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Win more sales with less effort - How to choose the right proven way to sell

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# Why do we fail in Customer Centricity?

New sales approaches are being launched and marketed every year. Going from disruptive selling, over challenger sales, to tiebreaker selling, and regularly we also modernize the father of selling approaches, SPIN-selling. It is very difficult to keep track of all these evolutions.

But the question is: are we really trying to catch up with an evolution, or do we complicate things more than we should?

We are living in an era where sales practitioners are very interested in learning about new sales approaches, and this interest strongly relates to the ineffectiveness of the current approach. So, the common notion is that a new sales approach might be the solution to making selling easier.

Although these new sales approaches are mostly based on a very keen idea, it appears that these sales approaches want to completely overrule the current approach. In fact, the current sales approach is usually portrayed as old-fashioned to use, and the presented new approach is the only good one.

The foundation of a strong buyer-seller relationship is missing in this way of thinking.

#### By reading this guide you will learn:

- · The power of the right sales approach
- How to better understand the buyer-seller relationship
- Which sales approach you should use to win more customers

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## Most sales approaches are not as effective as we think

Sales organizations have been working very hard to customize their offering to match the level of customer needs. When it comes to our sales pitch, salespeople adapt their presentation and social style to the person they are meeting, but in most cases, they use the same sales approach.

This one-size fits all customers' approach is the reason why many sales approaches are not as effective as we had hoped.

At the same time, sales companies embrace the importance of understanding customers, and put them in the center of their organization. Customercentricity is more important than ever before.

So, would it be an odd question to ask, "what sales approach would the customer like us to have?"

Is it fair to assume that the customer is always advanced in his purchasing approach; and does this customer think that our company is a strategic supplier to them, or not?





### **Annoyance or Asset?**

#### Think about the following situation.

Imagine a buying organization that is very much focused on always finding the cheapest ingredients for their production of cookies that they are selling to hard discount retailers.

The drive of this company is to find the cheapest sugar, butter (alternatives), flour, and egg yolks. They know exactly what they want. Moreover, they want to buy these ingredients without the unnecessary insights from a key account manager.

A salesman who approaches this buyer with weekly insights on sugar and tries to develop strategic account plans is most likely to be perceived as expensive. The same goes for the solution focused salesperson. Research shows that 60% of the buyers find this salesperson more of an annoyance than an asset.

Essentially, not all buyers are willing to develop strategic relations with you. The same probably goes for our personal relationships. We don't buy advice from everyone, and neither do we want to get weekly insights from a salesperson about e.g. the electricity we are buying.

Since the buyer is defining the rules, reflect on the sales approach you are using for this buyer. Is it what the buyer actually wishes for?



## The secret is understanding the buyer-seller relationship



The efforts and resources needed to educate the customer are enormous and often push the cost of selling much higher than needed.

At the same time, a higher cost of selling is not always a problem, if the customer wants to pay for the value of the strategic product or service. But what if the customer is just sourcing a 'good enough product', can easily compare offers and can get the necessary information to make a purchasing decision?

How do you think this customer would react if he meets an entire sales team focused on insight selling and strategic account approaches?

Chances are that this selling approach will be perceived as overkill, and thus, the customer is paying for an unnecessary service (yes, meetings with salespeople could be a value-added service). In B2C, consumers appreciate it to be overresourced and receive more features than asked for, but in professional B2B purchasing, it is seen as waste of time and money.

The B2B purchasers are part of a decision-making unit heavily influenced by the main purchasing vision of the buying company.

Therefore, we need to understand that not all purchasing teams or purchasing efforts are as developed as others.

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### The four maturity levels of purchasing

### 1#

The first level of purchasing maturity consists of a pure price focus. This means that purchasers are pushed to compare prices, instead of anything else that the sales offer can mean to the purchasing firm.

### 2#

On the second level, purchasing organizations have a cost focus. Here the purchasing team is looking beyond the price but takes the full life-time cost of using the sales offer into account. The famous Total Cost of Ownership (TCO) is the main influence on the buyer's decision.

