

WHY REQUIREMENTS QUALIFICATION IS SO IMPORTANT AND HOW TO IMPROVE IT

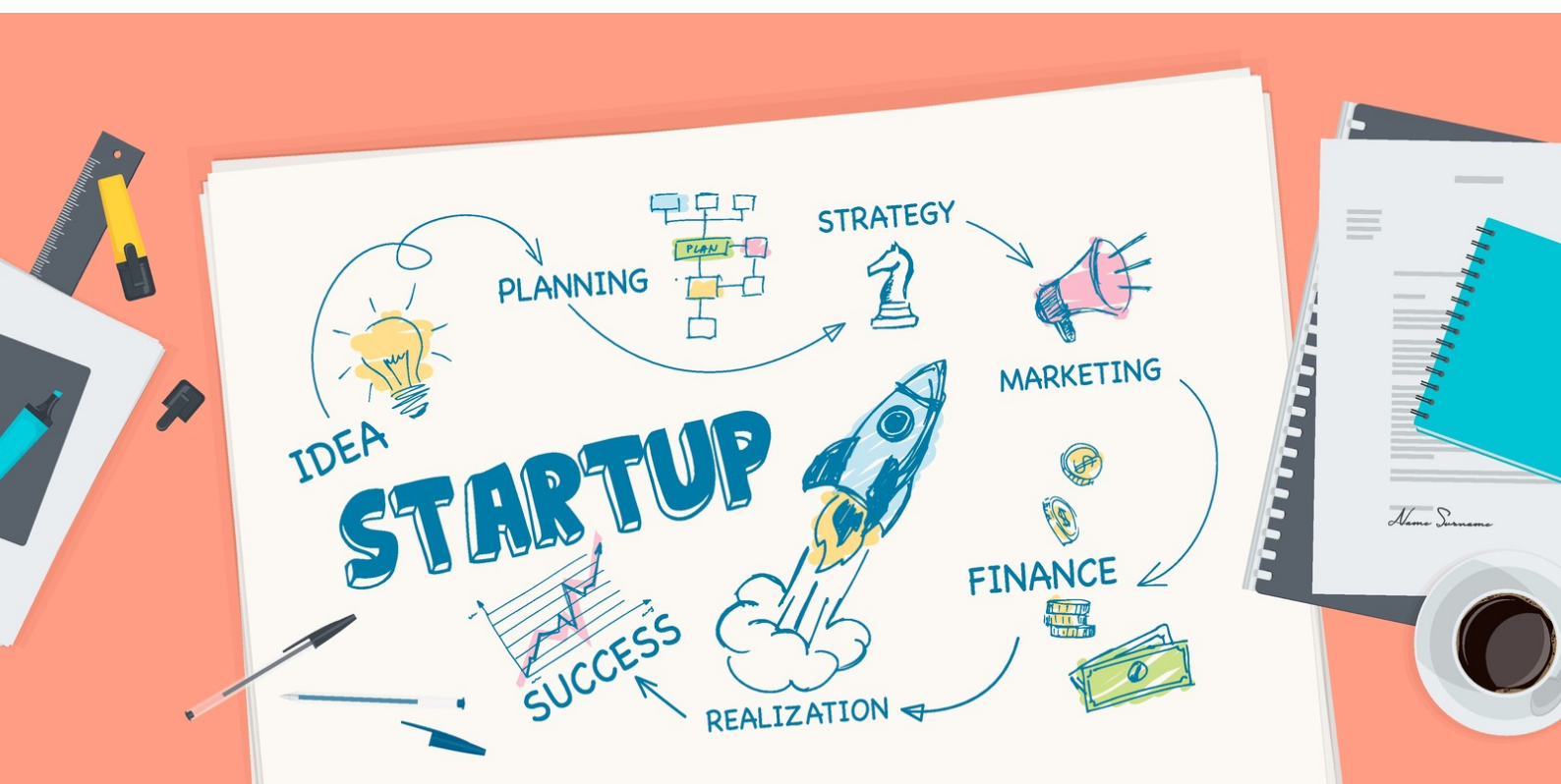


INTRODUCTION

Technology companies are the fastest growing sector in the world. Think of the last article that you read about a new start-up company, the chances are that it was a technology company of some sort. Whether it sits in telecoms, bio-tech, fin-tech, green energy, IOT, social media, or just plain old getting people from one place to another you can bet that it's a technology company of some sort.

