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WHAT REALLY MATTERS IN B2B SELLING

Competitive Differentiation Through Your Sales Approach

Harvard Business manager

infoteam
THE SALES PROCESS ARCHITECTS

FOREWORD

In today's increasingly competitive world, differentiation is key… but how? The number of products and services to which customers have access is bigger than ever, and with such a bewildering choice, it's often difficult to tell them apart. In this challenging environment, vendors must differentiate not only through what they sell but also through how they sell. Their sales approach must become one of their key competitive strengths. Ironically, 78% of vendors believe they already differentiate themselves effectively through their sales approach, while only 25% of customers agree.

To ensure that their sales approach does differentiate, it's important to understand how customers define good selling and account management. The purpose of this study is to identify what customers say is important for them in selecting a vendor, solution or service, and highlight areas in which they feel there is need for improvement. This is compared and contrasted with what vendors believe is important. The study was developed in cooperation with the Harvard Business Manager, the German edition of the Harvard Business Review. The research is based on input from 300 customer executives in Europe, USA and Asia, in 13 different industries, who interact directly with vendor salespeople and regularly buy products & services with a value of at least €75,000. Vendor input was gathered from sales leaders in 198 companies who sell directly in a business-to-business environment covering the same 13 industries as customer respondents.

This study is unique in what it offers both vendor and customer organisations – an insight into what goes on in each others' minds during a sales cycle. It gives vendors an opportunity to understand what customers really expect, and identify potential areas for improvement in their own sales process. Customers have the opportunity to benchmark their own purchasing process, as well as understand vendor behaviour.

Section 1 focuses on the skills and competencies customers expect of vendor salespeople, and the areas in which vendors should improve. Section 2 examines the attributes of a good sales process from the customer's perspective compared to vendor capabilities. Section 3 looks at what happens after the contract is signed, and how well vendors deliver what was promised in the sales process. Section 4 highlights what can be learned by systematically examining wins and losses, and Section 5 provides insight into what motivates customers to move away from a current supplier. Finally, Section 6 summarises the key success factors in a business-to-business sales process and presents them in the form of a pragmatic checklist for vendors.

Thank you for taking the time to read this report. As you will see, the comparison of vendor and customer responses reveals surprising results and a number of significant discrepancies. We hope you find the contents thought-provoking as well as a source of personal and professional improvement for you and your organisation.

Phil Kreindler

Gopal RajGuru

CONTENTS

06 Salespeople's Skills and Competencies

Which skills and competencies do customers expect from vendor salespeople

09 The Sales Process

Best practices in the approach, first meeting, proposal and presentation

14 Delivery and Account Development

What happens after the deal is signed, how well do vendors follow-up

16 Learning from Wins and Losses

Why are proposals rejected, and how well do vendors learn from wins and losses

18 Reasons for Changing Suppliers

What motivates customers to move away from existing suppliers to a new one

22 Sales Process Health Check

Questionnaire to evaluate the quality of your sales process

24 Appendices

Structure and methodology, respondent information, survey questionnaires

Objectives and Scope

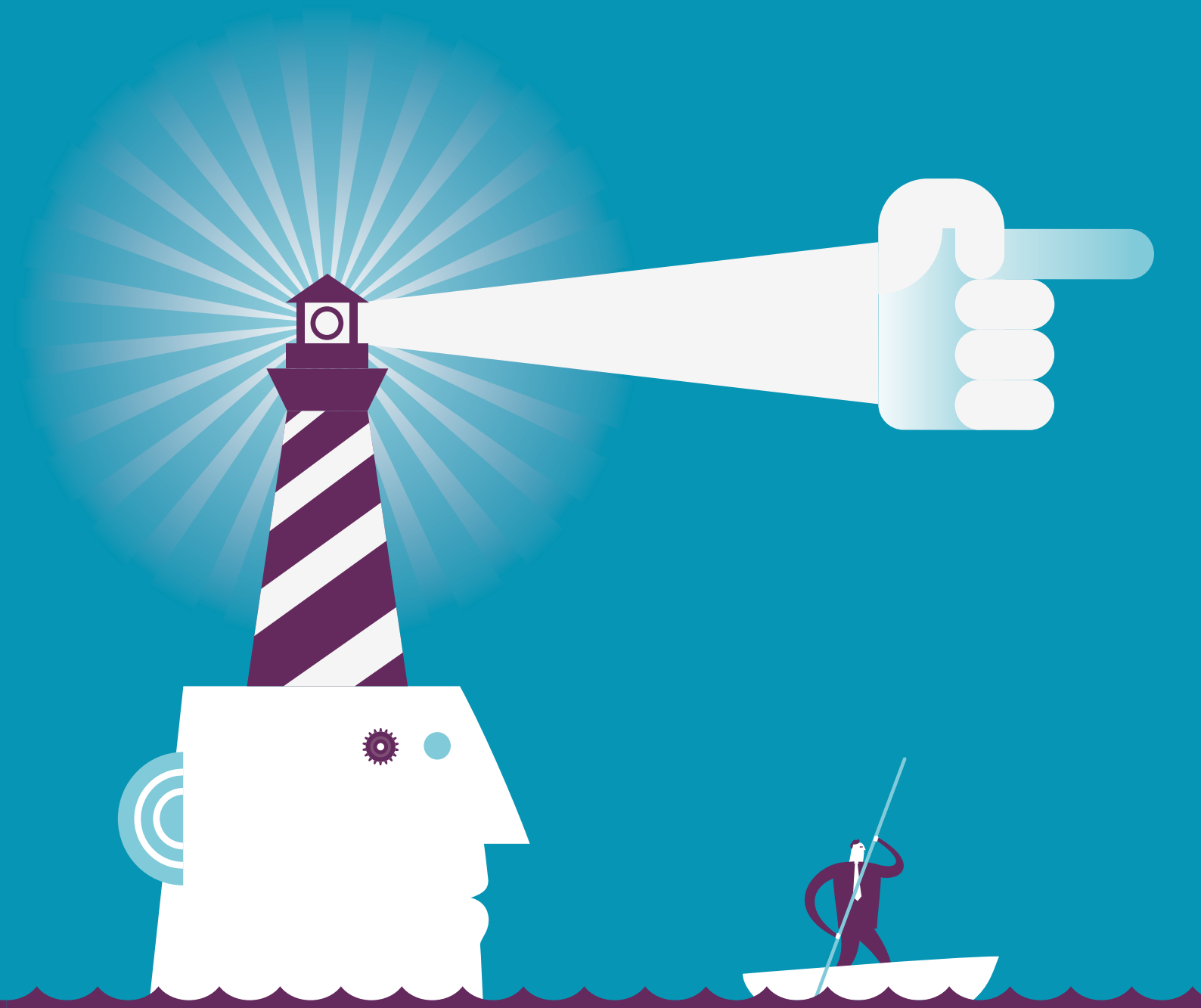
- Understand how customers define good selling, and where they see need for improvement
- Compare results with what vendors think is important in business-to-business selling
- Identify factors that can help vendors differentiate through their sales approach
- Compare results with 2004 and 2008 studies to identify trends and changes
- Analysis based on input from 300 customers in Europe, USA and Asia who buy products & services for €75K+ and 198 B2B vendors

