RELATIONSHIP-BASED SELLING

Maximizing Sales Through Relationship Mapping

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optimising business relationships

Relationship-Based Selling

As an experienced sales executive you know that to win the deal you need to cover your relationship bases. If you follow Miller-Heimann's Strategic Selling approach you know you need to manage expectations and sells benefits to all your buyers: User Buyer, Technical Buyer, Economic Buyer and your client Coach. No matter what approach you are following you know relationships are critical.

In this paper we will describe the theory of social networks and how you can map your organization's internal and external networks to achieve superior sales. We will demonstrate, through this networking perspective of sales, why organisations have traditionally struggled with identifying key client/prospect contacts and then provide some guidance as to how organisations can facilitate their networks to increase sales success.

Networking and Performance

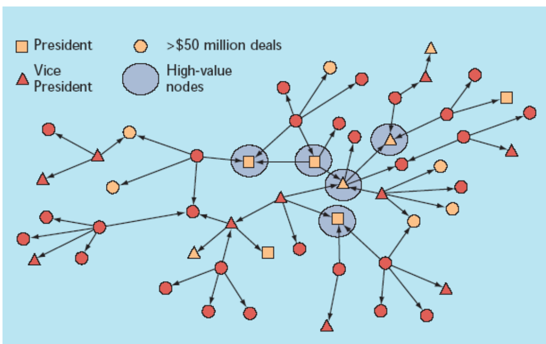
The connection between networking and performance has been well researched, and the research shows that high performers tend to be centrally located within networks. They invest in the careful selection and nurturing of their relationships and their behaviour patterns include exploration and engagement in quality relationships. But relationship formation and management skills are required at all levels of the organization:

- Sales people need to be aware of how they can use their own network to help build the sales pipeline levels as well as help others to build theirs.
- Managers need to build the skills to be able to make the best of work relationships within and between sales/business development teams.
- Those who understand how organisations are connected through existing relationships can make better informed decisions about partnering with the 'right' people.

Mapping Networks

Social Network Analysis (SNA) looks to uncover informal collaborative work practices. The method is actually similar to the one the police use to track relationships between criminals. The purpose of SNA is to compare individuals and their linkages, and then analyse the patterns. Use of graphical mapping tools dramatically enhances our ability to see relationships between people that were previously invisible.

In a sales, or business development environment, where personal relationships are essential, the SNA technique is of particular value. Through mapping we can quickly establish a snapshot of how an organisation is 'soft wired', or how well a service provider is connected with its clients. The network shown here has been extracted from a report on how well connected the sales and business development staff were across a global services firm.



Sales executives were asked to list who in the organization had helped them win deals valued at greater than $50 million. The yellow nodes identify those nominated. The shape of the nodes shows that indeed those high-value nodes were often well connected, and were often senior officers in the company. We suggest that this approach is used to map people connections as it is relevant in a sales context. For example:

- How well connected are we with the client staff in our most important accounts?
- Do you know your economic, technical, user buyers or have a client coach? If not, how can you network to find them?
- What are our connections with a potential client? And who can shed light on client company politics?
- How do we ensure manage staff succession such that no client relationships are broken?
- How can we help our sales people become better connected?

New Clients – Who Do You Know?

It is well known that high performance sales people are also well connected. These can either be with prospects or influential people they know in the industry that could help win a sale. But it is not just the sales people who have relationships with potential clients. In the rest of your organisation there might be numerous relationships within the client organisation, for example through ex-employees, friends or even family ties. If you venture outside your own organisation you might even find that one of your own suppliers or other business partners have worked with your prospect for years. Competitive intelligence experts tell us that up to 90% of the intelligence you need can be sourced through your own employees.

These relationships have probably taken years to develop and are, at least for sales people, seen as one of their most important assets. Naturally, you would want to protect this asset as much as possible. So the question is how do we utilise this intangible asset on a broader basis, whilst at the same time protecting the integrity of the 'broker'?

