7 Ways To Avoid Being Referred To Purchasing Agents Or IT Managers

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Blog entry

Little Steve wanted to be a football (I mean real football, not that American style thing) player. At one point he was even asked to train for West Ham United.

He started training, but something had happened along the way. He discovered rock music, and his increasing interest in music proportionally diminished his interest in football.

Steve wanted to play drums, but due to space restrictions, he settled for bass guitar. He bought one for some $80 and started teaching himself to play.

Only after 10 months of autodidactic practice, Steve joined his first band.

Then he got into writing music as well.

But then he hit a speed bump.

His band mates refused to play Steve's songs because they found them far too complicated.

Imagine this...

Seasoned musicians with extensive touring and recording experience found the compositions of a self-taught newbie, with only 10 months of music experience, too complicated to play.

In frustration, Steve left Smiler, and on Christmas Day of 1975, he formed Iron Maiden.

And over the years, Steve Harris has become one of the greatest heavy metal bass players... and Iron Maiden has become a heavy metal legend.

In the 21st century, he is one of the handful of bass players who plays with his fingers not with a pick.

I've decided to mention this piece of heavy metal history because for many IT companies "It's too complicated" is the reason why they prefer to stay fungible vendors, thinking that selling as vendors for wafer-thin margins is a lot easier than becoming respected authorities and demand higher fees and prices.

Actually, I've heard a good number of IT sales managers say...

> **"It's cheaper and easier for us to go through thousands of suspects as fungible vendors, using manual labour grunt work, to find one client than going through the aggravation and the cost of repositioning ourselves as respected authorities."**

Of course, sales managers have an easy time because it's not them who have to perform the unnecessary hard work.

Some old sales trainers are still saying that the sales profession is full of rejection and various forms of abuse of salespeople. And that's the way selling goes and salespeople have just to accept it.

However, the younger generation believes that selling should be the foregone conclusion of good marketing, and most of the rejection and abuse are created by sellers through their flawed sales methods.

Tanks to the internet, according to Forrester Research, buyers are 66-90% through their buying processes when they reach out to meet salespeople. That's when buyers craft RFPs and start

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hunting for the lowest bidders.

IDG Enterprise indicates that buyers review nine pieces of content before contacting sellers.

Joining the buying process too late is a surefire approach to be relegated to purchasing agents and IT managers, and never to see the inside of a boardroom where strategies and budgets are discussed.

So, IT companies have to choose between paying the price of becoming respected authorities and doing business with boardroom dwellers or saving the price and remain fungible vendors, condemning their pitch-puking peddlers to battle it out with cheapskate procurement agents from one RFP to the next.

In today's article, we look at seven methods IT sellers can use to make sure they remain in the boardroom and discuss projects with high-level executives.

Focus On Business Benefits And Value

IT people love IT, so they love talking about IT issues. That's natural.

What's also natural is that high-level executives don't care much about technology. They have their businesses to run, thus they are concerned with business issues not technology issues.

If you focus on technical features, including your services, all you achieve is that you get relegated to the purchasing department and maybe to some mid-level IT managers.

The problem is that purchasing agents care about how cheap your services are, and IT managers' only concern is how cutting edge your solution is.

But they are like the dog that can bark but can't bite.

They can't make decisions and they can't release money to hire your company.

So, spending time with them is a waste of space.

The good news is that every technical solution has a business improvement aspect to it.

With a little digging, you can find how certain technical features can contribute to the improvement of some performance indicators.

For instance, if your client's systems is running in Windows 95 (I know it's a tad extreme), you can't use Skype, and have to visit the client every time you have something to show. That's a hell of a lot of wasted money, time and effort.

But you don't install Windows 8 just for the sake of having windows 8 on the system.

You install it because it makes the communication between clients and salespeople more effective, which, in turn, reduces client attrition, which increases profits.

It's not a technical but a business initiative.

Keep Your IT People In The Background

Executives don't wake up in the middle of the night in cold sweat mumbling to themselves...

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"Hell, we should really replace our Wordpress-based website with a Drupal-based site."

"We should ditch our servers in favour of something faster."

"We also really should get our payroll system re-written in Ruby."

They most likely to mumble something like...

"Buyers haggle with us on price."

"The best talents are leaving our company."

"We lose 90% of our submitted proposals."

"We can't afford to recruit quality people."

Buyers have contacted you because, although they know they have business problems, they think they need some technical solutions.

Most buyers approach IT companies with their own solutions.

This is why?

When buyers realise they have problems, they try to solve them in-house.

