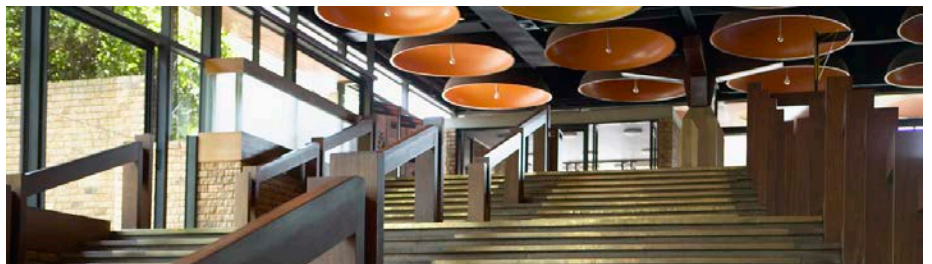




Challenges in the Marketplace



“If we don’t enable, then we are likely to fail.”

In numerous discussions with organisations across the region, it is apparent that a number of significant shifts have occurred. Shifts that impact dramatically upon many businesses as well as the suppliers to those businesses.

We have witnessed the Board becoming increasingly involved in the daily operations of many businesses. The drivers for this are evident, not just as a result of the learnings and subsequent legislations from the GFC, but also as a result of the increasing personal risks to Directors. As the risks increase, so does the involvement of the Board. Their engagement within and across the business becomes evident and understood. The pressures on each member of the Board are significant and the personal consequences of their decisions are paramount in influencing their decisions and actions, and ultimately, those of the company.

As with Newton’s third law, we find that “for every action there is an equal and opposite reaction”. This means that the impacts on a business are multiplied, with potentially as many unintended as intended impacts. The decision-making process is slowed down. Senior management and middle management can, and do, often feel that the chain of command is now weakened. Their role and responsibility can be perceived as diluted. This may result in potential conflicts, or flight risk, as they seek positions that re-establish their role and authority.

Four Issues were Identified:

1 Operational

2 Cultural

3 Financial

4 Strategic

See pages 4 and 5 for detailed findings



Impacts throughout the organisation

If this is felt at senior and middle management levels, we would therefore similarly witness the impacts further down into the organisation.

The decision-making process slows and as a consequence, the business slows.

It is unable to respond in a timely manner to pressures and opportunities in the marketplace. Pressures therefore increase on the delivery of results as the general panacea to “fix” the business.

It should also be highlighted and self-evident that, if your business is a supplier to an organisation such as this, your pipeline could also significantly slow down. Therefore, your forecasts are quite frankly incorrect and results will fail to meet expectations. However, it also potentially means that your sales process is out of step with the decision-making process of your clients.

Many companies now find themselves at a critical stage. Sales results are falling short of expectations. Pressures on the sales organisation dramatically increase. Previous investments in sales training activities are not demonstrating the return on investments anticipated. Therefore, many companies have identified that they need to implement a scalable, repeatable, consistent sales process and methodology for winning in complex, competitive and politically influenced sales opportunities.

The complexity of the sale is NOT as a result of your company’s sales process, or even of your products or solutions. The increasing complexity of the sales process is the manner in which the client company makes its decisions. If we fail to understand and map our sales activities correctly, we can anticipate that we will fail with a high degree of certainty.

Gaining control and owning the business of current and new customers is critical to long term growth and survival. The market is shifting. The customer remains what they have always been, a moving target. It is just that now there are “new” players in the decision-making process that we haven’t engaged before. Our approach and systems must therefore keep in step in the hope to gain any degree of success.



From various recent conversations, we have learned that many organisations are also faced with some of the following issues.

Is your company one of them?

Operational Issues

- Getting outsold. There are many inconsistencies in sales teams when it comes to strategy and approach.
- Lacking a common/standardised sales process, methodology and vocabulary for the entire sales team.
- Lack of consistent sales forecasting. Inaccuracies are common and result in an increase in forecasting meetings.
- Insufficient clarity and insight into the client, too many guesses and too much reliance on potentially flawed information.
- The skill development coaching processes from management teams are becoming increasingly rare as pressures increase.
- Filling in the forms and the plans, meant to demonstrate ownership and engagement to your own management, rather than constructing meaningful actions.
- Coaching is often mistaken as “making the sale – to make the number” by the sales manager. The Super Sales Rep syndrome.
- Not high enough or wide enough in key accounts. There are many challenges in selling new strategic business because the tendency is to sell too low and/or chase bad, unqualified deals.
- The buyers and the competition control the selling process. This causes a constant reacting to opportunities rather than driving opportunities scenario.