For companies that have a product portfolio of many technical products, solutions or services, opportunity qualification presents a huge challenge for a sales team. A sales team in a technical company will generally receive enough technical training to allow them to talk at a high level about their products, with the aim of them being able to carry out their own prospecting, opportunity qualification and initial customer meeting with a technical team available to be called up for assistance later in the sales cycle.

Qualifying the opportunity can present a huge problem. Do it right and you'll have a smooth sales process with a high chance of conversion. Get it wrong however and you stand a high chance of wasting a lot of time attempting to work the opportunity and risk it ultimately going nowhere.



THE PROBLEM

Fewer salespeople are achieving quota. In a report by The Bridge Group, they identify that 33% of salespeople are failing to achieve quota.

In parallel, there is expected to be a huge reduction in sales positions, according to Forrester a 22% decrease in sales jobs in the USA alone by 2020.

If we examine these data points together we can see that that the environment that salespeople operate in is going to become much tougher. As sales positions are driven out of selling commodity items, as these are pushed to e-commerce solutions, the remaining salespeople will be left with more technical products that have a more complex sales cycle and can deliver higher value to the customer.

This shift could lead to even higher rates of failure to achieve quota.

SALES ENABLEMENT TOOLS ABOUND

Sales teams have more tools available to them than ever before.

There are tools that can find prospects from social media, automation tools for email, automation tools for social media, CRM systems, automation tools for CRM, analytics for CRM, analytics for your pipeline, analytics for your social media, analytics for your prospecting. There are even tools that just manage and create pipelines between other tools. But at some point in a sale, a salesperson will find themselves sitting opposite a customer with none of those tools available.



AT SOME POINT IN A SALE A SALESPERSON WILL FIND THEMSELVES OPPOSITE A CUSTOMER WITHOUT THEIR SUPPORT TOOLS AVAILABLE.

At that point, it's down to that person's own talents to understand the customer's problem and how they can help solve those problems.

POOR QUALIFICATION

If you fail to ask the right questions, identify the right information or identify the right type of customer it will have a snowball effect on the rest of the sales process.

As the B2B market evolves to focus on more complex products, the qualification process becomes increasingly difficult, requiring the sales team to have a deeper knowledge of the product line and the applications for those products than in a traditional sale.

Salespeople typically have a very rich set of skills, however, these are generally focused on the task in hand - selling, so as they find themselves requiring increasing levels of technical ability to sell, they can struggle to correctly qualify customer requirements.



SALES PEOPLE CAN STRUGGLE TO UNDERSTAND THE APPLICATIONS FOR A COMPLICATED PRODUCT AND HOW IT BENEFITS THE CUSTOMER.

STRUGGLING TO UNDERSTAND CUSTOMER PAIN

Failure to identify the customer's emotional pain point will make the sales a lot more difficult to close.

As commodity B2B products become increasingly sold through e-commerce, the sales team will have to focus on more complex products. As such, understanding what keeps the customer awake at night becomes more difficult. If the salesperson is unable to understand or empathise with the customer pain they will struggle to understand if there is an opportunity for their business.

UNABLE TO EQUATE CUSTOMER PROBLEM TO SOLUTIONS


If a sales team can't properly identify the customer's problem and map it to their solution portfolio then there is no opportunity for that team, even if there actually is one deep down.

Missing opportunities due to poor qualification just shouldn't exist, however, in cases where the salesperson doesn't have a clear understanding of the customer pain, this can lead to them being unable to identify the correct solution. Conversely, the salesperson may understand exactly the customer problems, but may not have enough understanding of their products to be able to position a solution.

In either case, the customer opportunity can be missed, or the wrong solution positioned.

NEED PRODUCT SPECIALIST SUPPORT

In cases where the product portfolio is complex, there are often pre-sales product specialist resources available within the team. Where the salesperson is unable to qualify the opportunity on their own they often need to draft in the support of these specialist resources.



PRODUCT SPECIALIST SUPPORT CAN BE IN SHORT SUPPLY. FOLLOW UP MEETINGS WILL BE INCREASE THE COST OF SALE AND CAN DELAY A SALE DUE TO RESOURCE AVAILABILITY.