Key Findings

- 78% of vendors believe they differentiate themselves effectively through their sales approach, while only 25% of customers agree
- Customer dissatisfaction with sales professionalism has nearly trebled since 2004
- Too-few vendors (26%) actually deliver what was promised in the sales process
- Only 11% of vendors make the effort to learn from losses, 10% from wins
- Only 12% of customers always award new contracts to their current supplier, creating opportunities for new vendors that invest in prospecting and execute a superior sales process

Recommendations

- Integrate your customers' expectations of vendor salespeople into your definition of «sales excellence» and update regularly
- Invest in building sales competencies in the areas that matter most to your customer to make your sales approach a differentiator
- Interview customers after every win and loss to replicate success and minimise mistakes
- Leverage high quality delivery by measuring the value delivered against initial expectations
- Adapt interview techniques to identify sales candidates' professionalism in their customer interface



About the Authors

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Salespeople's Skills and Competencies

Where do customers and vendors see the greatest need for improvement in salesperson skills and competencies? What's changed in the last 10 years?

To meet changing customer expectations, and increase sales volumes, salespeople need a broad range of skills and competencies. Our findings in this study remain consistent with what we learned in 2004 and 2008, that subject matter and solution expertise are critical expectations from customers, as well as the number 1 area for improvement. Nearly half of all customer respondents say that the salespeople they encounter often lack the expertise they expect. In fact, the degree of dissatisfaction has increased from 39% ten years ago to 46% today. Vendors assign much lower priority to the development of subject matter and solution expertise, ranking it just 6th in their list of improvement areas.

Subject matter expertise underpins the entire consultative selling process and is the foundation for building trust and credibility. The support of specialists is required in selling some complex solutions, but salespeople should not underestimate customers' expectations of their own knowledge.

The second most significant area of customer dissatisfaction is «professionalism», nearly trebling from our initial survey in 2004. The topic of professionalism is very broad, going well beyond just being responsive and reliable.

To explain what professionalism is, perhaps it's best to look at a few examples:

- First meetings are prepared based on a comprehensive analysis of the customer's business and potential needs
- The salesperson provides a well-structured, comprehensive meeting summary that gives the customer the feeling of being well understood
- Being clear about what your organisation can and cannot deliver, and opting out of opportunities in which your capabilities do not really match the customer's needs
- Conducting a customer debriefing after winning (or losing) a sales opportunity to identify areas for personal and organisational improvement

These traits of professionalism can easily be identified in a candidate interview. But very few sales leaders gain insight into this competence by asking the candidate, for example, to share their written customer communication in a recent sales process.

Priorities for Improving Salesperson Skills and Competencies

Salesperson skills and competencies with need for improvement as seen by customers	% of customers who see need for improvement		Salesperson skills and competencies with need for improvement as seen by vendors
	2014	2004	
1. Subject matter and solution expertise	46	39	1. Communication and social skills
2. Professionalism	45	18	2. Customer business and industry understanding
3. Customer business and industry understanding	41	39	3. Consultative and analytical skills
4. Decision-making authority and ability to mobilise resources	39	6	4. Competitive knowledge
5. Consultative and analytical skills	36	25	5. Professionalism
6. Competitive knowledge	33	10	6. Subject matter and solution expertise
7. Communication and social skills	32	4	7. Decision-making authority and ability to mobilise resources

45% of customer respondents see need for improvement in salespeople's professionalism compared to 18% in 2004

While 78% of vendor respondents believe they differentiate themselves effectively through their sales approach, it's surprising that professionalism – which is a key component of a salesperson's skills and competencies – is ranked only 5th as an area for improvement.

Third on the list of customer priorities for sales competency improvement is knowledge of the customer's business and industry.

Vendors rank this as their second most important development area, yet 41% of customers still say they are not satisfied.

Customer dissatisfaction with the ability and authority of salespeople to make decisions quickly and mobilise the resources required to address their needs has increased more than six-fold since 2004, from just 6% to 39%. Only one-fifth of vendor respondents, however, see this as an area which needs improvement, ranking dead last in our sample.

Next on the list of improvement areas is salespeople's consultative and analytical skills. Vendors clearly recognise the importance of this, but customers are not satisfied. Thirty-six per cent say that consultative and analytical skills are insufficient today. So, for what specifically are customers looking?

Salespeople should be able to ask good questions, and of course, listen. But, it goes beyond simple information gathering. They must have the ability to use the information during the conversation and engage the customer to help clarify the real needs. They should also be able to quickly create consensus on the key points, and involve the customer in developing the solution collaboratively.

