

# **8 Things I've Learnt From Being A Technology Buyer**

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Held IT Companies And Independent IT Professionals

By Tom "Bald Dog" Varjan



[Blog entry](#)

On one nice day in 1995, 44-old McArthur Wheeler, accompanied by Clifton Earl Johnston, waltzed into the Fidelity Savings Bank and then into a Mellon Bank in Pittsburgh, PA, and robbed them both.

They were optimistic about their booty, after all, robbing two banks in one day should yield something useful.

It did indeed.

A speedy arrest.

The police checked the video security footage, recognised McArthur and he found himself in the slammer faster than a speeding bullet.

Wheeler was incredulous. How could the police recognise him since he used lemon juice on his face?

He had learnt somewhere that lemon juice was used to make invisible ink, so McArthur thought if he put lemon juice on his face, he would make his face invisible.

When he was arrested and the cops show him the security footage, McArthur protested...

**"But I wore the juice."**

How did wheeler think lemon juice would make his face invisible?

He had read the story about the invisible ink, but also wanted to see for himself how it worked.

So, he put lemon juice on his face, and took a Polaroid photo of himself.

And since his face didn't show on the photo, McArthur concluded that the trick would work in the bank too.

So, good ol' McArthur grossly overestimated his own smarts about chemistry and underestimated the police's smarts to catch him.

Wheeler had tested his lemon juice hypothesis prior to proceeding with the robberies. After covering his face with lemon juice, he took a picture of himself using a Polaroid camera. At the time of Wheeler's arrest, he explained to one of the detectives handling his case, Sergeant Wally Long, that his face had failed to appear in the resulting photograph; a seeming confirmation of his theory. Detectives would speculate this result was caused by bad film, incorrect camera operation, or lemon juice in Mr. Wheeler's eyes.

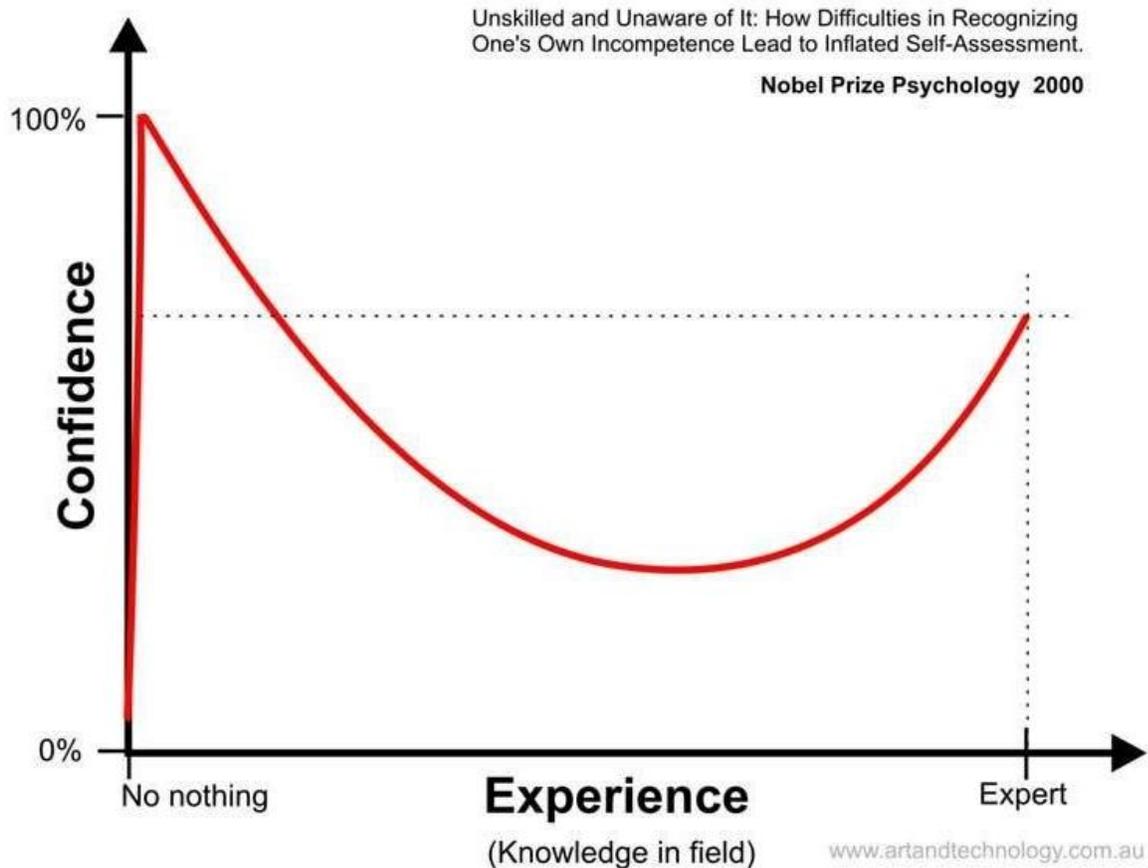
In psychology, this phenomenon is summed up as Dunning-Kruger effect, first observed and documented by David Dunning and Justin Kruger of the Department of Psychology at Cornell University in 1999.