Strategic Issues

- Selling in a very competitive market – with smaller and more nimble competitors. Having to adapt and execute quickly in order to capture market share.
- If you don’t win more than your fair share of opportunities, revenue and growth plans for the business are jeopardised, thereby slowing down timelines, growth plans, shareholder returns and M&A strategy.
- Could be in jeopardy of not being able to ramp-up the business and new market initiatives as quickly as the plans call for.

Key
Issues



Cultural Issues

- As a result of acquisitions and/or reorganisations and consolidation of previously siloed divisions, there will generally be a very mixed culture when it comes to sales approaches and execution. The critical need is to align the sales organisation and culture.
- A history (past culture) of product sales may exist. The strategy in an increasing number of companies is to move more aggressively towards larger, more complex, solution-oriented sales.
- Client engagement teams failing to recognise, action or report opportunities.
- Business acumen of our teams. Is it sufficiently in-depth to ask the right questions, and can they accurately interpret the answers?
- Many times there are communication breakdowns among sales team members and executives as they prepare for selling activities. Furthermore, executives may not have sufficient visibility into strategic accounts and opportunities.
- Salespeople may wind up acting as independents – each with their own approach (silo selling).
- Each sales region manages, engages and leads differently, with differing definitions of the stage of the sales process.

Financial Issues

- Losing too many key opportunities in a growing market.
- Does not have an accurate forecast two or more quarters out to budget the business effectively. (Accuracy defined as a + or – 5%.)
- The sales team has a tendency to discount too soon or too much vs selling value and holding the line.
- Discounting to close the deal for quarter end.
- Cost of sales increase by using increasing number of resources.
- Length of sales cycle increasing.
- Some companies have “trained” their client to buy at end of quarter.
- Hockey stick finish to the financial year.
- Missing out on strategic revenue opportunities and the cost of sale may be too high because the sales team may be chasing bad business.
- Shifts in some business from just a Top Line result to a combination of top and bottom line.

Key Issues



Desired Outcomes

By implementing a consistent, scalable sales methodology in your business that addresses these current realities, you will be able to continually assess your sales organisation against the characteristics (listed below) of some of the most effective sales organisations in the world to ensure you are optimising your sales execution strategy.

Consultative and Value-Added: Your sales team must be able to thoroughly discover, understand, and think through detailed client needs/pains (known and unknown) at each of the operational/technical, cultural, financial, personal/political, and strategic levels. They must also be able to provide linkage and differentiation for your solutions at ALL of these levels with the different stakeholders who own these pains/needs. The sales team must differentiate itself by adding value to the client organisation in areas beyond an immediate operational opportunity to become industry-networked consultants.

Competitive: Your sales team must be able to quickly, efficiently and effectively look at an opportunity with an objective point-of-view to determine the strategy for why and how the client will buy from you versus other competitors (including “do nothing”). A team should be able to execute critical, ethical, competitive selling tactics in the sales process to give you the best chance to win the opportunities you choose to pursue. Your team must efficiently and objectively qualify out of bad deals, as they understand that bad news early is good news.

Pro-Active and Focused: Your sales team must NOT be reactive and out-of-control, but rather assertive and aggressive. The team must understand what is expected of them and should not wait for demand to be created for them, should not wait for leads, should not wait for direction, and should not wait for coaching. A pro-active and focused sales team understands how to stimulate and create demand at the strategic levels of a prospect organisation, they can coach themselves and each other in a common, efficient and effective manner, and they can take control of situations in the best interest of business development for you.

Strategic and Politically Savvy: Your sales team must be able to navigate politically and diplomatically throughout client organisations at all levels (operational to strategic). The team needs to be able to get to the people who care (who can say no), but more importantly, the people who matter (who can say yes). They should also be able to provide linkage and differentiation for your solutions to the most strategic initiatives and levels within your client organisations in order to create a compelling source of urgency, reason to buy, and value.

How to Get There



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It is no longer sufficient to “do another sales training activity”.

You can't repeat yet again the solutions that got you to where you are today. Today sales organisations need to look for solutions that are highly relevant to the market. Solutions that are in step with the current demands of the marketplace and the changes that are self-evident.

Here at VALIDITY, we accept that most sales organisations have participated in a range of sales training activities. That the average sales person knows and appreciates the steps of a sales process. That they can answer questions and objections and know the difference between the two. That they can do most of what is required of the average sales force.

However, in today's marketplace and the marketplace of tomorrow, average just isn't good enough any more.

VALIDITY's solutions make the change in the behaviours and the engagements that companies need with their clients. Namely, a sales force that understands the business of the customer, its needs, its drivers, its decision-making processes and the behaviours and rationale involved.

VALIDITY's Sales Enablement Services provide easy access to world-class solutions.

With offices and personnel throughout the region, we have the solutions and the expertise – and they are just a phone call away.

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