Next on customers' list for skills and competency improvement is competitive knowledge, with 33% saying salespeople should know more about their competitors. It's clearly also a focus area for vendors, with nearly 4 out of 10 saying that competitive knowledge should be improved.

From a sales process perspective, competitive knowledge is important when approaching new customers (see table "Reasons for Granting a First Meeting"), as well as for developing distinctive value propositions. Last on the list of customer's improvement priorities is communication and social skills. Despite it's final position on the list, the level of dissatisfaction has grown 8-fold since 2004! The amount of communication has increased dramatically in the last 10 years, apparently to the detriment of quality.

Vendors do recognise the need to improve the quality of face-to-face communication and social skills, with more than 4 in 10 saying it's their highest priority. Customers expect salespeople to:

- Prepare and ask good questions during customer meetings and listen attentively to the answers
- Provide a clear solution description in proposal presentations, using terms that they understand
- Engage them in presentations by using specific examples rather than generic information
- Be aware of, and adapt communication, to different personality styles

In summary, there are a number of areas for improvement in salesperson skills and competencies if vendors really want to differentiate themselves through their sales approach.

Key Points

- Customer expectations of vendor salespeople have increased significantly over the last 10 years
- The level of customer dissatisfaction creates a window of opportunity for vendors willing to invest in addressing these expectations
- Vendors must regularly seek customer feedback on the perception of the skills and competencies of their salespeople – and take action to address deficits

The Sales Process

What motivates customers to grant a potential vendor a first meeting? How does this compare with the methods salespeople actually use? What are the attributes of good first meetings, written proposals and oral presentations? Where do customers and vendors see need for improvement?

Initial Contact

The first place most customers look when searching to satisfy new needs are the vendors with whom they are already familiar. So, it's important to be on the customer's radar screen, to ensure that they call you when a need arises. The table below outlines the effectiveness of various reasons salespeople use to motivate customers, with whom they have not previously done business, to grant them a first meeting.

Customers are very clear about what works best to motivate them to grant a first meeting – when the potential vendor refers to a current need in their initial contact. The salesperson's dilemma is that the information required to get the first meeting is usually obtained in the first meeting. So, how does a salesperson identify concrete needs before the call? Focused research on the company and its people (what they say or write in the public forum), as well as leveraging knowledge of the customers in the same industry sector can help identify areas of potential need.

Clear competitive positioning, including price and quality advantages and innovation are also a very strong entry points – with just over half of customers saying that it's a reason to meet a new potential vendor. Only one-tenth of vendors, however, use this when approaching a new customer, indicating a lack of competitive knowledge to identify specific advantages.

Personal recommendations or referrals are used very commonly by vendors as a way to obtain a first meeting, however, they are less than half as effective as the reference to a real current need. Nearly as effective as a personal recommendation is the use of an interesting and relevant success story.

57% say persistence of vendor has a positive effect

Nearly a quarter of customers say that a convivial discussion environment is a strong motivation for them to grant a potential vendor a first meeting. Vendors either underestimate the importance of this, or just don't know how to create one. Slightly less than one-tenth of vendors say they use this as a way to obtain first meetings.

Brand is very important for vendors, with more than one-third relying on it to open the door. Customers, however, do not feel this plays nearly as strong a role as it does for vendors, with just 17% saying that this motivates them to grant a salesperson a first meeting.

Persistence can also have a positive effect for customers – 57% say that it helps them keep a potential vendor on their radar screen.

In summary, vendors who want to obtain more first meetings and differentiate themselves from the first contact must invest in a professional approach strategy, and continually work to stay on the radar of prospects.

Reasons for Granting a First Meeting

% of customer respondents who say that this reason motivates them to grant a potential vendor a first meeting	
1. Reference to a real current need (based on comprehensive preparation)	79%
2. Price or quality advantage/innovation	51%
3. Reference to a personal recommendation	38%
4. Reference to an interesting success story	36%
5. Convivial discussion environment	24%
6. Company brand/image	17%

First Meetings

Customer dissatisfaction remains very high with the quality of first meetings, with more than half saying there is room for improvement. The most significant area for improvement seen by customers is salespeople's understanding of their business and industry – 63% are not satisfied with the level of knowledge and experience salespeople bring with them today.

The second most important attribute of good first meetings for customers is the quality of questions the salesperson asks, and how well they listen to the answers. A strong foundational understanding of the customer's business and industry, as well as subject matter expertise, are required to formulate high quality questions.

A further key improvement area is the provision of customer-specific information only. This is a key element for salespeople to differentiate themselves through their sales approach, particularly when it's practiced throughout the sales process. Despite the amount of information available about vendors' companies on the internet, a professional presentation of the company at the right time in the meeting is still very important for customers – 48% say there is need for improvement in this area. Only 15% of vendors, however, believe the company presentations used in first meetings need improvement.

First Meetings – Competitive Differentiation through Better Customer Business and Industry Expertise

Attributes of good first meetings and % of customers who think this is very important		% of customers who see need for improvement
Customer business and industry understanding	71	63
Good questions and attentive listening	66	56
Subject matter expertise	63	49
Customer-specific information only	61	57
Comprehensive meeting summary and next steps	56	48
Feeling well understood	55	51
Potential benefits discussed and quantified	53	52
Relevant references with results achieved	51	47
Presentation of vendor company	49	48

= >50% = 20-50% = <20% of customers dissatisfied

Written Proposals – Need to Improve Management Summary

Attributes of good written proposals and % of customers who think this is very important		% of customers who see need for improvement
Clear description of solution and price	67	57
Management summary for internal communication	63	62
Complete information, e.g. payment terms	61	53
Description of current situation and improvement areas	57	52
Project plan and implementation schedule	57	54
Profiles and experience of delivery team	54	50
Specific benefits for all key stakeholders	53	48
Potential project risks and mitigation strategy	51	48
Reference project information	50	38
Quantification of benefits	50	48
Competitive differentiators	48	45
Minimal use of generic (non-customer specific) text	47	44

= >50% = 20-50% = <20% of customers dissatisfied

Written Proposals

Writing proposals that meet the needs and expectations of different stakeholders in the customer organisation appears to be a big challenge for vendors. The average degree of customer dissatisfaction today across all the very important attributes is 50%. The most important thing customers would like a proposal to contain is a clear description of the solution and its price. Sixty-seven per cent of customer respondents say this is a very important attribute of a good written proposal. There appears, however, to be a rather large discrepancy between vendors' and customers' definition of what constitutes a «clear» description. Fifty-seven per cent of customers are not satisfied with solution and price descriptions in vendor proposals – a 22% increase since 2008. The use of more standardised text and templates, is intended to make solution descriptions clearer, but unless adapted to the specific customer situation, may serve to confuse rather than convince.