They posited that for a given skill, incompetent people...

- Fail to recognise the absence of skill in themselves.
- Fail to recognise the presence of skill in others.
- Fail to recognise the magnitude of their own absence of a skill.

But...

- Recognise and acknowledge their own previous absence of skill, if they develop that specific skill.



David Dunning sums up this phenomenon really well...

**"If you're incompetent, you can't know you're incompetent. The skills you need to produce a right answer are exactly the skills you need to recognize what a right answer is."**

I've decided to share this story and phenomenon with you for one reason...

When you're in a certain industry for a longish period of time, you can't help but to learn some traditions, habits and behaviours that shape that specific industry. And depending on which department you work in, you learn even more about department-specific habits and behaviours.

In a former life, I was in the high-tech sector for 16 years as an engineer, project manager and technology buyer, making recommendations to economic buyers about various technical purchases.

In that capacity, I was involved in the purchase of some \$610 million worth of high-tech products and services.

Further, I "digested" over 8,000 pages of proposals, sat through over 2,500 hours of dog-and-pony show sales presentations and talked to over 5,000 business owners and economic buyers about the ins and outs of how they buy complex, expensive and hard-to-explain high-tech solutions.

Over the years, I had gained an intimate understanding of how buyers of high-end high-tech products and services think, what appeals to them and what appals them.

So, in this article, I've decided to share some of those thoughts, so you can see if there is a dodgy activity or two in your business development repertoire that might piss buyers right off.

### **#1: Salespeople Promise More Than What Tech People Can Deliver**

This is one of the main causes of disconnect between salespeople and the technical folks.

One problem is that most IT companies employ technically illiterate salespeople.

And the other problem is that salespeople want to make their commissions no matter what.

So, when meeting buyers, they promise the Sun, the Moon and the stars in order to make the sale.

Their thought is that since money is money, they get paid for the new business, and since they don't have to get involved for the project's duration, they don't really care how bad clients are.

That's something the tech folks have to struggle with.

And what happens if bad clients trigger the company's guarantee and demand their money back.

Well, by then commissions have been paid, so even though the company is out of pocket, salespeople are definitely not.

And then the process repeats.

In most IT companies there is an inherent adversity between salespeople and technical people.

Technical people look down on marketing and sales and the people who are involved in such shady and slimy practices. And, of course, they regard themselves as the most important folks at the company.

In most cases, management also feeds that erroneous notion.

And that happens because most IT managers and executives are former tech people who also hate marketing and sales and their practitioners.

Just see how differently technical people and salespeople are treated in IT companies.

So, what to do to avoid having salespeople avoid working against their companies?

They should be treated with the same respect and dignity as the technical people.

After all, you can have the best products and services from the technical perspective, but if you can't sell them, then you're hosed pretty much.

However, in the ideal situation, I think you can have technical people who can sell.

No, I don't mean "sell" in a traditional sense, like vendor selling or plain peddling (See movies like Glengarry Glen Ross or Boiler Room as bad examples).

I mean diagnosis-based consultative selling. The kind, for instance, that your dentist does.

He doesn't insult your intelligence with presentations and closing techniques.

Instead, jointly with you, he diagnoses your situation and the two of you jointly develop an

improvement regimen.

He solves your problem with your close involvement.

That's why medical procedures have better completion rates than IT projects.

When you have technical people with consultative sales expertise, the same person can acquire and deliver projects.

And this is one of the cornerstones of premium calibre work.

## **#2: It's Not A Matter Of "If" But "When" Buyers Catch Up With Seller's Dirty Sales Tricks**

Many sellers try to trick buyers in order to fix appointments with them.

