



Stop Pushing Sales!

Focus on the Art and Science of Revenue Conversion

We have just completed an assignment for an international systems integration company handling super-high value projects in the enterprise space. Essentially a professional services business, this company's revenue growth was a key area of focus particularly in the area of account management and revenue expansion.

The Setting

Carpedia normally engage with clients by conducting an in depth review of operations as part of the engagement process. This comes about as a result of a conversation with the client where the need to drive growth is confirmed. The review is a deep dive to establish opportunities for improvement by interrogating strategy, structure, processes, systems and capabilities.

We looked at avenues open to drive growth in the business, amidst the challenge that this client has evolved beyond what can be termed “conventional selling” While this client had to grow revenue, they were resisting conventional wisdom. This is how the process unfolded:

The Situation

The company normally assigns teams of project managers, consultants, solution architects and programmers to clients in order to handle delivery, but a key aspect of revenue generation, selling more work, was visibly absent. During Carpedia's Review & Analysis Phase, we uncovered the root cause of why client expansion opportunities were so poorly executed.

The leadership of this company in fact discouraged “hard selling” tactics with clients. Their thinking was that if you deliver well, clients will recognize your value and ask you to participate in more opportunities. While this made perfect sense to us, the absence of revenue growth was a cause for concern. Revenues were flat for 3 years in a row. Furthermore, during structured interviews, we found that key client facing resources like systems architects simply did not view themselves as sales people and a few flatly refused to engage in anything that involves selling. Even at Client Engagement Manager level, “selling” as an activity was relegated to 15-20% of time spent with clients.



Almost all the business generated by the company came about as a result of partner engagement (large audit firms and ERP software vendors) bringing opportunities to the fore, or as a result of the company responding to RFP's.

The Complication

We challenged the client in so far as having teams of 3-5 people actively involved with projects, interacting with managers and key decision makers throughout their client organizations on a daily basis, over period of 9 – 18 months, surely should give rise to additional value opportunities.

- While this company's management strongly agreed that opportunities were being missed, they were more concerned with **how** they should be uncovering and converting fresh opportunities, without "mindlessly hawking" additional products and solution sets. **How do you sell without selling?**

A further challenge was that solution architects were focused analytical thinkers, who perhaps lacked the amiable contact friendly nature of sales people. **How do you get people to sell, who don't want to sell, and perhaps should not be selling?**

A seemingly simple solution of assigning a sales person to existing accounts, and getting this person to take charge of the sales opportunities also proved challenging. The highly technical nature of the solution sets relied on high level solutions knowledge, coupled with business insight, which in itself is a scarce resource. Previous attempts to install relationship managers failed for this very reason. The only people who could effectively identify further solutions sets, were in fact the solutions architects.

Failure to involve solutions architects in client discussions resulted in "interesting conversations" that failed to create sufficient traction and really went nowhere. **How do you sell, even when installing sales people doesn't generate the sales?**

In working with this client, we also discovered that pre-conceived ideas about "what works" and "what doesn't work" could be a major pitfall in coming up with a solution that will serve their purposes.

The Solution

Consider the challenges:

- How do you sell without selling?
- How do you get people to sell, who don't want to sell, and perhaps should not be selling?
- How do you sell, even when installing sales people doesn't generate the sales?

- The answer:
You stop selling and start focusing on revenue conversion processes

Let's be honest, many of us who ply our trade in sales today know that once you start selling, your prospects normally turn off and run, simply because people don't want to be sold to! That's a fact!

Let's also be honest and realize that organizations need to sell in order to grow. So, in fact you can't stop selling! We then revisited the world of selling and reviewed all possible sales methodologies available commercially today.

