Bad Habits…

That good times hide, will stop you in today's market.

Bad Habits

1. **Working harder versus working smarter:** There are many for whom a downturn in sales results means simply having to work harder – more phone calls, more contacts, more proposals, etc. - to make the numbers and continue some acceptable level of revenue production.

   Sales activity levels should always be high. However, attempting to accelerate activity to increase results in this business environment is actually *counter-productive*. What happens in this environment is twofold. First, prospective customers are curtailing expenditures and requiring an increasingly compelling argument that your offering is something they cannot do without. Second, competitive intensity increases for the fewer opportunities that do exist. If you are not at the top of your game in both articulating the value of your offering to prospective customers in this environment and establishing a palpable competitive advantage, *no level of activity will make you successful*.

2. **Saying "good things":** Customer facing personnel from executives to sales reps talk about competitive advantage, value propositions, differentiation, etc. and assault prospective customers with a barrage of words in the name of these "good things" with widely inconsistent results.

   As mentioned above (#1), the prospective customer must be taken through *two* distinct steps. First, they must be convinced that *they need your kind of solution*. If they are convinced that they need it, they next must be convinced that your solution is *the best of its kind for them*. These are two related but *distinctly different* steps. The sales channel must be prepared to recognize where the prospective customer is in the process and execute an effective approach to accomplishing each.

Bad Habits - continued

3. **Value Proposition-itis:** Even when the selling organization is focused in on the first of the two steps described above (#2), we hear things like: *We will increase revenue and productivity and decrease expenses with leading edge, value-added, proven technology and industry leading support.* Which only sends the message that the vendor has no idea how their offering impacts the prospective customer's business, so if the prospective customer has the time, maybe he can figure it out – and fewer and fewer are taking the time.

   For your offering and target market(s), you must understand how possible purchases are evaluated, usually an assessment of your impact on the basis of financial analysis and/or financial reporting and/or operational metrics. And, you must understand what impact your offering typically has in businesses similar to the prospective customer's. Your value proposition must link directly to that analysis and prompt the prospective customer to demand proof.

4. **The *Right Answer*:** Once they decide to get serious about Value Propositions, many vendors invest far too much time and money constructing *the* definitive analysis for their offering. This only causes them to spend an additional inordinate amount of selling resources attempting to sell the analysis to the prospective customer, with little hope of success.

   These vendors miss the point. The point is to have the customer buy-in to an analysis - any analysis - that satisfies *their* criteria. And, buy-in comes from participation. So, the customer must be engaged in a process of analysis/discovery, arriving at an answer that they are committed to AND that meets their criteria - the *right* answer. The sales channel must be enabled to engage the prospective customer in a "customized" analysis that leads to their *right* answer.

Bad Habits - continued

5. **Competitive What?** Despite the tremendous amount of lip service paid to competitive strategy, *most vendors haven't got a clue.* Some give you an endless stream of generic, "good things" babble or an indecipherable paragraph to explain their competitive advantage. The strengths/weaknesses competitive strategy example illustrates two key mistakes. First, strengths/weaknesses analyses are invariably done in vendor terms, descriptions of strengths and weaknesses of the vendor's product, company, technology, etc. Second, these analyses include the opinion of the vendor as to how good or bad they view their performance or results in this particular issue.

   First, competitive advantage can *only* be described in *customer terms*, those issues or decision criteria that the prospective customer will use to assess and compare competitive offerings. Second, strengths and weaknesses are *irrelevant*. What matters is the prospective customer's opinion of whether you are *better or worse* than the competitor in your ability to satisfy their issues or decision criteria. If you do not know the pervasive decision criteria used by your marketplace and the market's current perception of whether you are better than, equal to or worse than your key competitors at addressing each, then you cannot have an effective competitive strategy.

6. **Ending with the strategy:** Particularly when it comes to competitive strategy, many organizations make the mistake of thinking they are done if they have a strategy. Some go as far as using it in messaging or promotions, but most fall short of actual implementation.

   Picking up from #5 above, the key to competitive strategy implementation is undertaking activities that will actually change the market perception of your **relative** ability to satisfy the market's critical decision criteria. Effective competitive strategy implementation requires the identification of the changes in market perception that you commit to accomplish, the activities required to affect those changes and the people responsible for their execution.