Lots of salespeople have this idea fixated in their heads that if they can meet buyers face-to-face, the sale is as good as made.

Well, that wasn't the case even during the pre-internet era, but with the internet, this is a seriously flawed assumption.

Granted, buyers can be deceived, as you can read in Don Tennant's article, entitled *Rotten Effort*<sup>1</sup>, in the 8 May 2006 issue of Computer World.

In the article, a Microsoft saleswoman, posing as a software licensing expert, tries to get money out of a client by dinging him with various fines for not having proper software licences. The client needs to engage his lawyer to silence the overzealous douchebag saleswoman.

This is one case only, but hell knows how many other clients this woman had intimidated by telling them that Microsoft will sue the shit out of them unless they pay some big money for some bogus licences.

When the lead generation funnel is just a puny trickle, many sellers use any trick to get a new client. The irony is that in their pursuit of new clients, they start neglecting their existing clients. Existing clients that could become great sources for repeat and referral business.

But no! They are busy chasing after new clients. After all, chasing after new clients is much more exciting.

In many IT companies, salesperson attrition is so high that salespeople don't have to worry about the repercussions of their expedient actions.

By the time their immoral actions backfire, they are long gone and apply their shady tactics to other companies.

This is why it surprises me that many IT business owners openly admit that they try to maintain a fairly high level of salesperson attrition because they think it's good for the company.

But how is it good for the company that salespeople know that they are used as mere stopgap

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<sup>1</sup> [http://www.computerworld.com/s/article/print/111186/Rotten\\_Effort](http://www.computerworld.com/s/article/print/111186/Rotten_Effort)

measures, and will be dumped as soon as possible?

What performance can we expect of those salespeople?

Maybe a bit more than none, but not much more. And even that performance is self-serving with no regards for the company.

I believe it's important to create a good sales climate, so good salespeople come and stay. They stay because of what your company stands for and they can be proud of what you sell.

### **#3: Most Sellers Don't Understand The Buying Process**

Just because you've hired the best battering ram operator in the land, and have a 100% success rate at smashing down castle and fortress gates, you don't necessarily understand the principles of architecture and stonemasonry.

Similarly, your salespeople may be experts at breaking down doors and infiltrating companies through ugly, sweaty cold-prospecting grunt work, but they don't necessarily understand the buying process that buyers use to acquire new products and services.

There is something important to keep in mind.

The internet has drastically changed the buying process, although most IT companies' selling processes have failed to reflect this change.

They still sell the same way as they did in the pre-internet era: Salespeople think they have all the useful information buyers need to make intelligent decisions.

Not any longer.

Just read some of the stats in *The Future Of B2B Marketing*<sup>2</sup>

- A CEB (Corporate Executive Board) study of more than 1,400 B2B customers found that those customers completed, on average, nearly 60% of a typical purchasing decision – researching solutions, ranking options, setting requirements, benchmarking pricing, and so on – before even having a conversation with a supplier.
- SiriusDecisions reports that 70% of the buying process in a complex sale is already complete before prospects are willing to engage with a live salesperson.
- The hardest thing about B2B selling today is that customers don't need you the way they used to – Harvard Business Review
- 66-90% of the buying cycle is completed before a B2B buyer ever speaks with a sales rep. – Forrester Research
- 70% of business technology buyers are at the RFP stage (request for proposal) by the time the vendor becomes aware of the opportunity – UBM Techweb.

So, as you've read it, if you enter the game at the moment when buyers are ready to talk to salespeople, you're already too late, and entering as a new bidder at that stage is a waste of time

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<sup>2</sup> <http://www.torbenrick.eu/blog/marketing/future-of-b2b-marketing/>

and money.

And now back to the “Put me in front of a prospect with mild interest and the sales is closed”.

Either some salespeople aren't smart enough or their sales managers don't permit them to be smart (most likely) about getting in front of buyers with brain and finesse, so once they are there, they use brawn and brute force to try to turn buyers into clients.

And buyers know when they are manipulated and pushed towards purchase orders a bit too fast. Buyers have a certain pace at which they go through the buying process.

If sellers try to increase this pace, they usually scare buyers away once and for all.

But if they try to slow this pace down, then something interesting happens.

First buyers get shocked that someone is not trying to wrestle them to the ground and take their money.

And if your slowed-down process is something enjoyable, then buyers will stick with you.