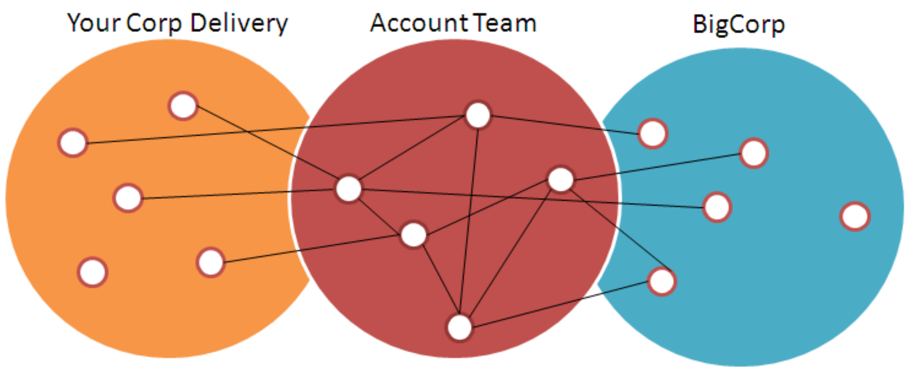
Firstly, it is near impossible to utilise the asset unless it is known. So, the first activity to be undertaken is to create an inventory of contacts. Rather than producing a generic dump of names and companies we suggest that you approach this on a 'just in time' approach. When an opportunity arises with BigCorp you ask staff in the organisation to nominate people they know in BigCorp. Include names of brokers, prospect contact names, business unit, role and the perceived strength of the relationship. Start to classify these contacts into potential 'buyer' categories: economic, technical, user or coach. People are more likely to respond to specific requests than generic ones, so a specific request will yield higher response rates. As you collect data for specific requests your contacts map will grow.

The best way of alleviating valid concerns from the contact brokers is to ensure that they first vet any proposed approaches to their contacts. They will need to maintain control over who makes contact. Their judgement on whether or not it is appropriate to make contact must be respected. Your contact map should be validated periodically, but still only on a 'just in time' basis.

EXISTING CLIENTS – COVER YOUR BASES

Here is a different scenario. Your company has been working with the BigCorp account for a few years, but you have only just come into a sales role over the last month. Your challenge is to take stock of how well you and your team are currently connected within the current client environment. But how do you get your head around this?

First thing is to get hold of a copy of BigCorp's organisational chart and put a circle on all the people you and your team believe will be the most critical to maintain or enhance relationships with, in order to meet your objectives. Then survey your own organisation (both sales and delivery) to identify who has existing relationships including strengths and nature of the relationship. The graphical output of SNA is particularly powerful here. You will be able to spot relationship inefficiencies immediately.



We have found that this type of activity has a number of highly valuable benefits. In particular:

- It exposes operational people who you might never had realised already had deep relationships with the client.
- It can expose disconnects in your own organisation (e.g. lack of alignment of delivery areas).
- Can expose people in the client organisation you overly rely on, and therefore a risk if they were to leave, or people you haven't covered at all.