If they can't, they start looking for external solution providers.

But more often not, buyers' in-house solutions are based on symptoms not on root causes.

At this point, vendors start presenting options based on buyers' requested solutions.

But respected experts start questioning the validity of their buyers' solutions. They start diagnosing buyers' companies and situations.

And for this diagnosis, what you need is not IT people, but people with specific business savvy in the target market's industry at a boardroom level.

For instance, in a retail environment, performance indicators like sales per hour, shrinkage and sales per square foot matter.

If you move from technical issues to these boardroom-calibre performance indicators, you have a better chance to make the sale and at a higher fee.

Why?

Because as soon as you address these indicators, you're no longer a pedestrian, garden-variety IT vendor. You've just become a strategic advisor for your buyer.

Your phone number will share space with the corporate lawyer's and the accountant's numbers, not with the janitor's, the plumber's or the stationery supplier's.

After you've clarified the business issues, you can let your IT people look into the matter from a technical perspective.

Don't Worry About Closing The Sale

According to the old McKinsey mantra from the 70s, "If you can't measure it, you can't manage it."

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And the world of commerce ate up this myth left right and centre, and it started the era of metrics driven commerce.

After all, McKinsey was the prestigious consulting firm, and everything that comes out of McKinsey must be correct.

This baby wasn't.

The phrase originates from W. Edwards Deming, and in its entirety it is...

> **"It is wrong to suppose that if you can't measure it, you can't manage it – a costly myth."**

It's the total opposite of McKinsey's nonsense.

But in the world of American business, McKinsey is regarded as a prophet, while Deming is regarded as an overzealous renegade.

After all, a lowly little statistician can't be right and an army of Ivy League MBAs wrong. Not in America, baby!

So, for the masses, McKinsey wins and Deming gets laughed out of the office.

And this is funny if you consider that the hyper prestigious McKinsey's revenue per employee is just around $450,000, while the same number for many widely unknown boutique consulting firms is over $1.5 million.

Traditional selling is all about pushing for the sale at any cost because quotas must be reached and sales managers must be pleased.

In this effort to closer deals, sellers often try to exceed buyer's buying speed. And what happens?

Buyers get scared of pushy salespeople and run away very very fast and very very far.

And sellers land with their arses on the concrete and with an empty sales funnel.

But...

If you onboard prospects properly and do a kick-arse diagnosis session, buyers are likely to sell themselves on the idea of doing business with you.

It's not you who has to ask for the sale. It's the clients who have to ask for the purchase.

And when they ask, you mustn't jump on it right away.

Tell them something like...

> **"Thanks for the opportunity. Let's sleep on it and re-connect tomorrow to discuss our decisions."**

There are four decisions here:

1. Whether or not the buyer has a valid business problem.
2. Whether or not the buyer wants to solve that problem.
3. Whether or not the buyer wants to solve that problem with your help.
4. Whether or not you want to work with this particular buyer.

This is where your perfect client profile comes into the equation.

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Leave Your PowerPoint Show In The Office

Well, since there is a very good chance that most of your competitors show up at meetings with buyers with their slick PowerPoint presentations, you can do yourself a favour by dropping the act.

Salespeople present; partners and collaborators compare notes.

Sales presentations are one-sided preaching sessions, whereas meeting with partners and collaborators is always interactive.

And how you start out defines who you get categorised.

The reality is that IT people love watching PowerPoint presentations hoping to learn something new that they can later implement in their companies. Most of them don't care about the business aspects of their employers' operations.

As long as they get their paycheques, they are happy to do nothing but IT.

But real buyers don't want to listen to presentations. They want to have intelligent interactions with experts to solve business problems and seize business opportunities.

This is why I believe that the best salespeople in premium IT companies are the engineers and technicians with a twist.

No, they don't need sales skills.

The fact that buyers have already been onboarded to the level of in-person interaction demonstrates that they are committed to the purchase if sellers can fulfil buyers' buying criteria (what to be bought and sold) and the condition of satisfaction (doing quality work).

To illustrate it a bit better...

> Buying criteria (what to be bought and sold): Typed-up version of a 300-page handwritten book manuscript.
>
> Condition of satisfaction (doing quality work): Ability to type t least 120 word per minute with minimum 99% accuracy.

Technical people already have excellent diagnostics skills.

Add to that industry-specific business savvy and ability to communicate clearly.

And now you have someone that buyers are eager to meet.

Due to their "boardroom" skills, they can diagnose their buyer's businesses.