Actually this slowed-down process is the client onboarding process, a proverbial obstacle course your buyers have to fulfil in order to become clients.

Of course, this idea runs on the premise that it's a privilege to be your client because your company offers something that your competitors don't.

This onboarding process can also create an enjoyable environment that allows sellers to present better differentiation to buyers and then charge higher fees and prices.

And by the time buyers go through this process, they don't need to be sold.

You don't have to ask for the sale.

Instead, they ask for the purchase.

Could you live with that?

### **#4: Third-Party Subcontractors Should Be In Line With Main Sellers**

Here is one big problem.

A salesperson comes to you and he represents his company really well. He represents and lives the company values that you've read about on the company's website.

You sign the contract and start the project.

Some work is done by company employees, and they too live the company's values.

But some work is done by subcontractors, and most of them don't live the main contractor's values. It screams from them that they don't belong to the company and the only tie between them and the main contractor company is the money they get paid.

Now you have a problem.

You know you get quality work from the main seller, but you have no idea about what quality you get from the subs.

Most IT companies hire subcontractors on an as needed basis which is fine.

What is not fine is that they change their subs more often than their underwear.

It means, they don't have time to develop good relationships with subs because they are on a constant prowl for cheaper subs.

Sadly, yes.

The objective is not to render high quality work at premium prices, but how to cut subcontractor costs and pocket more of the money.

And guess what?

When clients kick up a fuss as a result of shitty work, it is always the main contractor on the hook. The subs have already got their money and are gone to the next shit show.

Yes, shit show. It would be an insult on high-calibre professionals doing well-managed projects to call this screwed up arrangement a project.

Subcontractors, just like employees and clients, should be handpicked, vetted and properly onboarded.

And your subs are on board with your company, stop looking for cheaper subs. Good relationships with your subs are worth much more than a few pennies the subs' fees and prices.

Besides, after a while the word goes out what a cheapskate you are with subs, and soon no good sub will ever talk to you about collaborations.

Every week, I receive a few invitations from marketing agencies to write for them. They call themselves highly prestigious and even world-class agencies.

They offer highly controlling environments and slightly over legal minimum hourly wage.

Here is a short section from one of these agencies' contract...

**"Our system takes a screenshot of your computer every 30 seconds, and we pay you based on the time you spend doing our work."**

The funny thing is that they approached me initially because I am one of the very few IT marketers/copywriters in North America who worked in the high-tech industry for 16 years and my positions included both that of an engineer and a technical buyer, so I have some unique insider perspectives on the industry and the buying process.

Yet, even in spite of my unique qualification, they tried to treat me as a commodity whom they can replace at the drop of a hat.

So, gather your subs before you need them.

Treat them as peers not as indentured servants and you will make good money with their help.

### **#5: Your Salespeople Work AT Your Company, But FOR Themselves**

The other day I saw a great commercial in a magazine.

A woman was driving her car, and both in front of her and in the rear view mirror there was an image of her sick child lying in bed.

The essence of the caption was that no one can fully concentrate and perform at one's best when

there is a serious problem at home.

Since her sick child occupies her mammalian brain, indicating the absence of emotional safety and security, her creative mind, the neocortex, rests idle somewhere in the background.

The neocortex can be in charge if and only if the reptilian brain (physical security) and the mammalian brain (emotional security) are satisfied, and we're both physically and emotionally safe.

This is why straight commission payment put people under permanent emotional pressure. Even the most confident salespeople know that, despite their best efforts, something outside their control can go wrong, and they don't get paid.

Then the family doesn't eat, the mortgage doesn't get paid and family programmes have to be cancelled.

What can you expect from this salesperson?

Well, the equivalent of a car zooming down the highway in second gear and the handbrake halfway on, spewing black smoke all the way.

How long do you expect that car to last?

Not too long.

This is one of the reasons for the huge attrition among salespeople on straight commission.

Large IT companies have already discovered that salespeople's nut money<sup>3</sup> has to be paid out as base payment, and the bonus can come on the top of that.

Now some people say salespeople have to have an incentive to work hard and make high sales.

I say, I want my salespeople to work smart, and there is no logic in shutting down their neocortex with financial scare tactics. I want to make sure they can perform at their best and brightest.

But here is the difference.

