



PropelGrowth Articles

Thought Leadership on Sales and Marketing Effectiveness

Competing with “No Decision”

by Candyce Edelen, PropelGrowth, January 2009

Let’s face it. This is a tough time to sell into every sector of the financial services industry. Clients are going out of business, key contacts are being laid off, firm-wide spending freezes are being enacted, and prospects are taking far longer to make a buying decision, assuming they’re going to make one at all.

While decision processes are slowing down and getting more complex for some deals, many banks and brokerages are also deciding to temporarily forego some buying decisions altogether - and hedge funds struggling with numerous redemptions or facing suspension of redemptions are not going to be able to spend a lot of money, regardless.

Whether it’s because of spending freezes, layoffs, or fear that the worst is yet to come — more sales are being lost to “no decision” right now than are lost to the competition. So how do you shift your selling practices to overcome this and still make your numbers?

Know Your Prospect’s Business Priorities

You might be surprised at how many salespeople can’t clearly express the business needs driving a client’s decision to buy. They can give a host of technical reasons — a need for a high speed solution, the ability to integrate, etc., but they often cannot tell us the key business drivers behind their deals — not even for the ones that have closed.

As a head of a sales team, you can’t accurately forecast or prioritize the opportunities in the pipeline if you don’t understand what the client is trying to do – what they’re trying to accomplish, to fix, or to avoid, and how high they place these objectives in their list of priorities.

Salespeople know they need to get this information, but unfortunately, most sales efforts start with a few half-hearted questions that receive vague answers followed by a canned sales pitch that reflects none of the information gathered by the questions and answers. The pitch takes the prospect down a path, and it quickly becomes difficult for the salesperson to step backwards to uncover the business drivers. Before they know it, they are on a course talking about features and functions and unable to further uncover business needs.

Selling Blindly

You are selling blindly if you don’t know the key business drivers and priorities. This leads to salespeople pushing to close too hard and too early, while the client is still trying to figure out the problem. This is how you end up with irritated clients and missed goals. So step back and make sure you understand what the client is trying to accomplish. If your salesperson can’t clearly articulate the business issue the client is trying to address and how it’s prioritized, they aren’t ready to forecast the sale.

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“ In economic downturns, buying cycles take up to 40% longer ”

Express Your ROI in Terms of Cost Savings

The cutbacks and spending freezes are making life much more challenging for sales teams, but large and mid-tier buy-side and sell-side organizations are still buying when they see clear VALUE in terms of substantial cost savings and reduced risk. If your ROI assumes substantial revenue gains, then it's time to shift gears and start looking for ways you can save your clients money. If you can offer a value proposition around risk management, now is the time to make a big deal about it.

No One is Willing to “Risk Their Necks” Right Now

We continually interview market participants and research the financial industry's buying trends. Over and over, we're hearing of a need to spread out costs and risk across multiple departments in order to gain approval for a purchase or investment. So make sure your team is selling value to multiple levels and departments in the target organization. The more value you can demonstrate across more departments, the more compelling your proposal will be and the more the firm can spread out the risk and cost.

The business needs to which you're selling must be incredibly compelling to overcome spending freezes. If your value proposition isn't compelling, then work on refining it by looking for critical business needs across the target organization. If your initial contacts in the prospect organization are excited about your capabilities, they'll help you socialize it around the organization to get more buy-in. Enlist their help.

In Hard Times, Buying Cycles Take Longer

According to a 2000 study by Neil Rackham, in economic downturns, buying cycles take up to 40% longer due to budget freezes and added approval and justification steps. Salespeople will be hard-pressed to try and shorten these cycles. Attempts to pressure or speed up the buying process run the risk of upsetting clients and making you appear anxious and in trouble while delivering little value in terms of sales. Interestingly, clients in these times are not as concerned about price as they are about safety. They want to know if making this decision is the safe thing to do. Sell the safety and reliability of your offerings and don't think that you have to compete on price. Help them manage their implementation risk by selling additional services to facilitate implementation. If you can help them to ensure a successful project, then you'll be more likely to win the business.

Keep the Pipeline Full

To overcome indecision and longer sales cycles, it's important to make sure the top of the funnel is constantly being replenished with new, qualified opportunities - but make sure those opportunities are well-qualified. Review the pipeline often, looking for reasons to disqualify or reprioritize opportunities to ensure that you're spending time on the opportunities that are most likely to close, but remember also to nurture the opportunities that aren't moving forward. Eventually they'll be ready and you will already have them engaged.

The Bottom Line

So what's the bottom line advice for selling in hard times? Put very simply it's this:

- Spend time making sure you clearly understand your clients' needs
- Get buy-in from a broader audience to help spread the risk
- Be sensitive to the challenges they're facing getting your deal approved
- Maintain a steady stream of new opportunities flowing into the funnel
- Focus on the best of those opportunities
- Invest in strategy, preparation, planning and reviews

And above all, be confident and be patient. If your solution addresses critical, high priority business issues and you have clearly outlined how it does that, clients will buy.

PropelGrowth Can Help

PropelGrowth will help you build a winning go-to-market strategy and arm your sales and marketing teams with the tactics, process, education, tools, and materials they need to engage decision makers in the capital markets at a business level and maintain that engagement throughout the sales process. Contact us to learn more.

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