The cost of having a product specialist is very high and will have a huge impact on the cost of sales, detrimentally affecting profit margins and potentially the commission available from the sale. The time pressures on these specialists are often very high as well, so trying to arrange follow-up sales meetings with the customer can result in a long delay in the sales cycle due to their availability.

Additionally, the product specialist will be having to manage their own priorities. If they don't recognise the importance of the opportunity or feel it is not qualified enough, or simply have larger opportunities they are working on they won't be able to provide timely support, in which case the sale may close without the salesperson being able to submit an offer at all.

THE IMPACT

The potential impact of poor qualification can be significant on your pipeline, process and prospects. If you fail to qualify properly then your pipeline isn't accurate and will lead to a sales team chasing deals that will ultimately be a waste of time. There is also the risk of damaging potential prospects by not selling them the right solution or by putting pressure on them.

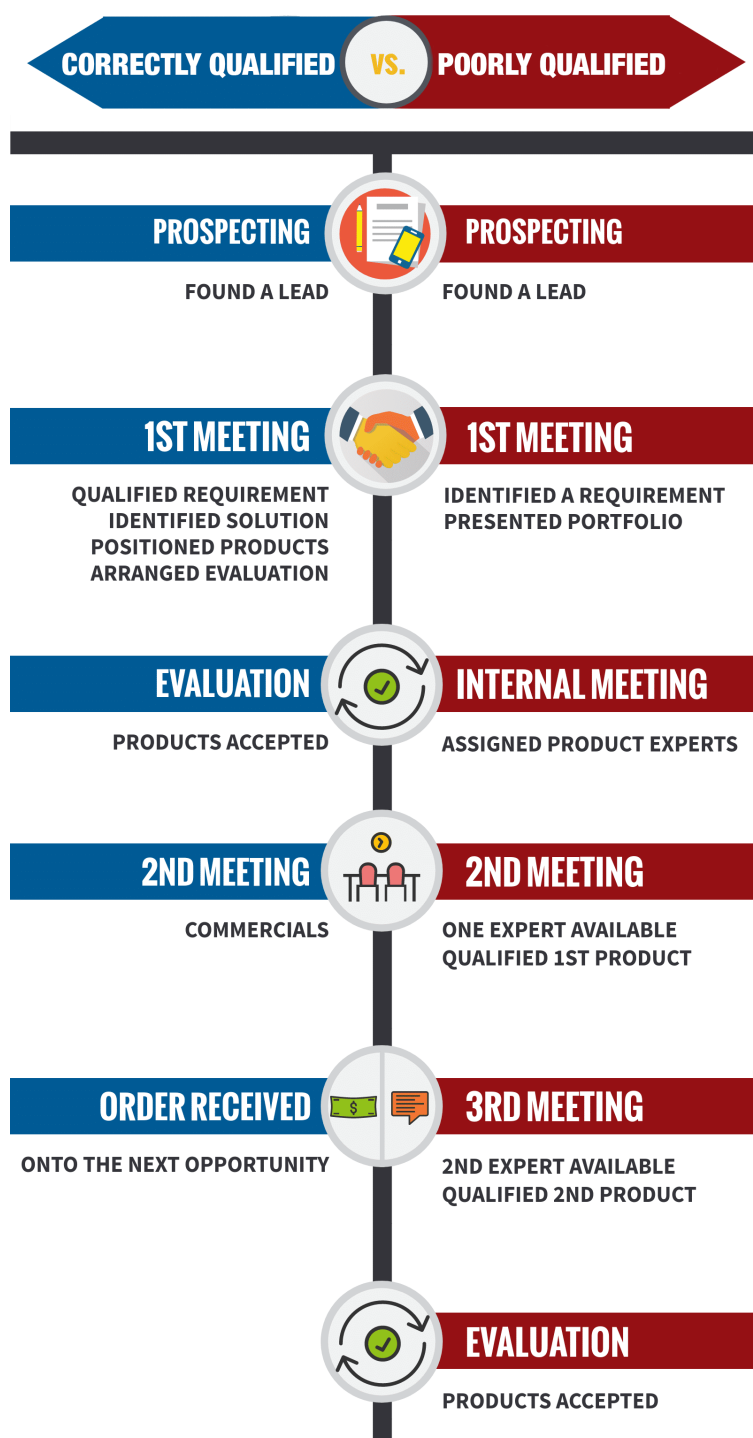
LONG SALES CYCLES

For many salespeople, having identified a vague requirement during an initial sales meeting, the salesperson may well present the customer a company overview if they are a new customer, followed by an overview of the company's entire product portfolio before leaving a pile of product literature with the customer with promises to return with product experts.