Under the title of salespeople, many IT companies employ plain garden-variety peddlers who do brute force type of selling, requiring the intellect of a demented cockroach. They memorise some slimy scripts, learn some objection-handling tricks and some manipulative closing techniques and they're ready to hit the road or the phonebook for some fuzzy, happy and healthy cold-prospecting grunt work.

These are the salespeople who work AT your company but FOR themselves. Their only concern is the commission they receive. They sell anything to anyone at any price that earns them some commission.

The client can scream and complain, the company can go bankrupt, but as long as they get paid, they're happy.

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<sup>3</sup> Amount of money required to cover expenses.

Came from western days when peddlers came into a hotel and needed a room but didn't have any money. The hotelkeeper would take their hub or "nut" from the wagon as a deposit. If the peddler sold enough and made his nut money, his nut was covered. He paid for his room and got his wagon nut back.

Good (both technically and morally) salespeople work for much more than money. Yes, they want to get paid well, after all, they are expected to keep their companies alive and well, but they have much more important factors than money.

In this area, Ludwig Von Mises (Austrian School economist, sociologist, and classical liberal) has some wisdom for us...

**"The price paid for the purchase of a slave is determined by the net yield expected from his employment. Just like the price of a cow is determined by the net yield expected from her utilisation."**

That is, the base salary you pay your salesperson depends on your expectation of her performance.

Let's say she is a very good salesperson. If she likes your company, believes in what she sells and you treat her with respect and dignity, including paying her well, she stays and keeps making money for your company.

If you pay her so poorly that it causes her stress, she leaves, goes to the competition and might even flatline your company with her stellar performance.

Let's just remember Alfie Kohn's concept in the Harvard Business Review (Nov/Dec 1993):

**"Pay your people well and fairly, and do your best to help them forget about money."**

### **#6: Missing Backups**

And by this backup, I mean secondary salespeople buyers can contact if primary salespeople are not available due to illness, vacation or other issues.

As a buyer, it happened to me far too many times that I contacted the salesperson that I was dealing with, and I was told to call back a few days or a week later, because the salesperson wasn't available.

Sellers must understand that buyers buy when they are ready to buy not when sellers are ready to sell.

Actually, this is the message that has the hardest time to penetrate sellers' brains.

They keep trying to sell on their timetables.

There are far too many IT companies out there that operate in panic sales mode. When they are busy working on projects, they neglect marketing and sales.

But when projects dry up, they start whipping their salespeople harder for instant sales.

The emphasis is on "instant".

That's the moment when there is no time for marketing. Instant sale is required or else...

And at that moment there is no capacity to assign to two salespeople for each buyer. Individual salespeople start chasing buyers en masse.

And when projects start, they get transferred to technical people while the salespeople move on

to chase new victims.

And from the buyer's perspective this is pretty shitty.

I have built a certain relationship with the salesperson, and when I sign the contract, my trusted contact vanishes and a new person, usually a technocrat, shows up.

But he doesn't know anything about what I've discussed with the salesperson, because he's been so busy and resentful of salespeople that he's never bothered to compare notes with the salesperson.

He comes in and basically says, "Tell me what you want and get out of my way."

And there is no secondary contact because all the salespeople are out there quota-chasing and all the technocrats are busy doing their projects.

So, for a while, I may tolerate my assigned tech guy's lack of communication, but after a while it gets annoying that I'm kept in the dark.

I try to connect with the company, but I'm being sent from pillar to post, so after a while I have enough of this "not in my job description" attitude and give up on the company.

And at that point, I pull the plug on the project and make sure never to engage this company again.

Organised operations and good project management are impressive and internal chaos is deflating for clients.

How would you feel on a flight where the captain is running around in front of the passengers doing all sorts of minutiae and micromanaging the crew?

Well, if possible, I would want to get off that plane the next time it (crash)lands.

### **#7: Primary And Secondary Salespeople Often Don't Know About Each Other's Actions**

Since in many entrepreneurial IT companies business development is not a concerted effort but a kneejerk reaction to famine, they are highly unlikely to allow two salespeople to handle one client.

So, when a secondary person is assigned to a client, it happens because the primary person has been run over by a steamroller, eaten by elephants, kidnapped by aliens or gone on vacation. Either way, they don't interact a lot.

It happened to me many times that when I sat down with the secondary person, he had no idea of what my company was doing, and I had to explain to him everything we've already discussed with the primary person.

I liked to believe I was a nicer-than-average buyer, and always communicated with salespeople clearly and respectfully.

