In the mid-market and SMB space this model is not affordable and provides an opportunity for a different "partner led" approach. In today's market sophisticated and customer centric sales will prevail - It's not good enough simply to do it the way it was done in the past."

Whilst many companies wrestle with the problem Siemens Financial Services have not stood still. Jonathan Andrew the Siemens Financial Services CEO for Europe and Asia Pacific says;

"In today's increasingly competitive environment it is essential that sales organizations recognize that customers' expectations, business models, buying processes and sales channels have changed significantly in recent years. Successful sales organizations eagerly embrace and anticipate the evolution and accordingly re-engineer their sales processes and approaches in order to gain the essential competitive edge necessary to differentiate and win market share"

The big guns in industry recognise that the old sales approaches no longer apply - and they are actively doing something about it.

They know that the old way often involved "selling hard". But the fact is that customers simply do not respect or accept this anymore. The secret lies in helping a customer to achieve their goals and to ensure that the buyer considers the seller to be adding real value to the transaction.

Patrick Allainguillaume the Chairman and CEO of Muzicall puts it this way; "It is absolutely true that selling has changed significantly over the years. Our strategy is 180 degrees away from trying to "get" a deal from a customer. To us selling is about helping, advising and guiding the customer. In today's market, customers will choose vendors who add the most value – not those who are simply trying to push product"

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Recent research has shown that buyers are more responsive to sellers who go out of their way to help the buyer. The antiquated method of selling which was about persuasion is long dead. In today's business world the "Law of Value" applies. Bestselling authors Bob Burg and John David Mann define it as; "Your true worth is determined by how much more you give in value than you take in payment"

Sales and selling needs to change because the smart guys are doing something different, and the smart guys are the ones winning the business.

#### **About the author:**



**Ray Coyte** started his career in IBM and was part of the "Golden Circle" of the highest performing salesmen in the company. He was European Managing Director and General Manager for two of the largest software companies in the mobile phone industry. Ray heads an International consultancy practice that helps companies get more out of their sales teams by building bigger and better relationships with customers. Ray is currently studying for his Doctorate in Business Psychology

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