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RELATIONSHIPS | RESOURCES | RESULTS

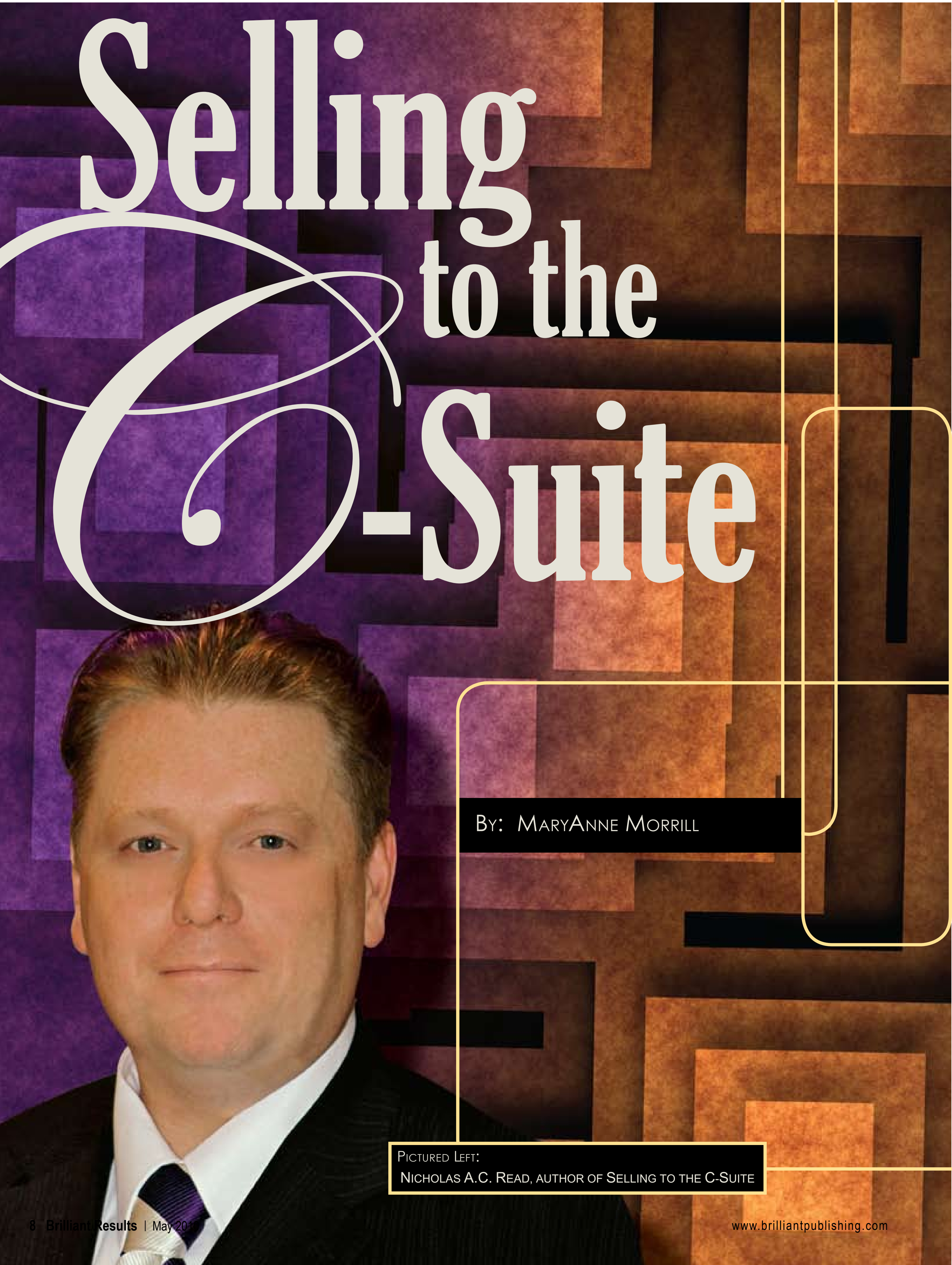
Selling to the C-SUITE
page 8

The distance between GOOD & BRILLIANT!
page 16

BRANDING!
page 22

Perfectly Perfect... ...ALMOST
page 26

Selling to the C-Suite



By: MaryAnne Morrill

Pictured Left:
Nicholas A.C. Read, author of Selling to the C-Suite

THIS MONTH Brilliant Results had the opportunity to interview Nicholas A.C. Read, author of Selling to the C-Suite. Nic has consulted to multinational companies expanding in Asia and around the world; generating billions of dollars in sales as a result of his proven approach to creating demand and closing deals. He has been awarded the International Business Award for Best Sales Trainer by a panel of judges that include Donald Trump, Gary Hamel and Tony Robbins. As the author of award-winning sales training workshops sold in more than 40 countries, he now runs the international consulting firm SalesLabs from New York. He also serves on the board of HE3, a clean-tech company developing technology to harvest potable water from the atmosphere to solve the world's water crisis, and is advisor to the HopeDolls Foundation, a not-for-profit children's charity.

His book Selling to the C-Suite is the result of a 10-year global study to learn how executives get involved in the corporate buying cycle, and what salespeople need to do to become Trusted Advisors.

BR: What prompted you to write Selling to the C-Suite?

NR: I had a 20-year career selling, managing sales teams and running companies in Asia and Europe, and in that time had seen nothing written about this topic worth its salt. Sure, there were books and training seminars about getting to the fox or the 'very important top officer' whose signature will make your year. But they were all about techniques salespeople had used. None were based on asking executives what they look for when they buy. Though entertaining, they were anecdotal, and this made them low value. Moving to North America, I found one study by the now defunct Target Marketing Systems in Atlanta, conducted in the early 1990s, which leveraged Hewlett Packard and researchers from the Kenan Flagler Business School at UNC. They interviewed at length about 150 executives, and found some fascinating insights. But then the Internet took off, the way people buy changed. Before the Internet, salespeople relied on their 'information monopoly': they understood their product, and if the executive was to explore its utility in their company they had to listen to a salesperson explain it. But with the Web, customers could self medicate. They didn't need salespeople anymore because company websites started filling with so much information, even price lists. Many salespeople then found themselves dealing lower down the food chain, treated like a commodity, because executives didn't need them anymore. I knew that if the sales profession was to advance, it had to reinvent itself to remain relevant with executive buyers. Nobody was doing this, so I jumped in. Working with the Hewlett Packard Business School, my team surveyed another 350 executives across multiple