A few times, when the secondary salesperson didn't know almost anything about us and the

project, I quickly but politely terminated our discussions and ended the sales/buying process. Why?

Because once we start the project, their lack of communication could have caused some serious problems for us, and we certainly didn't need that aggravation.

If they drop the ball before the project, that's fine, but if they drop it once we've started the project, the ball may land on my feet, and that's far too much crap to put up with.

So, make sure that everyone who is involved in the conversion of a new prospect knows exactly what's happening and what the next action is.

Otherwise they create a notion in buyers' minds that sellers are disorganised and are playing games with buyers and each other.

In many cases, buyers quietly move on and don't even notify sellers. They just fall off the face of the planet.

### **#8: If Your Promo Materials Fail To Trigger Response From Buyers, Your Personal Follow-Up Hardly Ever Matters**

Yet again the "Put me in front of a prospect with mild interest and the sales is closed" syndrome.

It sometimes worked in the pre-internet era, but not anymore.

Buyers are more fiercely protecting their time than ever, and they don't want to waste 2-3 hours of meeting sellers when they can read their materials in one hour and decide whether or not going any further with that specific seller.

Copywriting legend and self-proclaimed Prince of Print and Alpha Shitweasel, the late Gary Halbert said Americans sort their mail over the rubbish bin.

People think twice before reading something once.

And even when they read some promotional stuff, the chance of acting on it is pretty slim.

Now imagine that the buyer dismisses your promotional materials again and again. Then one day you get through to her and ask for an appointment.

If she didn't deem the seller's promo stuff to be worth reading, then what makes the seller think that spending an hour with him is worth for her anything?

Yes, sellers can be slightly delusional.

Besides, similarly to doctors and lawyers, appointments should be requested by buyers not by sellers.

There is a world of difference between the seller's expressing confidence to be able to help a buyer and a buyer's requesting help from a seller on a certain issue.

The former is commodity selling at deep discounts and with horrific terms and conditions.

The latter is premium selling.

And again, client onboarding comes to the rescue, starting with an impressive shock 'n' awe

(S&A) package.

And if you send a good S&A box to the right people, there is a good chance you have a response.

And what if you don't have a response?

Yes, by all means, do follow up, but not in person. This prospect hasn't earned your personal time yet.

Besides, buyers are not ready for personal interaction yet.

A drip mail/email programme can have buyers digest your S&A package, and if they are interested, they get back to you.

But you also have to know when to stop chasing a buyer.

Yes, I know, S&A boxes are not cheap, but it can be even more expensive barking up on the wrong tree.

### On Summary

In his book, *Never Cold Call Again.*, Frank Rumbauskas makes a significant difference between selling and buying.

When salespeople seek out prospects, they take their own needs to their prospects and hope prospects can satisfy those needs by buying from them. But the problem is that prospects don't have a need for salespeople's stuff. That's selling. So the process becomes one-sided pushing.

As per Frank, selling is...

**"Attempting to convince another that they want or need your product regardless of whether they do or not. The buyer frequently experiences buyer's remorse after such a transaction."**

But the overall dynamic turns upside down when prospects seek out salespeople with their problems. Prospects have their own needs, and they hope salespeople have solutions to fulfil those needs through buying. As per Frank, buying is...

**"The act of willingly purchasing something that one wants or needs. The buyer leaves the transaction feeling satisfied and fulfilled."**

The eight points we've discussed here are to turn the sales process into a buying process.

So, what does that mean on the ground scale of life, Universe and everything?

You have to use good marketing to create a buyer's environment.

By definition, many buyers believe that your company is just a bunch of super-aggressive peddlers who should be a put in front of a firing squad, but if that doesn't work, should be avoided like the plague.

And only good marketing can convince buyers that your company is better than a bunch of peddlers.

And that's when buyers come to you to buy, so you don't have to engage in hard-core selling.

As Peter Drucker put it many years ago...

**"There will always, one can assume, be need for some selling. But the aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product and service fits him and sells itself."**

Now we know that nothing sells itself 100%, but in my experience, good marketing can make the sale all the way to the 95% mark, so by the time buyers meet salespeople, they just have to take care of the logistics and some other details.

But it's not salespeople who convince buyers. Buyers have convinced themselves based on the marketing process.

What do you think? Could you live with that approach?

**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

<http://www.varjan.com>

### **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 "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](#)