What then follows can be an exercise in scheduling frustration whilst the salesperson tries to find a date & time in their calendar, the customer calendar and the product experts calendars that are mutually available.

This is assuming that the product experts can be convinced that there is an opportunity that is worth their time investment in the first place! Faced with multiple members of the sales team calling on them for their support these members of the sales force will prioritise their schedules based on the priority of the opportunity. Faced with a choice between meetings with customers with fully qualified opportunities that are further down the sales cycle or having to perform opportunity qualification on behalf of another member of the team they will generally prioritise the opportunity that is already proven to require their skills.

If there are several members of the product support team required to support the opportunity, the salesperson may now spend several weeks trying to organise the follow up meeting. Depending on how well the sales person understood the customer



requirements during the initial meeting these meetings may or may not result in a full qualification of the opportunity. If the wrong product experts have been brought into the opportunity it may now be necessary to follow up with a different member of the team.

At this point, the customer is now a few weeks into their sales journey and still hasn't had a solution pitched to them. The lack of qualification early in the process results in a much longer sales cycle, preventing the sales person from moving on and working on other opportunities, and as such reducing the number of sales they can close.



LOSS OF SALES

Obviously, the biggest impact is losing sales, and there probably aren't many companies who would be happy with that. Poor opportunity qualification at the front end of the sales process dramatically reduces the chances of closing a customer sale.

Even if you are able to ultimately identify the customer pain correctly and position a solution, the extra time taken to achieve this can result in the loss of thought leadership within the customer, allowing a competitor to gain this advantage instead.

While it may be possible to try and win the customer during later stages of the sale when it becomes clear what a competitor may be offering the customer, at that stage the ability to sell your own value has been diminished so has the customers confidence in your ability to provide a value to them. Even if the sale could be won at this point it would more likely be through a race to the bottom pricing strategy.



LOSS OF CUSTOMER

An increasingly common scenario that will affect relationships with existing customers is the pivoting business model. As a business changes strategy, a common example being from selling products to a services-based strategy, it can be difficult for the sales force to adapt. What may seem like an exciting opportunity in the boardroom may seem like an insurmountable challenge to a sales force.

As the sales team struggle with the new corporate strategy and the business focuses more on supporting the newer services it is possible to lose customer relationships through making older products end-of-life, without the ability of the sales team to position replacement services into a customer.

For sales teams that fail to align a new services strategy with their existing customer base, the danger is that they will lose customers completely. In the cases of their smaller customers it may be that the sales team become so overwhelmed by the amount of effort needed to take the new service offerings to their larger clients that they just don't feel they have the time to focus on the smaller customer, so they are left unattended and ultimately will find competitors that they can work with. For larger customers, the problem can be a failure to understand how the new services align with the customer need. This can result in sales teams not asking the right questions during qualification, so a full picture of how to help the customer can never be formed.

INCORRECT SOLUTION SOLD


Another negative impact of a poor qualification would be to win the sale, but for it to then be realised that it's not the right solution for the customer.

In this case, the customer invests time and money in implementing a new solution which then turns out to be ineffective. While the cost of sale can be refunded the customer will never be able to gain back the time they have invested. Potentially this could have devastating consequences on their ability to service their own customers.

Selling an incorrect solution at best erodes customer confidence in the business. Any future proposals will be treated with a good degree of scepticism, making it harder to sell from a position of trust and almost certainly removing any idea of being a trusted partner. At worst this could lead to legal action against the business for damages, the complete loss of the customer and a damage to the credibility of the business within the larger industry.

COMPETITION WIN

Losing the sale is one thing but if you then lose it to the competition that's one customer you may never see again, especially if it's because of your failure to sell.



**LOSING A SALE TO THE
COMPETITION NOT ONLY GIVES
THEM THAT SALE, IT HANDS THEM
ONE MORE SUCCESS STORY TO
LEVERAGE GOING FORWARD**

There are many ways that poor qualification can lose a sale. This can range from taking too long to prepare a proposal to the customer to having priced the solution too high by not understanding the core customer requirement and including too many non-essential parts within your own proposal.