industries. These were all CEOs, CFOs, COOs and the like. Middle managers and purchasing agents were excluded. I wanted the real juice from the C-Suite. Then I reached out to the manager of that first study, Steve Bistritz, who is credited as co-author of my book. Together we explored our independent findings, and learned that across the decade between both studies, in boom and bust cycles, and across different industries, geographies and cultures, executive buying behavior is remarkably consistent.

We had the secret formula.

Given we're in a global recession where investment decisions go up to the boss more than they did in previous decades, this information isn't just 'nice to know'; it's essential reading for every sales professional that calls themselves a professional.

BR: Why is creating value more important than communicating value for today's salesperson and what is the difference?

NR: The first things most salespeople are taught are their product, their industry, their competitors, their reference sites, and their advantages. They're programmed to parrot all this to customers.

This is the 'show up and throw up' or 'talking brochure' approach. Sometimes the messaging is very polished, very compelling and focused on the value of the offering as seen through the eyes of the seller's marketing department or satisfied customer stories.

But there is so much competing for the executive's mindshare; they filter out anything that looks or sounds like a canned pitch. It's all noise to them, and it fades into the background.

Salespeople who serve as 'value communicators' aren't giving executive buyers anything they can't get from the Internet. So they switch off.

To get on their radar, salespeople need to become 'value creators'. This is where you do your homework on the customer, master the issues that their executives are grappling with, and challenge their thinking. When you come up with ideas even the executive's own people haven't thought of, they'll listen. That's value creation.

To do this, you must be curious. You must set aside time to research your customers and prospects. You must cultivate an instinct for what they're trying to do next, and speak their language, not your company's language. Executives surround themselves with people who give them what they can't do for themselves. You must aim to be one of these people by having an opinion, defining their needs, then satisfying those needs.

BR: In your book you discuss a number of ways a salesperson can gain access to senior client executives who are responsible for approving top-dollar deals. What is one technique?

NR: Much of what salespeople have been taught for 30 years turns out to be completely wrong. We've all been told by a sales manager or trainer to "sell to the top". Maybe this works in a small enterprise when the person who runs the store owns the store, but in medium and large enterprises blindly calling an executive just because they're an executive does more harm than good. They don't want the interruption, and because of this our research unsurprisingly revealed that cold calling the C-Suite only gets you through the door 4 times out of 100.