This is what we found:

Many different selling styles and techniques are used by people in different business situations and more have been developed over the decades in an effort to give the salesman the upper hand in the contest with the customer. This is perhaps the root cause of why selling has developed such a poor reputation. It's all about the "upper hand" rather than positioning interesting alternatives, logical value ideas and inspirational insights. In our review we covered the following selling methodologies:

- Mood Selling
- Selling on Fear and Doubt
- Commodity Selling
- Features and Benefits Selling
- Need-Satisfaction Selling
- Solution Selling
- Consultative Selling

Our findings were that none of these selling methodologies could be suitably adopted in our client's world!

We then focused on what we thought would be a systemic solution that would find an effective fit between client and solution provider. How do we create the opportunity of value based conversations that would serve the client's purposes rather than our own?

➤ The solution that started taking shape started looking more and more like "Let's Stop Selling!"

What we did

In this particular case, we deliberately moved away from the traditional "hard sell" to a concept of revenue conversion, based on client needs and a process of effective solutioning.

This might sound like motherhood and apple pie, but looking at what we came up with may clarify the concept.

- 1.0 We developed a revenue growth strategy on the basis of expanding revenue with existing clients, as well as finding net new client opportunities. This was reinforced by a **market mapping process** and the **clear identification of growth drivers**.
- 2.0 We made changes to the client facing structure, ensuring that Solutions Architects and Client Engagement Managers both had revenue generation roles and responsibilities. Their KPI's were incentivized to **drive the required revenue conversion behaviour**.
- 3.0 A definitive **opportunity management process** was developed, highlighting the "ideal path to success" The same was done with the net new opportunities.
- 4.0 A **metrics system was superimposed on the process**, so that revenue conversion opportunities could be measured and managed. All revenue generation opportunities were followed-up by size of deal and expected due date information, providing an accurate deal-flow pipeline.
- 5.0 A series of **capability workshops** was developed, providing **knowledge, skills and insights** in the following areas:
 - Strategic Revenue Conversion Skills – A communication Framework
 - Winning Negotiating
 - Effective Presentation Skills
 - The Mathematics and Psychology of Persuasion
 - Opportunity Management
 - Strategic Account Management

Dynamic Capability Building Workshops

The workshop delivery that was used to impart process delivery skills is very different from the “2 day in the classroom” training event that is the norm today. Here Carpedia used **dynamic capability building**, an idea originated by Professor David Teece of the Haas School of Business, linked to UC- Berkeley.

- All the above workshops were custom designed to suit the client's market reality and operating model, qualified by the client in terms of applicability and suitability to the task at hand.

Workshop delivery is very different to the norm and takes place in a 4 hour – workshop setting, facilitated by industry professionals who have held leadership and management positions and have a firm grasp and understanding of linking workshop content to real – life, “bigger picture” scenario's.

This process not only improves abilities and confidence, but also builds knowledge and skills through experiential learning and practical skills transfer.



Conclusion

The challenge of developing a revenue management system, involving key delivery resources to help the company expand opportunities with existing clients (and eventually engage with new clients) is a definitive and positive departure from the status quo.

By taking a process focused approach, we were able to eliminate traditional selling and sales approaches altogether! This not only served the client's purposes, but now forms the foundation for Carpedia to further develop customer engagement models that are focused on what clients want.

We expect that in the process of getting to a needs / value balance, a lot of unnecessary and wasteful selling activities can be replaced with processes that actually add value and contribute to a value based relationship.

The skills surrounding effective **presenting**, **negotiating** and **persuasion** all add to being able to effectively communicate concepts and ideas to clients. These add value to the relationship with customers in itself.

Finally, revenue management at a process level, is an effective approach to uncover and progress revenue generation opportunities hand in hand with the client, rather than being on a mission to overwhelm & conquer. The process removes waste and potentially utilizes client facing resources more effectively in generating revenue. We can now confidently propose a solution to revenue generation that basically excludes selling and replaces selling by more focused processes and value enhancing communication and persuasive skills.

- Carpedia Consulting is a management consultancy firm focusing on sales, marketing and CRM programs that assist clients in improving revenue generation and margin expansion.



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