

SUPPLIER SAVVY



Selling in tough times.

By Diane Hessian

Last fall (after September 11), the Instructional Systems Association isaconnection.org surveyed its members—150 leading learning and performance consulting suppliers—to determine the impact of the economy on their businesses. The results were predictable: Eighty-two percent reported that sales were lower or flat compared to the previous year, and most respondents expected that trend to continue for the foreseeable future. Respondents also remarked on the significant number of clients having to postpone projects.

There's no question that in good times, almost anyone can sell. No more.

Challenging times call for selling that differentiates a supplier from the crowd, that's truly customer-focused, and that earns the right to do business with a company.

What does it take to sell successfully in tough times? Having been around the industry for more than 20 years, I have some thoughts. But to make sure I got it right, I asked 10 of my favorite chief learning officers what advice they'd give about selling in the current environment. Here are the words of wisdom that emerged.

Do your homework. No advice was proffered more frequently than the

importance of a supplier doing its homework instead of wasting customers' time. Taking place all over the world are conversations similar to this one:

Customer: "Hello, Catherine CLO speaking."

Salesperson: "Hello, Cathy. I'm John Doe from Perfect Training, and I'm calling because I know I can help your company, BigCo, with its e-learning needs. (Goes into features and benefits for several minutes.)"

Customer: "Excuse me, but did you say you can help me?"

Salesperson: "Yes, ma'am!"

Customer: "Well, tell me a little of what you know about my company and our needs."

Salesperson: Well, I haven't had a chance to explore that just yet, but I plan to before we meet."

Customer: "Thanks, but we're set."

Most suppliers think *their* salespeople wouldn't call a prospect without doing their homework first, but my CLO advisors say it happens to them frequently—especially lately. They say that a salesperson with some basic understanding of the client company and its issues is the exception rather than the rule. In a way, that makes sense: In difficult times, sales managers tend to put on the pressure to rack up revenue, asking their salesforces to make as many calls as possible. The unintended consequence is that salespeople meet their activity goals by preparing less and calling more—plain unproductive.

One global head of training and development with a \$20 million budget says that he expects suppliers to be current and thoughtful. "My advice to [salespeople] who want to impress me is that they deepen their understanding of my challenges and demonstrate they've invested some time in learning about us. They don't have to be completely right the first time."

Another training purchaser says, "I want the seller to know a little about who [we are] and what [our] gaps are. I hate it when X calls me and asks if we do e-learning when we're one of the largest technology companies in the world."

Know how you can help customers increase sales or decrease costs. One CLO says, "These days, suppliers need to come into corporations knowing the dollars that their programs will add to the bottom line and how they'll drive shareholder value. They need to have solid examples of similar industry successes, and they need to be crystal clear about the business problems they're solving."

Hans Jerrell, a senior learning executive at Defense Acquisition University, puts it another way: "Your product

ecutive at The Limited, says, "[Suppliers] should realize that even if they aren't willing to make a deal to get business, several of their competitors are ready to do that."

That's absolutely critical advice in tough times. A supplier shouldn't drop its price arbitrarily, but clients will expect a vendor to go the extra mile. Suppliers should figure out what they can get to justify a discount: A larger or faster initial payment? Quicker implementation? A way for the client to pick up some of the work? A much-needed referral? Clients are completely aware of a supplier's need to make a profit, but they also know that all situations aren't created equal.

Realize that customers are inundated with prospecting calls. More than 10

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won't even be on my radar unless it can save me time, trouble, and money. And yes, I want details and facts."

Although a supplier might be in love with its product or service, it needs to connect its solution to the need or problem it addresses. In the good old days, "better knowledge sharing," "improved learning," or "increased employee retention" were enough to make a sale. But now, if a supplier can't tell customers how its solution will add to revenues or decrease costs, it'll have a tough time getting their attention.

Discount if you can get something in return. Beth Thomas, a senior learning ex-

years ago, I moderated a panel for the training industry, and someone in the audience asked for advice on great marketing materials. A panel member, a senior-level learning executive at Blue Cross/Blue Shield of Massachusetts, stood up, grabbed a box she had onstage, and emptied it onto the floor. Dozens of letters and brochures spilled out, including a (brilliant) brochure from me. "This is my mail from training suppliers in the past two days," she said. "You're all making me crazy."

I was devastated, but I never forgot it. Imagine what her communications must be like now with email marketing

and voicemail. Marketing information has its place, but most of the CLOs in my group say they don't read mail from suppliers unless it addresses an urgent need at that moment. One CLO says, "My recipe is for suppliers not to call me, but I'll call them if we need them. In the meantime, they need to keep their Websites current, relevant, and easy to navigate, and I'll find them."

Another CLO advises suppliers to "write a thoughtful, short letter as the first step. Brochures are undifferentiated, cold calls are rude, and any roundabout or sneaky way into my meeting planner will harm the supplier's reputation as a professional."

A supplier can help a customer by suggesting ways to cut corners, put some of the training online, or otherwise make the best use of reduced budgets.

In fact, of the 10 CLOs I talked with for this article, only a few were willing to let me use their real names for fear they'd be barraged with calls.

Start small. Although some customers are still buying large-scale enterprise implementations, many aren't able to make such commitments in the current economy. The best supplier strategy is often to look at its solution and see how it can start small quickly rather than hope for the big sale. For instance, a supplier should ask how it can pilot the solution. If the work is good, a pilot can turn into a larger opportunity that's easier for the client to sell internally because the company has already had a good experience with the supplier. If a pilot doesn't make sense, you have other

options: a smaller participant population, a shorter program, a less-expansive plan, and so on.

Jeff LaBrache, manager of corporate e-learning at Compaq, says that his buying model is simple: "Just what I need, just in time—and return what I don't use!"

Help customers refocus. The ISA study shows that suppliers' clients are rethinking their plans due to budget cuts. If a supplier has a client that needs to rethink a plan, the supplier can add value by anticipating that conversation and participating in it. A supplier can help a customer by suggesting ways to cut corners, put some of the training online, or otherwise make the best use of reduced

budgets. I've found that sharing what some of our clients are doing during tough times is a great way to help other clients. In that way, you become a creative problem solver.

Help with the internal sell. One challenging element of a difficult economy is the increased scrutiny that organizations put on every expenditure. The way that often plays out is that a multitude of people must say yes—a sure way to slow down a sale.

Many of the customers I talked with are frustrated by such scrutiny and say that smart suppliers are good at helping them sell internally. It's essential to give clients the information they need to be strong internal advocates. That's when brochures are helpful—as are client lists,

buzzword-free documents that net out the benefits of a supplier's solution, and a strong statement of how it's different from competitors. Unless suppliers think clients can do a better job of talking about their capabilities, they should support clients with the internal selling of their services.

Be honest. Some customers I spoke with told stories about suppliers who exaggerate and aren't truthful, presumably because they're desperate for business. Specifically, they lie about their credentials or whether they've done a certain type of work before. One CLO advises, "Suppliers need to be straightforward and honest about their strengths and experience rather than spin their story and present an exaggerated view of their skills. We'll find out [the truth] eventually."

What strikes me most about the counsel of my CLOs for tough times is how much of it is also for good times. If a supplier has a strong, professional sales organization, that investment will pay big dividends in an environment in which good selling matters. If we suppliers want to work with organizations to help address their complex challenges, then we must earn their trust. And that will pay off when the economy improves.

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Next month, Zenger-Miller founder and Provant vice chairman Jack Zenger points to suppliers' resurging role in enhancing learning.

Contact Diane

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She'll use your comments to write a follow-up in a subsequent Supplier Savvy.