The most effective approach for gaining executive access turns out to be through their network of people who have more time to talk and are more accessible. When you are referred to an executive by someone they trust, your chances of getting a meeting leap to 84%.

These networks may map to the formal hierarchy and chain of command. But more often they tend to be tribal; the people who followed the executive from their last company, the ones who joined the company together or belong to the same extracurricular groups and LinkedIn communities.

When you're in a meeting with some of the customer's people, listen to them. Watch them. Figure out who most embodies the attitudes of the executive you want to see. Who asks the questions that sound like they're what the executive wants to know. These people may be the ones serving as a communications bridge into the executive office. Selling to them is as good as selling to the executive, because if they buy into your ideas, your message will not only reach the boss, but it will carry their endorsement with it.

So what the C-Suite leaders suggest to salespeople is to respect their time, and sell to their subordinates who are closer to the operation and are better able to judge if your ideas are of value. If these people get sold, and if you make a case that the next round of dialog is best discussed with the executive himself or herself, they are more likely to grant a meeting.

The key for sellers is to recognize however that there are formal subordinates (i.e. direct reports) and informal subordinates (i.e. their tribe or network). Of the two, the opinion of their informal connections (who are usually seeded at all levels inside and outside the company) carries more weight. The lesson here is to keep networking even after you get in the door with a handful of people. The more people you meet that are likely to have the executive's ear, the better your chances of tapping one of these communications nodes.

Of course this doesn't mean you start at A and work to Z in the company Rolodex. It takes some analysis, but is made easier when you have a good enough relationship with someone on the inside to learn how decisions are really made, who has a roving commission to get things done that appears broader than their job title, and who treats the rules as guidelines. This ability to color outside the lines is one of the indicators of people likely to enjoy special privilege with the boss. If you're not ready to map this, you're not ready to deal at the executive level.

BR: From your research in writing Selling to the C-Suite you found three basic issues that salespeople encounter and must overcome for success. What are those issues?

NR: Salespeople struggle to know the right path to the executive, the right time during the buying process to attempt entry, and the right dialog to establish enough credibility to gain a return audience.

We discussed the right path above – it's through their consigliore and trusted lieutenants.

The right time is somewhat trickier to explain. Executives told us they get involved in internal discussion when they wake up to a problem that needs fixing, or when they hatch a visionary plan. They test it out with their people. They do their own research on ways to get the job done using internal resources or external suppliers. If they find suppliers that promote themselves as solvers of the very issue the executive has, they might establish a dialog directly with them to throw ideas around.

But if they don't know who to talk to, C-Level executives typically pass the idea down the line to someone whose job title fits the bill. After that, tenders or requests for information might be sent to vendors.

If you try to engage an executive at this stage, they're usually detached, having already delegated the topic. But this is where many salespeople first hear about a project. And by then it's too late, unless you establish a case with the right people to take you into the executive suite.

After a project team has vetted suppliers and drawn up a shortlist, the executive will re-engage again at the end of the sales cycle to test if the supplier favored by the evaluation team really can deliver the vision they established. But so late in the game, they rarely veto what their team decides unless a seller has established special value not served by the formal decision process. At the end of the day, if the executive wants one supplier to win and they're not leading the pack, decision criteria will morph until they reflect the informal preference of the executive.

The lesson here is that if you're an account manager, your primary job must be to get on the executive's radar early when they first start thinking about new needs. The best way to do that is to continually pitch new ideas to them. Not about your product. But about how their company can innovate, change, cut cost or risk, make more money. This is the right dialog.

If they see your intent is to create value even when it's not directly tied to making a sale, it goes a long way to being positioned to chat when they need a sounding board, especially when they see you have opinions and insight broader than their own people. That's useful to an executive.

If you're not positioned early and don't create these opportunities, you'll end up being reactive to someone else's agenda. It's not impossible to win those deals, but many times the requirements can read like a laundry list of a competitor's offering. Networking above the purchasing agent is then not only helpful, but also essential.

Supplier drivers - If you are an executive on the buying side of the supply chain, your concern is about reliability of supply, quality, economies of scale, inventory turnover, shrinkage through loss or theft, warehousing and distribution technologies, demand forecasting and many of the same issues that trouble executives on the selling side of the supply chain.