Due to their "server room" skills, they connect business problems to technical solutions.

Due to their communication skills, they can clearly explain the value of their solutions.

And that's all to it.

And what if your buyer has objections?

Well, you say to him something like...

"I reckon we've just found a reason not to do business together. Would you agree?"

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Then with a smile on your face, don your hat and walk away.

At this point, your buyer expects you to click into objection-overcoming modes, and if you don't do that he will be shocked. Then you can say something like...

> **"Look, I'm not selling anything here. I'm selecting. You can't buy what I'm offering. I have to select you and volunteer to invest my expertise in your success. I know 90% of the people I talk to are not ready for this. There is a 90% chance that you're not ready for this and we're never going to work together.**
>
> **I know 90% of the people I talk to will make a mess of it regardless of my help and support. Why? They are too entrenched in their old habits and can't bring them to doing things differently. I know that 90% of the people I talk to are not destined to do work with me, and should find someone else.**
>
> **Anyway, it was nice meeting you. G'day, Sir."**

Some people say, this is arrogant. No, only confident.

You simply don't let anyone wipe his shoes in you. That's all really.

Ask Strategic (Big Picture) Questions

Asking, "What keeps you up at night?", "How can I earn your business today?" or other vendorish questions achieves one thing: In the best case, you get kicked out of the boardroom and kicked down into the server room or the procurement department

In the worst case, you get kicked right out of the building with a loud and clear message, "Don't ever come back!"

They may not call you a slimy bastard in your face, but in their minds, that's what you've become.

So, ask questions that make people think...

- The R Question Dan Sullivan The Strategic Coach: "If we met five years from now and you look back over those five years, what has to have happened for you to feel happy with your progress?"
- The A-Z question from Jeff Thull: "As you look at your entire revenue-generating process, starting with generating a high-quality sales lead, turning it into a new prospect, and moving that prospect through all the interactions, and finally ending up with a very profitable sale and a delighted and successful client with a high probability for repeat and referral business, if you had to pick one part of this process that concerns you the most, with all the success you've had in your business, what would you put in the top of your list of concerns?"
- When you look at your career as a means to an end, as fuel to give you more mileage in your life, as a tool to give you a bigger and brighter future, how do you see your business success support your personal success?

The good thing is that no one but top decision-makers can answer these questions.

Yes, some flunkies may try to play you buy relaying your questions to the top dogs and then

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relaying the answers back to you, and in this case, you can always find ways of going through those flunkies.

Speak Boardroom English

If you're a techie-turned salesperson, there is a high chance you use lots technical jargon with high-level buyers.

And if you're a non-techie salesperson, there is a high chance you use lots of typical sales jargon.

So, who should meet buyers?

In my experience, technical people with business savvy.

One point these people have to understand is that they are not salespeople in the traditional sense.

They don't meet buyers in order to hawk their companies' products and services.

No.

They meet buyers to determine whether or not there are problems they can help to solve and whether or not they want to work together to solve them.

It's a conditional "whether or not" situation not a definite "make the sale at any cost" situation.

But to maximise this "whether or not" situation, you have to use the right language. You have to drop the traditional "Ask questions, handle objection and close, close, close" sequence.

And since the whole interaction is void of sales tricks, even the most sales allergic people can pull it off with outstanding dexterity.

And if you have people on your team who resent the thought of making money, try to withhold their paycheques a few times and see how they react.

Many people hate sales, but would sue the living daylights out of your company if you told them you can't pay them because nothing got sold this month, so there is no money.

Sharpen Diagnostics Skills

Let's forget about presentations. That's irrelevant.

They are called sales presentations because salespeople do it.

But we know that most buyers rather slit their own throats than to meet salespeople.

Why?

Because they are shit-scared of canned dog-and-pony presentations and ensuing hard-selling battles.

A laser-sharp diagnosis from the half-drunk Dr. House is more valuable than the world's slickest presentation from a guy with a triple MD.

Similarly,

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A good diagnosis (done by a guy/gal with a high-school diploma and self-taught business savvy from the trenches) is more valuable to the buyer than the world's slickest sales presentation from a guy with a triple MBA.

The reality is that diagnosis is collaborative, whereas presentations are one-sided preaching sessions.

And the good news is that great clients enjoy being involved in the diagnosis process.

Only shitty clients say they don't have time or give you some other feeble excuses not to get involved.

And these buyers should be fired right at the beginning of the process.

Working with them is hard and complicated.