The next important element of a good proposal for customers is a management summary – which they can use for internal communication. Sixty-three per cent of customer respondents say this is very important. It also has the highest degree of dissatisfaction today at 62%. This represents a staggering 44% increase since 2008 – perhaps indicating the increased scrutiny projects receive before being approved.

Proposal Presentations

Proposal presentations are often considered the natural domain of salespeople – providing a platform for their communication and social skills to shine in front of the customer. There is, however, need for improvement here as well, with an overall average of 48% of customers that are not satisfied today.

Equally important for customers are the clear presentation of the solution, and the vendor's own company, which is also a significant area for improvement. In this company presentation, customers are particularly looking to identify

62% of customers are not satisfied with management summaries in proposals

Proposal Presentations – Clear Company and Solution Positioning

Attributes of good proposal presentations and % of customers who think this is very important		% of customers who see need for improvement
Clear description of product or service	61	49
Presentation of vendor's company	61	57
Quantification of benefits	54	44
Focus on customer issues, solution and benefits	54	49
Delivery team takes part in presentation	52	52
Appropriate and convincing references	50	45
Needs of each decision-maker addressed	50	44
Short and comprehensible	49	51
Personal chemistry between presenters and audience	48	46
Dialogue rather than monologue	48	45
Attractive presentation material	46	47

= >50% = 20-50% = <20% of customers dissatisfied

what makes the vendor different in light of their specific needs. Fifty-seven per cent of customers express dissatisfaction with vendor company presentations today, but this area is ranked dead last in the improvement areas for vendors, with less than one-quarter focusing on it.
The next big area for improvement in proposal presentations concerns who actually makes them. Customers, 52% of them, want to see the vendor's delivery team involved in the presentation, giving them the opportunity to meet the people with whom they will be working. But only a quarter of vendors see need for improvement in this area.

How much information do customers want in the presentation? Quality and comprehensibility are more important than quantity – 51% want proposal presentations to be shorter and more comprehensible, a significant 13% increase over 2008. Focus is critical – on the customer's issues and the specific solution to resolve them. Seventy-eight per cent of vendors see need for improvement in the way their presentations address the needs of each key decision-maker, thus making it their top priority. Customers agree it's important, but give this less focus compared to other areas.

Key Points

- When approaching new customers, identifying a real current need is a key differentiator for vendors
- Customer business and industry expertise along with good questions and attentive listening are the keys to establishing trust and credibility in the first meeting
- Written proposals should provide clear and complete information about the solution, and include a management summary to help the customer sell internally
- Presentations should be short, comprehensible, focused on the customer's issues, and include a professional presentation of the vendor's company focused on what makes them different in light of the customer's specific needs

Delivery and Account Development

How well do vendors deliver what they promise? How often do they not? How well do they use successful delivery to develop new business opportunities? How often does vendor performance merit a further recommendation?

The deal is signed, now what? It seems perhaps obvious that the vendor then delivers what the customer bought. But, less than 30% of customers and vendors say that what was promised in the proposal is always delivered. Eleven per cent of customers went further, saying that vendors always deliver less than what was promised. Hardly surprising then, that in only one-fifth of cases does vendor performance motivate customers to recommend them to others.

So, what happens to the value proposition on which vendors put so much emphasis in their proposals and presentations? Not much. Customers feel that value propositions are primarily used during the sales process, and not shared with the delivery team responsible for implementation. This broken connection between promise and delivery impacts customers' willingness to re-select the same vendor in future.

Even when vendors do deliver what customers expect, and assure satisfaction, just 17% of customers say that salespeople always ask for a referral. Vendors, unfortunately, concur, they do not ask for referrals often enough.