BR: What are the 8 drivers of executive decision-making and how does each one impact the sales process?

NR: Today's executives expect you to have done your homework before meeting them. They don't want to educate you on information that can be readily obtained from the Internet or a subordinate. And they expect you to commit them to take action as a result of your call. Prepare yourself for those career-defining executive calls by studying your client's internal or external business drivers. This helps you put in context how your products and services can make a contribution that's better, faster or easier than the approach presently used. What do these drivers of executive decision-making look like?

Financial drivers - Every executive is under financial pressure to perform. At the most basic level, executives must do one of two things to produce a profit: increase revenue or reduce costs. For salespeople to build business value for an executive pressured by financial drivers, they must ultimately help them move the needle on profit or cost, and to do so in a way that's consistent with how their industry measures success. For example, in the Airline industry, you'll get on the executive's radar if you're articulate about the drivers that are specific to airlines such as load factor, a variable planning horizon, high seasonality, fierce competition, excessive government intervention, high fixed costs and low margins (while the airline industry generates billions of dollars it has a cumulative profit margin of less than 1 percent). Show how your solution impacts these financial or industry drivers, and you'll get their attention. When selling to a Bank, different drivers accumulate interest: organic growth, maintaining customer loyalty, increasing customer transactions, risk management, reducing fraud and bad debts, consolidating and upgrading infrastructure, shifting from bricks (branches) to clicks (online banking), industry reform and regulation, merchant alliances and so on.

Operational drivers - Executives concern themselves trying to determine how to improve the internal organization and affect the financial return based on that improvement. At the most basic level, executives are concerned about having the right strategy, and taking advantage of the latest approaches, the right people, processes and technologies to execute that strategy. One executive in our study looks to salespeople as gateways for "expertise we don't have, coupled with experience for producing this type of capability." Look at how you can help executives do a better job of making, quality controlling, selling, and delivering their business plan. All will be impacted by the effectiveness (doing the right things) and efficiencies (doing things right) in the operation.

Supplier drivers - If you are an executive on the buying side of the supply chain, your concern is about reliability of supply, quality, economies of scale, inventory turnover, shrinkage through loss or theft, warehousing and distribution technologies, demand forecasting and many of the same issues that trouble executives on the selling side of the supply chain. There's very much a level of interdependence between the buyer and seller, so approaches to real-time data sharing, shared infrastructure and shared risk management remain compelling to discuss, especially when a salesperson can cogently present how any of their solutions in these areas do the job faster, better or with less risk than how the executive does it today.

Business Partner drivers - Your customers may even now be evaluating their business partner relationships in light of changing business environments. This represents another opportunity to create value by demonstrating an understanding of their pressures and offering solutions by orchestrating relevant introductions to your company's network of people, partners and affiliates who have value to add. Solutions are sometimes about the relationships you help broker more then the product or service you sell.

Customer drivers - Maintaining and growing their existing customer base, creating and enhancing loyalty, and delivering value are of prime importance to most executives. But how do you target the right customers? How do you anticipate their needs? How do you develop new products that will be ready when the market starts to demand them? As a salesperson, if you can demonstrate how your product or service can add value in these areas you will be seen as a resource who can help create a competitive advantage, and executives will want to talk to you if they recognize they have a problem in this area.

Competitor drivers - While executives immerse themselves in their own company affairs, the fact that you sell to many companies places you in a unique position to have something those executives always look for: insight into marketplace trends. So share your ideas and help them see beyond their silo walls to how other companies are solving the same competitor drivers they face. One caveat: don't disclose specific competitor names – these may also be your customers, and their activities with you should remain confidential if you don't want to lose credibility. Instead, interpret the trends you see across companies, and help your customers see the future.

Globalization drivers - Globalization impacts executives in a variety of ways. As they face competition from cheaper labor and production abroad, they risk losing market share. Consequently to remain competitive they must drive cost from their domestic infrastructure, or outsource production and services to low-cost offshore providers. Either course of action creates risk as well as opportunity. How do they find the right production and distribution partners? How do they drive risk out of an extended supply chain and hedge for multiple currencies? How do they recruit and keep the right people? If globalization means closing domestic factories, how will they manage labor laws, public relations and finances? Do they have products that appeal to multiple markets? Helping executives anticipate and navigate these issues is a tremendously valuable contribution, and to do so you need to have studied the customer's situation and weighed their options as judiciously as though you were on their Board—it's the value they're looking for.

