

THE YEAR AHEAD

Strategies and resolutions for 2008

The new year is upon us, and like many I have made some wonderful resolutions to get a little fitter, take my pleasures with a little more balance and spend more time with the people that I love. I'm feeling pretty good about making the resolutions, mostly because I've had lots of practice.

But what about business resolutions – and what is going to happen this year that we need to be aware of? Speaking with people involved in sales and marketing at various levels within the industry, I get a feeling of great caution. Very few people are predicting a catastrophe such as the bursting of the dotcom bubble at the start of the “noughties”, although there is an expectation that business will get a bit tougher in most sectors, and that the economy will get worse before it gets better. Practically all firms are finding it more difficult to attract good salespeople, as successful ones with experience are sensing tougher times and staying put.

The market was nicely summed up for me by one sales director who talks about “the second shock wave”, which may not be as dramatic as the first, but could still do considerable damage.

Meanwhile there is still lots of hype around. People now appear to want everything to be in some form of managed service, which is fine except that few vendors have bothered to ask customers what they want. Most surveys show a slight preference for offerings with SLAs based on business rather than operational results, but the arguments are patchy. While the prospect of regular recurring revenue may have obvious appeal, moving too quickly from a project to a managed service based business is a great way to go bankrupt – as a number of integrators are finding out right now.

Internally, a few truths about sales teams are becoming evident. First, sales is not just about “methodology”. Many sales directors have invested large amounts of cash and energy in implementing “repeatable processes” only to find that actually sales is much more unpredictable than imagined, relying on complex interactions of people in dynamic situations. Process is proving useful, but only as long as it is not too rigid, can adapt and recognises that individual approach, skills and flair also play a major part in sales success.



‘If you are feeling brave, 2008 could be a time of opportunity’

– STEVE HOYLE

Likewise, the majority of people are realising that CRM systems don't need to be all-encompassing. Indeed, if they are then they become too clumsy, too inflexible and always behind the business. CRM implementations over the last year have continued to “right size” and simple systems that are easy to use and provide direct benefits to salespeople have flourished (the success of Salesforce.com is particularly evident – a million users and approaching \$1 billion).

So what resolutions should salespeople and sales leaders be making? It strikes me that when things are likely to become a bit tougher, it is wise to focus on just a few things and do them well. There are four areas that are key:

- Back to basics is a theme in many organisations – the basics of managing the sales pipeline proactively, good salescraft and not making elementary errors. This is the equivalent of everyone's resolution to get fitter and sharper.

- Look after existing customers extraordinarily well, and take proactive steps to manage them and grow their business, especially with your more profitable offerings. We all know that selling more and new things to existing customers is far easier than breaking into

new accounts. During 2007 we again saw increased interdependence of solutions, making it that much more difficult to implement break-in strategies, especially given more difficult trading conditions that have made customers more risk averse. Increased focus on account planning as well as effective account team working should be a top priority.

- Be very clear about your propositions. This is true for all solution selling and particularly if you are selling managed services. Do you have compelling arguments as to why someone should spend their (increasingly scarce) discretionary budget on this “solution”? Best practice has always stressed the importance of the value proposition.

- Sales managers – don't overcomplicate, and cherish your good salespeople. Have a few, well implemented processes, and focus on what it is that your people are actually doing with your customers.

There are clearly some things you should not be doing, including treating 2008 as business as usual, tolerating less than total professionalism in a tougher environment, or taking unnecessary risks.

If you are feeling brave, however, 2008 could be a time of opportunity. One sales director I know is getting very interested in the possibility of acquisition targets becoming available at attractive prices, while a few senior salespeople who are a little disenchanted with their present company are getting rather excited about the ability to negotiate an extremely good package if they were to move.

Tougher times will certainly weed out failing companies and salespeople, which should be a great opportunity to exploit gaps in the market – but you will have to constantly scan your competitive landscape so that you can move quickly.

This year should be good for sales in this industry, as although it will be a little tougher it should be well within the ability of good people and good companies to prosper, especially if they focus that little bit more on their basic core capabilities.

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