### 3#

On the third level, the purchasing team is looking for a solution and is aware of the benefits of purchasing a full solution compared to a best total cost over quality ratio.

### 4#

On the final level, purchasing teams are seeking strategic partnerships. On this level of purchasing maturity, we can find a purchasing team that is carefully looking to build and nurture strategic relationships with suppliers or selling companies.

These four steps of purchasing maturity or different levels of professionalism in purchasing have been documented very well in the "Purchasing and Supply Management" academic literature.





# Sellers as chameleons

Selling organizations should be chameleons and use different sales approaches based on how the customer company is buying.

This might be counter-intuitive because an advanced selling company is likely to adopt an advanced sales approach. The key is to be customer-centric in adopting your sales approaches. Thus, it is important to use the sales approach that matches the needs of the customer.

Taking the perspective of the matching sales approaches to the four stages of purchasing maturity, we can base ourselves on the awardwinning doctorate that looked at the different sales strategies that are best suited for these different levels.

In the academic article 'Purchasing-driven sales: Matching sales strategies to the evolution of the purchasing function', it is proven that each level of purchasing maturity calls for different sales approaches, and that a mismatch of the sales approaches to the actual stage of purchasing maturity is weakening the effectiveness of the sales team.

Additionally, the article highlights that for a

purchasing team that is on the first maturity level, or the price-focus level, the best suited sales strategy is to implement the most basic sales approaches, e.g. product selling, relationship selling, and geographybased selling. The second level of purchasing maturity is the cost-focused level, which calls for a value-based selling approach. Thirdly, the purchasing maturity level 'solution-focused' should be matched by solution selling.

Finally, on the upper level of the purchasing professionalism spectrum, we find purchasing organizations who are seeking suppliers that can be motivated to reach the next level (strategic level). A sales conversation that starts by discussing prices and discounts will be considered as a red sign for the purchasing team of the buying company, as they are ready to engage in a partnership.

The recommended sales approaches for this level of purchasing maturity are solution selling and key account selling.

This might all sound very straightforward and logical, but the reality in the sales world is different. Salespeople still want to be seen as the most important supplier for the buyer, while in fact a buyer has in average 2.000 different suppliers to manage.



### Increase revenue and efficiency with the right approach

Of course, salespeople can try to educate the buyer about the full impact of the future purchase by moving up the ladder one step at a time. It would take very long time to move the buyer from an all price-focus to a strategic focus.

The trade-off lies in the cost of selling versus the potential customer lifetime value. It is possible to convince a customer about the total cost aspect of a sales offer when the customer is part of a pricefocused purchasing organization. But keep in mind that you will need well trained sales reps to convince the customer to use the new tools such as a TCOcalculator. Trying to open their eyes to the softer aspects of the purchase, such as the impact of a decision on brand image and employee satisfaction, might be too big a step.

In conclusion, the important element when evaluating or integrating a new or existing sales approach is to consider how the customer's buying team is organized.

The most important questions to ask are:

- Which sales approaches would your buyers appreciate the most?
- Are the sales approaches you are using today the most customer centric?
- Do you need a new sales strategy because the current one is not effective?
- What knowledge and competences are needed and how do we train the sales force?

This calls for an omni-selling strategy and this will help you win the customer.





### **About the Author**

Prof. dr. Bert Paesbrugghe is a professor of sales management at IÉSEG School of Management in Paris and a visiting professor at Ghent University and Copenhagen Business School. He holds a PhD in Business Economics from Ghent University and Vierick Business School, and his research focuses on buyer-seller relationships in industrial contexts.

Bert has published his papers in different academic journals, such as Industrial Marketing Management, Journal of Business and Industrial Marketing, Journal of Retailing and Consumer services, Business Horizons, and in the Journal of Personal Selling and Sales Management. With his dissertation, he won the first prize at the 20th American Marketing Association (AMA) Sales SIG doctoral dissertation award.

Bert is also the founder of a tech start-up VOCKAM.com that helps selling companies managing the success of their most valuable customers.



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