Regulatory drivers - In response to corporate scandals that have plagued the headlines in the past decade, governments, industry regulators and shareholders are demanding greater accountability and transparency from corporations. Companies must operate under new regulations designed to maintain stability in financial markets that are already under pressure, and to protect shareholder interests by restoring investor confidence. Regulatory drivers keep executives awake at night including financial accounting compliance, workplace safety, labor laws, equal opportunity, environmental emissions and carbon credits, anti-money laundering and international tax. If you have a solution that helps executives stay compliant with regulations and out of jail, and if you can demonstrate how it will work in the context of their business today, you'll unlock the C-suite every time.

You can generally be confident that after you study the drivers affecting the executive's world, connecting them to their role-specific issues will give context to the discussion, and serve as an additional framework for positioning why your products or services are relevant to them.

BR: In your opinion, what is the best marketing/sales campaign you have seen and why?

NR: Non-disclosure agreements prevent me from talking about sales campaigns where my clients completely re-engineered the deal and pulled the rug out from their competitors. But I can comment on a marketing campaign that fascinates me because it's been rolling for a while and shows no signs of slowing down.

We all know the rivalry between Apple and

Microsoft over operating systems. The Wintel cadre between Microsoft and the PC manufacturers kept Apple in the cold for years. So Apple kept a presence in the computing space while they drove a marketing campaign into a completely different space: pushing Sony out of the portable music market with iPod and iTunes, and going after Nokia and Motorola with the iPhone. Word of mouth built mindshare. Mindshare built market share. The playful banter in video ads where Justin Long and John Hodgman played a Mac and a PC helped Apple's appeal with the sardonic youth; then they migrated their customers to the trendy Mac and now the iPad.

They couldn't win the toe-to-toe battle, so Apple marketed itself into other categories until they had the momentum to strike back at their core market again. They changed the rules of engagement. It's a classic marketing campaign made even better by the comical adverts that ran for years. You've seen them: "Hi, I'm a Mac, and I'm a PC," personalizing the Mac and PC as actors.

BR: How do you see social networking, mobile marketing, the Internet and social media like Twitter impacting the sales process?

NR: An executive's community ranges further than their own company. When salespeople track where their prospect appears in online social communities, they can gain access and knowledge that can't always be divined at a distance about their interests, their alumni, their habits and routines.

> An executive's community ranges further than their own company. When salespeople track where their prospect appears in online social communities, they can gain access and knowledge that can't always be divined at a distance about their interests, their alumni, their habits and routines.

I don't advocate stalking your customer as a good strategy. But social media is a great leveler, and provides a level of familiarity and relevance – if the executive uses it.

And chances are they do:

I saw a recent Forbes/Google survey of greater than 300 executives showing more than 50% of leaders under 40 years of age maintain a work-related blog, they Twitter their thoughts, and visit online social networks frequently. Yet fewer than 5% of executives over 50 do the same.

So it appears that if you're selling to an executive in the sub-40 age group, your chances are good that you'll see them joining discussions about topics they want a voice in. Joining those discussions is as good as playing golf on the back nine.

BR: If you could only give a salesperson one piece of advice, what would it be?

NR: Don't act needy. Executives surround themselves with people they need, not people who need them.

BR: Do you have any final thoughts or advice for our readers on how to succeed in meeting today's selling challenges?

Selling is a tough job that rewards drive and curiosity.

To have drive you need to stay healthy: eat right, hydrate, exercise and balance your time to avoid burn out. Do this and you won't need energy drinks and caffeine to get started. You'll have enough energy to have a home life as well as bringing your A-game to work. The way you feel affects the way you sell. So treat yourself as your most important sales tool.

To have curiosity you need to invest time in learning about your customers and their industries. Do your homework, learn how your prospect's companies work then find ways to make it better. Always make the type of sales calls the customer would write a check for because you gave insight and new thinking. And treat every customer meeting like a job interview, because that's what it really is.

Now stop reading this and go sell something!

Brilliant Results wishes to thank Erin MacDonald-Birnbaum of Smith Publicity, Inc. in Cherry Hill, NJ for bring this prominent author's work to our attention.