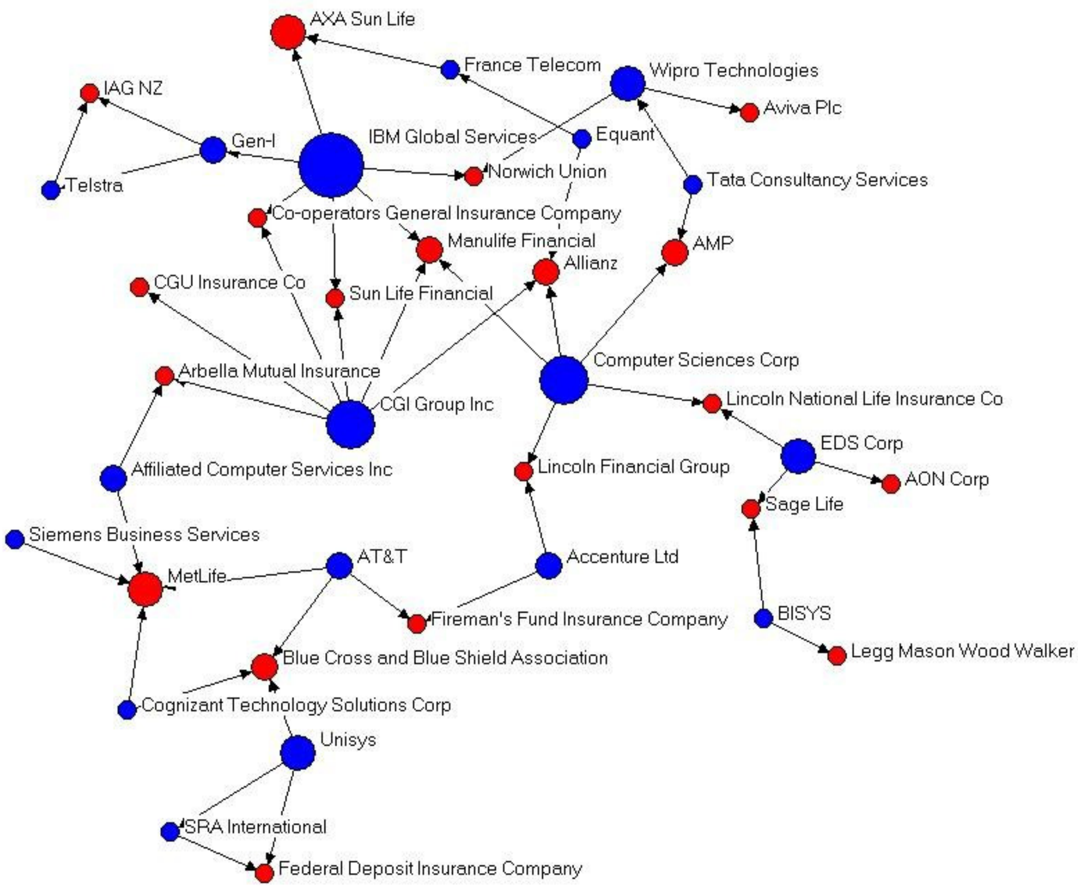
Once you know where the existing relationships are it is easy to agree on 'relationship owners'. It also makes it much easier to manage the succession of staff, as you have a checklist of core client relationships.

YOUR POSITION IN THE MARKETPLACE - PARTNERING

Having researched the links between the corporate "social capital" of firms in the global IT services sector and firm performance we know the power does not exist with any individual entity. Rather, the important question is how an entity is positioned in terms of relationships with other entities and what its ability is to influence its position in that network.

In the map below we provide a snapshot of IT Contracts sold to Insurance firms 1996-2005 based on data we collected from the Computer Wire Data Base. **Blue** circles are IT providers, and **red** circles are Insurance clients. A link is shown for contracts signed in excess of $US1mill. The size of the circles represents how central the organisation is in this particular market place.

From the map you will appreciate that IBM is shown to be the leader in terms of the number and size of contracts, followed by CSC and the CGI group. If you were a new high growth IT company servicing the Insurance industry you could use the map to determine exactly where you will get the maximum benefit from partnering.



Unlike traditional social network analysis, industry networks are mostly built through data or text mining. Early attempts at industry maps had been constrained by a lack of data. However today, with advanced search technologies and more comprehensive industry data bases available, the ability to generate more accurate visual representations of a market place have been substantially enhanced.

Conclusion

We are advocating for a structured, measurable and repeatable approach to relationship-based selling. Whilst relationship management skills are considered 'soft' they are needed to achieve hard results. With limited time and resources you need to target your efforts to build or enhance relationships where it really matters. Just-in-time collection of relationship data and surveying to determine existing relationships will significantly help utilize your intangible relationship assets and provide you with the focus you need.

About Optimice

Optimice provides specialised consulting services to help organisations map and improve business relationships at multiple levels. Optimice identifies relationship patterns between people, organisations or markets, and we have improved the basic techniques to optimise these relationships in a compelling business-focused context.

Our Partnership Scorecard™ helps organisations manage the intangible relationship aspects of outsourcing, smart sourcing, alliances, joint-ventures and similar complex business frameworks.

Our specialized survey tool www.onasurveys.com provides consultants and other practitioners with the most effective and user friendly tool available on the market for collecting data on business relationships for mapping purposes.

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