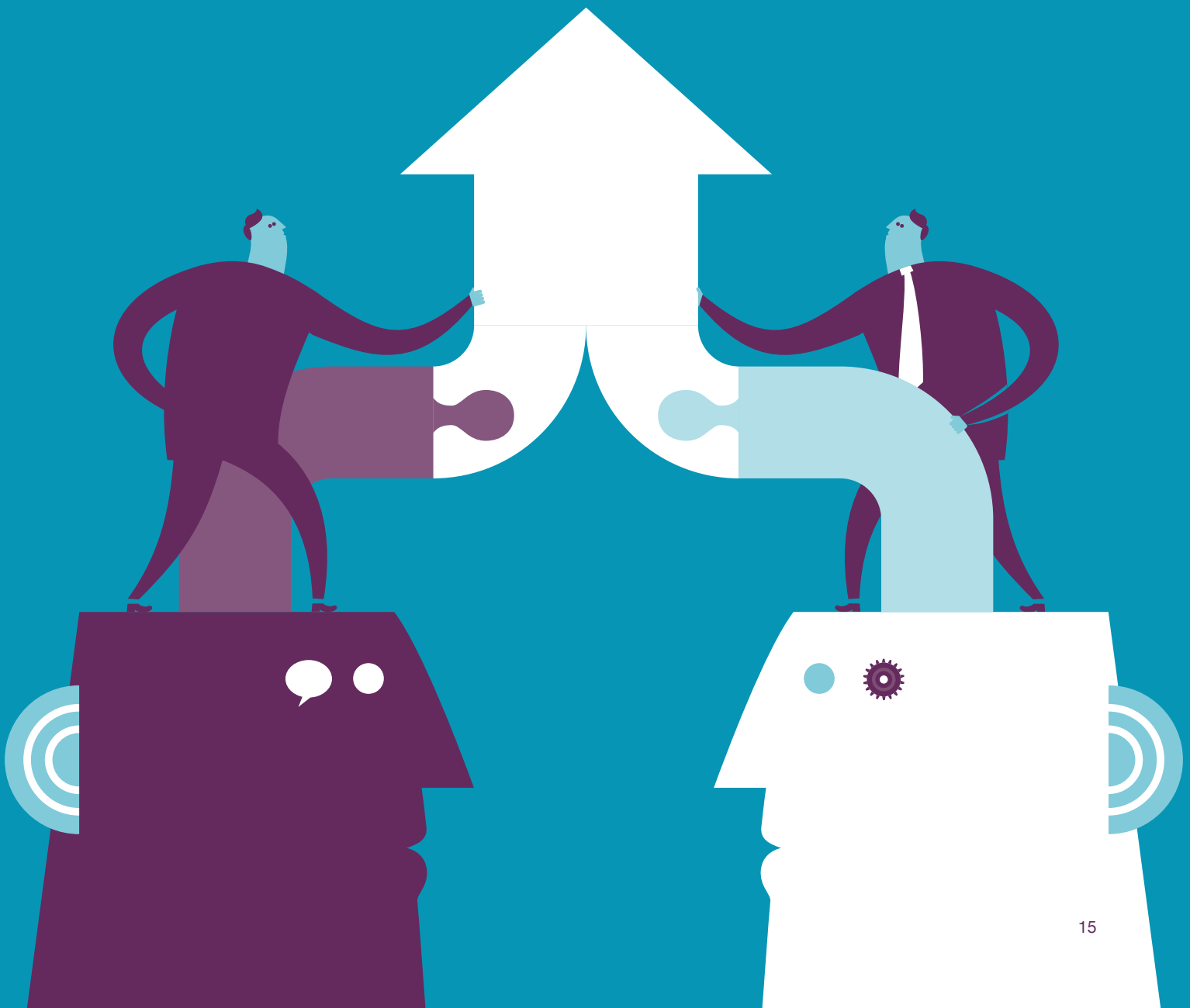
What about other needs that could be satisfied by a vendor's capabilities? According to customers only 14% of vendors always look for cross-selling opportunities. Vendors estimate the number even more conservatively at just 10%.

Taking into account the huge effort often required to win new customers, it seems like a missed opportunity that vendors do not expend the small additional effort required to ensure the customer is truly satisfied. Past experience with poor delivery often creates scepticism towards vendor sales tactics, which is why it's critical to demonstrate delivery capability by involving satisfied customers to convince new ones.

What Happens After Contract Signing

Delivery and account development – percentage of respondents who say these actions occur always	Customer-assessment	Vendor assessment
Salesperson maintains regular contact during project delivery	28	40
Vendor delivers what was promised in the proposal	26	27
Vendor delivers less than was promised in the proposal	11	2
Salesperson verifies that customer's value expectations were met	25	16
Salesperson proactively asks for referrals	17	8
Salesperson actively identifies other needs they could address	14	10
Performance motivates customer to introduce vendor to others	19	6

In only 1 in 5 cases does vendor performance motivate customers to recommend them to others



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Learning from Wins and Losses

Why are proposals rejected? What do vendors learn from wins and losses?

What happens after a win or a loss? Vendor responses show that very few (11%) always seek to identify sales process deficits after losing a sale. Even fewer (10%) seek to identify and share best practices following a win. This key source of information for continuous sales process improvement and competitive differentiation is not being used. What are vendors missing?

According to customer respondents, the two most common reasons for rejecting a vendor's proposal are the perceived superiority of the competitor's solution, and the price at which it was offered. The competitor's better solution was cited by 75% of customers as the reason for proposal rejection in 2008, while today it stands at 55%. Vendors give this less credence, with just 22% feeling that they lose deals due to the competitor having a better solution – ranking it only 9th. In 2008, 76% of customers said that the competitor's better price was always or frequently the reason for the rejection of a vendor's proposal, while today it's just 55%. Vendors, however, put it at the top of their list at 74%. While solution quality and price remain top decision criteria for customers, their relative importance has decreased since 2008, and other sales process elements have become more significant. Among the other reasons given by customers for proposal rejection, two stand out – the quality of vendor's written proposals (45%) and oral presentation (43%) – both of which have risen significantly from 12% each in 2008. A poor proposal or presentation can have a significant impact on the perception of solution quality, and price.

Another significant change since 2008 is the ability of the vendor's sales team to gain the customer's trust. The increase from 16% citing this as a reason for rejection in 2008 to 44% today highlights the importance of understanding and fulfilling the customer's expectations of sales team skills and competencies. Less than one-quarter of vendors feel that the lack of trust is a reason for proposal rejection. The lack of contact to important customer decision makers, and the late entry into the customer's buying process are both ranked very highly by vendors, but much lower by customers as a reason for rejection. Late entry is viewed by vendors as a competitive disadvantage – limiting the time available to gather information, build relationships, and potentially influence the decision criteria. What more could vendors potentially learn by having a closer look at their wins and losses? What would the impact be on their ability to differentiate through their sales approach?