A good diagnostics process establishes the process of the collaboration, that is, active client participation from the very beginning and the quality of peer-to-peer relationship.

In a way it sets the ground rules for the whole project.

Summary

Over the years decision-makers have become pretty sceptical.

And their scepticism is well-founded if we consider that, in spite of drastic changes in buying practices, there have been very little changes in sales processes.

Most IT salespeople still attend seminars run by sales veteran trainers who haven't sold anything since the 80s.

And now they've been globetrotting to teach their obsolete materials to as many poor souls as possible.

And when these unsuspecting salespeople take the newly learnt skills to the field, they discover that they get thrown out of offices before they could say Jemima Puddle-Duck.

And what happens next?

Their sales managers blame salespeople for not being tenacious and hard-working enough and that they can't take verbal abuse and rejection well.

Well, who can really? And who wants to?

And there starts the high attrition rate of salespeople.

What is interesting is that many sales managers don't mind the high attrition. They somehow don't understand the relationship between falling salesperson retention and falling profits.

Or maybe because they don't have profit/loss responsibility, they don't even care.

After all, they get compensated based on total gross sales regardless of attrition.

Since salesperson attrition is mainly caused by sales managers, there should be something in sales managers' compensation that considers attrition. Something like...

Sales manager's actual compensation = Full compensation x (100 – Attrition %)

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The typical attrition rate in the IT sector is around 42%.

So, you'd multiply your sales manager's compensation by 58% (100 – 42) and that would be the actual compensation.

Drastic? Yes.

Oh, by the way, let's clarify what we call attrition. Well, when salespeople quit.

Why do they quit? Because they've got pissed off with their managers.

Let's remember that people join great companies, but leave shitty managers and supervisors.

High salesperson attrition is caused by incompetent sales managers.

This is not even surprising if we consider that most sales managers are high-performing salespeople who've got promoted to their levels of incompetence.

But sales managers and salespeople are not cut from the same cloth.

And since today's salespeople need different skills and behaviours from salespeople of the past, sales managers also need different skills and behaviours from sales managers of the past.

Many sales managers still use Glengarry Glenn Ross[1] or The Boiler Room[2] methods to intimidate their salespeople into higher performance.

Not only salespeople but sales managers too should learn the dynamics acquiring new clients and how salespeople should behave in order to be kept inside boardrooms and merely visit server rooms escorted by boardroom-calibre executives.

We live in a different world of buying, so it's time salespeople and sales managers learnt a different way of selling. That is, selling to the boardroom not to the server room.

In the meantime, don't sell harder. Market smarter and your business will be better off for it.

With victory on high...

Tom "Bald Dog" Varjan, Hucksterism Retardant Specialist
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Additional Knowledge Products to Build Your IT Business

Here are some knowledge products on business development for building your premium-calibre IT business. It's especially for privately held "entrepreneurial" IT companies and solo IT professionals.

These products are sort of workbooks. They explain what is what, then walk you through the

[1] https://www.youtube.com/watch?v=8kZg_ALxEz0

[2] https://www.youtube.com/watch?v=JfIKzReNDF4

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"how to..." part of the process. As you read the books, you do the exercises, and by the time you finish reading, all the relevant bits and bobs are in front of you on paper applied to your own unique situation. For this reason, the materials are not long but rather dense.

I hope you find them valuable.

Winning Yellow Pages Advertising For Information Technology Companies: One piece of good news is that most people who look you up in Yellow Pages are serious buyers. Another piece of good news is that some 97% of Yellow Pages ads are like eunuchs in a harem. They are physically there but are unable to perform.

The bad news is that your Yellow Pages ads might look like your competitors' ads. But that's great recognition and you can now correct this error.

Some people say, no one uses the Yellow Pages any more. Normally not. But in case of emergency (server down or computer crash), people look up the Yellow Pages and phone the company that is best differentiated from the masses. And remember that emergency work has very very high perceived value. So, take a moment and look at your ads. Winning Yellow Pages Advertising For Information Technology Companies

Perfect IT Client Profile Development Toolkit: We all know the high financial and psychological cost of low quality clients. They pay little but demand a lot. Even when they are happy, they are reluctant to give testimonials and introduce us to their connections. So, it's pretty important to carefully cherry-pick clients and to make sure they come from the top 0.5-2% of the Perfect Client Pyramid.

Yes, these top-drawer companies are hard to "conquer", but in the long-run, they offer the highest return on your marketing investment. But before contacting them, you have to define them in your business. And this is what this knowledge product does. Perfect IT Client Profile Development Toolkit

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