

Secrets of Success: Part 1

Having worked with some very successful companies for the last eight years – companies like BT, HP, RIM and Borland – it would be surprising if we hadn't picked up some tips on how to achieve business success. So to celebrate Solutions for Sales' eighth anniversary, here are a few ideas we have seen bringing success to our clients.

There are so many good ideas to share we have split this article into two parts. Look out for the second part, including more tips on how to make your business even more successful, in the next issue of *Momentum* at the start of next quarter.

Just one of these ideas could provide a significant boost to your business' performance – as it did for our client.

Getting the best out of your channels and partners

Channel partners are a good way of growing geographic sales coverage and accessing new markets. Many of our clients use channel partners – distributors, resellers and systems integrators – which present a common set of challenges and solutions.

Working with the right channel partners is key. The partners you choose need to be right for you today, and ideally capable of growing with you. For example, it's no good retaining a partner that is still selling at the bottom of the decision-making ladder when your product has developed and you need them to be targeting senior executives like the CIO and Operations Director. The nature of the sale changes along with this progression up the management tree, so you need to have partners that are able to match your development.

We have seen several of our clients use channel partners to help them "think global and act local". An advantage of international standards is that they allow a conforming product to be manufactured in volume and sold in a worldwide market. However, you need local sales and marketing knowledge to understand the culture and develop key relationships. One of our clients appointed local sales partners in their target territories and backed them with excellent sales materials and support. The result: in just under three years they quadrupled turnover while maintaining healthy margins. Their excellent product range combined with local channel partners enabled them to win against the biggest global competitors.



A formal process for managing partners is a valuable business tool. Developing and reviewing your partners is vital but can be time consuming, so you need a structured process to manage partners cost-effectively:

- Dealing with prospective new channel partners absorbs effort that could be applied more productively elsewhere. Having pre-defined assessment criteria for a rapid assessment of potential when a prospective new partner makes contact saves time and resources.
- Investment in partner management needs to be graded according to each partner's potential value. The grading criteria should be formally defined and applied in order to make sure that resource is targeted to make a significant impact, whilst avoiding giving too much attention to the short-term tactical partners that often shout the loudest.

- For a productive relationship both parties should contribute, but without a formal business plan and review it is too easy for the channel partner to underperform.
- Channel partners will take you in the direction they want to go, which may not be right for your business objectives. This is particularly true for smaller, innovative companies looking for a route-to-market via a major vendor or distributor. A Partner Management Process helps you to remain in control and avoid being corralled into relationships that do not support your strategy and objectives.

Marketing has to be schizophrenic

After working with many different companies we have found that the successful ones understand that Marketing has two very different sales audiences. It is Marketing's job to talk to the end customer and to the company's salespeople. These two audiences have different needs, different languages, measure success in different ways and are reached through different communications channels.

So Marketing needs two personalities: one personality for customers who want smooth, polished messages about how their lives will be better with your product or service; another personality for salespeople who want the gritty truth about how best to sell the company's offerings. This is a demanding challenge for any group of people, but successful Marketing departments find ways of inhabiting both these personalities.

Why not ask your customer?

One client had the classic software sales problem: how do you persuade customers to pay for a multi-million dollar upgrade, even though their current version is running fine? The product was a financial transaction processing solution.

A core problem is that products are often "improved" without understanding the benefits and sources of value to the customer. Value is central to justifying any

customer expenditure since they will not pay a price higher than the perceived value. So how could they determine the value?



Through a series of in-depth interviews with current customers we were able to identify which features of the upgrade had real value, and to quantify that value. From the long list of feature improvements there were just four that had significant and quantifiable customer value.

Identification of the top four new features meant that development priorities could be adjusted to maximise payback. Sales and marketing materials could emphasise the benefits of features that customers really valued, and salespeople could monetise the benefits of upgrading. The result was a high level of take-up for the upgrade, because they were able to use real customer data to show the payback.

More to come

Part two of this article, in next quarter's newsletter, includes more tips and ideas on how to be successful. Changing how your customers see you, and working on helping your sponsor find budget for your offering are just two more ideas we have found to be successful. Read the next issue of **Momentum** to find out more.

This article was written by Alan Willis of Solutions for Sales. For information about Solutions for Sales and further useful resources visit www.solutionsforsales.com or call +44 (0)1702 586742.

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