Most Frequent Reasons for Proposal Rejection

Customer Ranking		Change vs. 2008	Vendor Ranking	
1	The competitor had a better solution	▼	1	The competitor offered a better price
2	The competitor offered a better price	▼	2	Vendor lacked contact with important decision makers
3	The vendor did not correctly understand your needs	▲	3	Specific benefits for each decision maker were missing
4	The written proposal was not convincing	▲	4	The vendor entered your buying process too late
5	The vendor representatives did not gain your trust	▲	5	The vendor did not correctly understand your needs
6	Specific benefits for each decision maker were missing	▲	6	Benefits of the solution were not sufficiently quantified
7	The oral presentation of the proposal was not convincing	▲	7	Your decision criteria were not met
8	Your decision criteria were not met	▲	8	The vendor representatives did not gain your trust
9	Benefits of the solution were not sufficiently quantified	▲	9	The competitor had a better solution
10	The vendor entered your buying process too late	▲	10	The written proposal was not convincing
11	Vendor lacked contact with important decision makers	▲	11	The oral presentation of the proposal was not convincing
12	The chemistry between the individuals involved didn't fit	▲	12	The vendor lacked appropriate convincing references

Only 11% of vendors always seek to identify sales process deficits after losing a sale

Reasons For Changing Suppliers

How often do customers re-select existing suppliers? Why do customers select a new vendor despite a long-term relationship with an existing supplier?

How Often Are New Contracts Awarded to Current Suppliers

Frequency of re-selecting the existing supplier after evaluating alternatives	Customer perception	Vendor perception
Rarely (0-20%)	7%	7%
Sometimes (20-40%)	20%	10%
Frequently (40-60%)	32%	19%
Usually (60-80%)	29%	44%
Always (80-100%)	12%	20%

Vendors believe that new contracts usually or always go to existing suppliers 64% of the time. Customers, however, say they «always» award a new contract to existing suppliers just 12% of the time. Even combining the «always» and «usually» scores, they add up to only 41%.

So, why do customers change suppliers? As outlined in an earlier section, one reason could be that the current supplier delivers less than what was expected. Another, could be the growing influence of procurement, which often executes a formal evaluation.

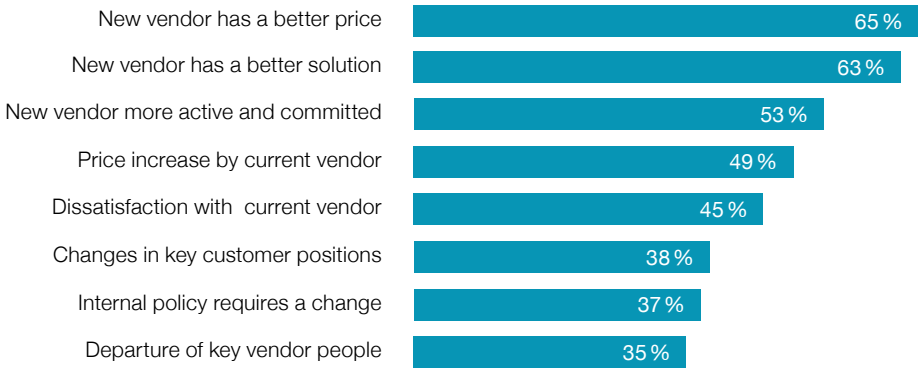
Formal evaluations create opportunities for vendors who have invested the time and effort to be on the customer's radar screen, as well as those who execute a superior sales process, to win the deal.

Reasons for changing vendors despite a long-term relationship with an existing supplier echo the findings in previous sections. Better solution or price remain at the top of the list of reasons for change. Important to remember here is that «better» is a perception rather than fact, and can be influenced by the quality of the vendor's sales process and value proposition.

«better» is a perception rather than fact, and can be influenced by the quality of the vendor's sales process and value proposition

Complacency is also an issue that motivates a supplier change – if the current one rests on their laurels and the customer feels they are no longer «hungry» for the business they get from them. Dissatisfaction with delivery performance is no surprise given the low percentage of the time vendors always deliver what they promise in the proposal. Relationships also have an impact – when key customer or vendor personnel change, and the influence of procurement shows in policies that require a vendor change after a certain period.

Changing Suppliers – Reasons Cited Always or Frequently by Customers



Question: In cases where the customer selects a new vendor despite a long-term relationship with an existing supplier, how often do the following reasons apply?

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Conclusions and Recommendations

Vendor perception that they differentiate themselves effectively today through how they sell is simply unfounded. There is, from customers' perspective, considerable room for improvement in nearly all aspects of selling, account management, and delivery. Moreover, there is a mismatch between vendor and customer priorities for improvement.

To help your organisation differentiate more effectively through your sales approach, consider the following recommendations:

- Make the effort to understand what your customers really expect of your salespeople, and integrate this into your definition of «sales excellence». Update this regularly to sustain competitive advantage.
- Invest in building sales competencies in the areas that matter most to your customer, such as improving the preparation and execution of first meetings, the clarity and focus of proposals and presentations, and continued engagement following contract signature.
- Interview customers after each win or loss to identify what the sales team did well in the sales process and should be repeated, as well as what did not meet expectations and should be changed in future
- Ensure that the hand-off between the sales team and delivery organisation is seamless, and that customer expectations are clearly communicated. Deliver what was promised in the proposal, and measure the value created compared to initial expectations. Ask proactively for referrals and recommendations by leveraging customer satisfaction.
- Take more time during the interview process to really understand how candidates interact with their customers by reviewing their written communication in a recent win.

Sales Process Health Check

To help you apply the findings from this research in your own sales organisation, we offer this pragmatic checklist. For each of the following statements, determine whether you agree or disagree based on a realistic evaluation of your sales organisation. To discuss the outcome, please contact us or your Infoteam consultant to set-up a one-to-one conversation info@infoteam-consulting.com

	Agree	Disagree
Our lead generation activities are focused on customer and industry specific needs		
The majority of prospects we approach result in a first meeting		
The majority of our first meetings result in the identification of a real current need		
We pursue every opportunity where our products or services could fulfil the needs		
We build a competitive strategy based on past experience with each competitor		
We have influenced the requirements in the majority of requests for proposal we receive		
In our sales process, we focus on the people we know and really work to satisfy their needs		
We have multiple value propositions for each sales opportunity		
Our proposals can easily be used by customers to explain our solution and benefits internally		
Our proposals are reviewed by a coach in the customer organisation before submission		
The majority of proposals we submit result in a customer order		
The benefits of our solution are quantified in customer-relevant measures		
Our delivery performance always motivates customers to refer us to others		
We conduct interviews with the customer after wins and losses to identify what we did well, and what needs to be improved		
Our company's sales process helps us win more opportunities		
Management team members personally demonstrate the best practices expected from salespeople		
Our sales forecasts are reliable		
We understand the needs of all the key decision-makers before submitting a proposal		
The benefits achieved by current customers are readily available for use in prospecting activities		
All information about critical success factors in sales opportunities is available to the sales team and management		
The quality of our sales process clearly differentiates us from competitors		
The value propositions used to win a deal are integrated into the project delivery plan		
The value delivered is measured after project completion to compare against initial expectations		
In our current customers, we are aware of all potential opportunities in our domain of activity		
Our sales process is used in the recruitment process to assess candidate skills and competencies		

Structure and Methodology

Objective

The objective of this study is to identify the factors that help vendors differentiate themselves from competitors through their sales approach (i.e. factors other than the solution they offer).

Customer and Vendor Selection

Customer respondents were selected from a professional panel in Europe, USA and Asia based on the following characteristics:

- They are regularly involved in the decision-making process for buying products or services with an order value of €75,000 or greater, and
- Have direct contact with the salespeople from the vendor organisations being considered

Vendors were selected from a cross-section of industries and company sizes, as well as countries and business sectors. All the vendors selected sell solutions in a business-to-business environment.

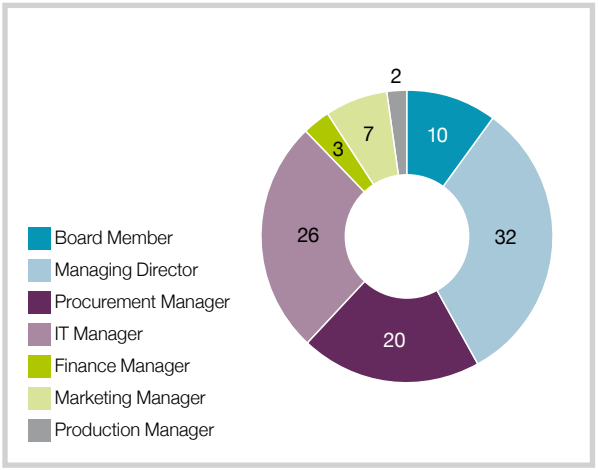
Question Types

A combination of choice-based and open questions were used in both vendor and customer interviews. For choice-based questions, interviewees were given a number of possible answers. For example, depending on the question, the interviewee could choose answers from a range of choices such as: Always, Frequently, Sometimes, or Never.

For open questions, interviewees were asked to provide one or more answer about what they felt was most important in that area, and rank them in order of importance. As expected, due to the wide range of answers to open questions, the individual percentages were, in some cases, lower for each category than with choice-based questions.

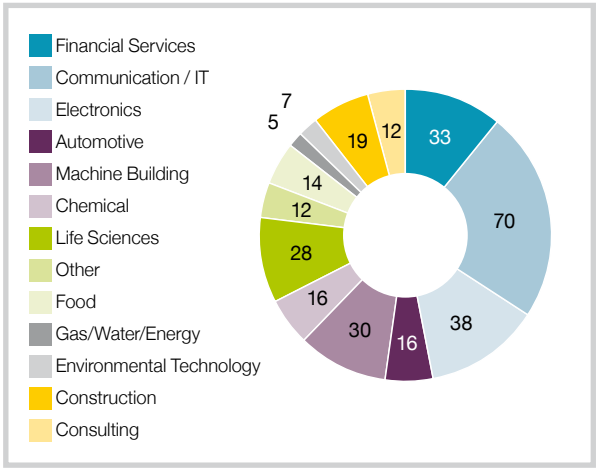
Customers by Job Function

As a Percentage of Customers Surveyed



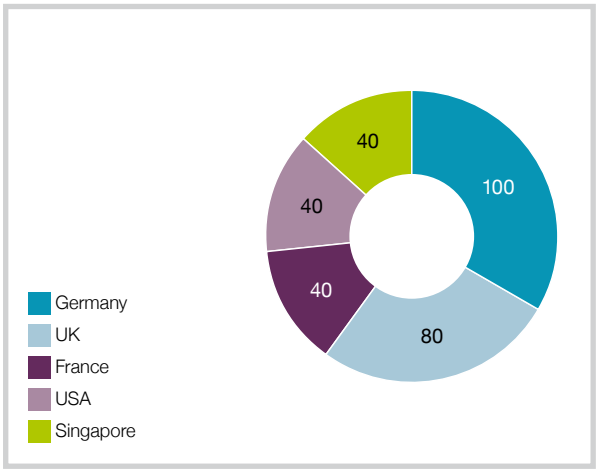
Customers by Industry

Number of Customers Surveyed by Industry



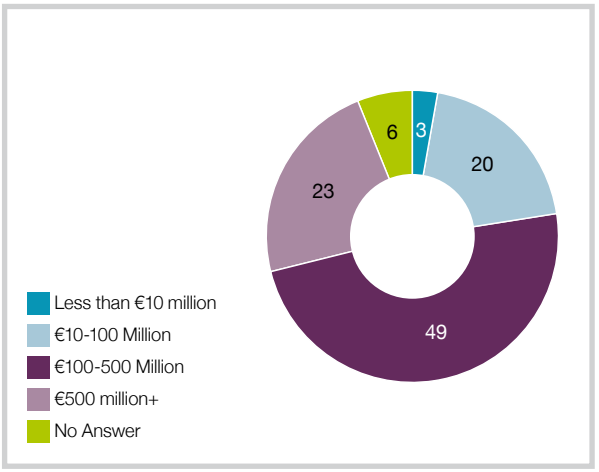
Customers by Country

Number of Customers Surveyed by Country



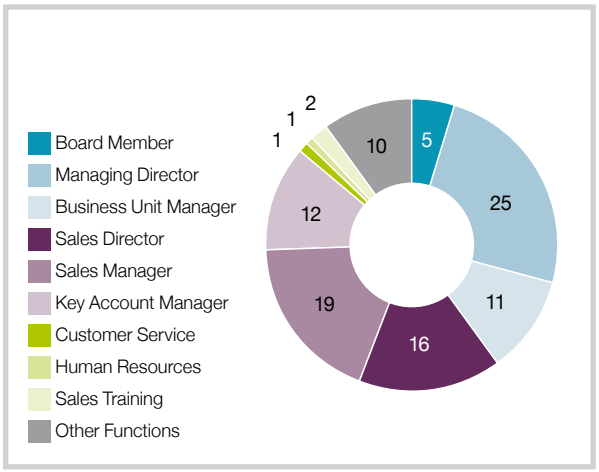
Customers by Company Size

% of Customers Surveyed by Company Revenues



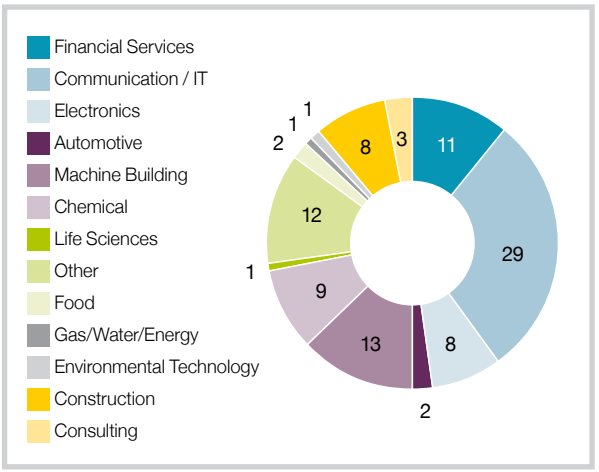
Vendors by Job Function

As a Percentage of Vendors Surveyed



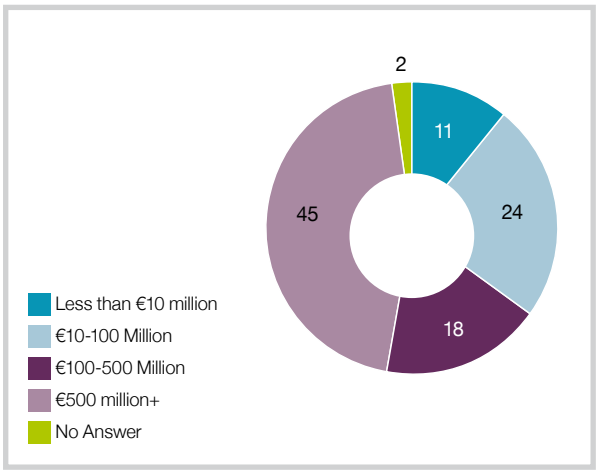
Vendors by Industry

Percentage of Vendors Surveyed by Industry



Vendors by Company Size

Percentage of Vendors Surveyed by Company Revenues



Customer Questions

01 When faced with the need to acquire a product or service, how do you identify and select the vendors you will approach?

02 Which skills and competencies do you expect from vendor representatives when evaluating the capabilities of potential suppliers?

03 What are the 5 most important areas for improvement?

04 When you are approached by a vendor with whom you have not previously done business by telephone or e-mail – which of the following motivates you most to grant the salesperson a first meeting?

05 How does the persistence of the vendor representative affect your decision to grant a meeting?

06 What in your opinion are the attributes of a good first meeting with a vendor with whom you have not previously done business?

07 Based on your experience in first meetings with vendors with whom you have not previously done business, where do you see need for improvement?

08 What in your opinion are the attributes of a good written proposal?

09 Based on your experience with vendors' written proposals, where do you see the greatest need for improvement?

10 What in your opinion are the attributes of a good proposal presentation?

11 Based on your experience with vendors' verbal proposal presentations, where do you see the greatest need for improvement?

12 Reflecting on occasions when you have rejected a vendor's proposal, how often do the following reasons apply?

13 Considering solution delivery after your decision, how often do the following attributes apply?

14 In cases where you have an existing supplier with whose performance you are satisfied, how often do you re-select the existing supplier after evaluating alternatives?

15 What are the reasons for selecting a new vendor despite a long-term relationship with an existing supplier?

16 How well do vendors use their sales approach to differentiate themselves from their competitors?

17 What do the vendors that differentiate themselves through their sales approach do specifically that impresses you?

Vendor Questions

01 When faced with the need to acquire a product or service, how do you think customers identify and select the vendors to approach?

02 Which skills and competencies are expected from the people in your company responsible for winning new customers and sales opportunities?

03 What are the 5 most important areas for improvement?

04 Which of the following methods do you use when approaching new customers by phone or email to get a first meeting?

05 How does persistence affect the customer's decision to grant you a meeting?

06 What in your opinion are the attributes of a good first meeting with a prospect?

07 Based on your experience in first meetings with prospects, where do you see need for improvement?

08 What in your opinion are the attributes of a good written proposal?

09 Based on your experience with written proposals, where do you see the greatest need for improvement?

10 What in your opinion are the attributes of a good proposal presentation?

11 Based on your experience with oral proposal presentations, where do you see the greatest need for improvement?

12 Reflecting on occasions when the customer rejects your proposal, how often do the following reasons apply?

13 Considering solution delivery, how often does your organisation do the following activities?

14 In cases where the customer has an existing supplier with whose performance they are satisfied, how often do they re-select the existing supplier after evaluating alternatives?

15 What are the reasons customers choose you as a new vendor (despite a long-term relationship with an existing supplier)?

16 What are the attributes typical of a sales campaign in your organisation?

17 How well does your sales approach differentiate your company from competitors in the industry?

18 What in particular differentiates your company's sales approach from competitors?

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