A failure to qualify the customer requirements means that your whole solution will be skewed to your perception of what the customer needs, and not what they actually need, and the customer will recognise that you haven't fully understood what has been discussed in the meetings with them. If the competition that is talking to the customer are able to define what the customer's problem is and fully align their solution with those needs, they will hold a much more trusted position during the sale and will be more likely to close the deal.

Losing to a competitor not only means that a business did not close a sale, but it also puts that competitor in a better position to win business from going forward. They have one more win to analyse, one more success story they can leverage, one more customer that they can reference or go back to for subsequent business. It has a much longer impact than just a small blip on the monthly sales figures.

The Solution

Frontline sales enablement tools are now available to support the sales teams of B2B businesses understand their customers, qualify the opportunity for a sale.


SO WHAT IS FRONT LINE SALES ENABLEMENT?

Sales Enablement is a generic term that covers any process, system or tool that enables a sales force to sell more effectively. As mentioned earlier there are a vast number of tools already available, many of which deal with automating the early stages of the sales process such as lead generation and prospecting, the later stages of the sales, or post-sale data evaluation.

Frontline sales enablement tools specifically focus on assisting salespeople during front-line sales contact with the customer - in most cases, this would be customer facing sales meetings or remote sales calls.

Customer facing meetings are where the salesperson typically has the least amount of support available to them during the complete sale process. After having researched the market, identified prospects and now turned this prospect into a qualified lead with an agreed meeting, probably using a variety of tools and with easy access to a support structure, the salesperson now finds themselves uniquely isolated with the customer.

Now the salesperson has to use their own knowledge of the customer base to understand the problems that the customer describes to them. How well this can be accomplished depends not just on a persons sales skills, but on their personal understanding of the industry or market segment that the customer lies within, the roles or personas of the people they are meeting with and how well they understand how the customers business works. In cases where the customer is describing familiar issues they can relate to, this may be very easy ("Hey, the



**DURING SALES MEETINGS THE
SALES PERSON NOW FINDS
THEMSELVES UNIQUELY ISOLATED
WITH THE CUSTOMER AND WITHOUT
MOST OF THEIR SUPPORT TOOLS**

lighting on your shop floor isn't reliable enough and you're having to close down because of it? No problem!"). However if the problems described are more complex, more technical or just downright difficult to relate to, it can be harder to actually understand exactly what is being described ("Ok, so you're trying to set up a radio head 'hotel' and are having issues with your baseband not functioning correctly. Uh, ok, let me write that down").

Now how do you approach the conversation with the customer in such a way as to extract that information from them? Shouldn't the salesperson be demonstrating a level of expertise in dealing with these issues? This is where assisted qualification becomes an essential tool for your sales meeting.

ASSISTED OPPORTUNITY QUALIFICATION

As previously discussed, the correct qualification of a sales opportunity is essential with the potential risk to the business in the case of poor qualification being far greater than just losing a specific sale.

Assisted qualification is exactly what the name suggests - tools that are used in sales meetings to assist in the qualification of the opportunity. To this end, they need to be designed in such a way that they can be used in a sales meeting without intruding on the flow of the meeting and in fact enhancing the quality of the meeting for both parties involved. This means that first of all the tool being used has to be unobtrusive and not take much interaction with the salesperson so that they can focus on the customer, but also the tool itself has to be customer-centric.

Sales opportunity qualification will demand knowledge of many data points, and so these also have to be built into the qualification tool itself. We call this Sales Intelligence.

In order to qualify an opportunity, the Sales Intelligence needs to include many different sets of data including:

- The market segments the business typically sells to.
- The personas of the people within a customer who are generally involved in a sale.
- The typical pains, problems or purchase drivers the customer's experience.
- Industry trend data that may affect the customer.
- Use case data that may be relevant to the customer.

Sales Intelligence can't just contain these sets of information, it also needs to include the relationships between them. So problems need to be related back to personas or market segments, or both, industry trends need to be linked to specific problems ("Oh, you're having issues with data retrieval from backups? Did you know that GDPR will require you to be able to remove references to individuals including from all backups at their request?").

The starting point for opportunity qualification is opening the conversation with the customer, and here front line sales enablement tools can provide the salesperson with strategies on how to start the conversation that are specific and relevant to the customer and in ways that will prompt the customer to provide details of the problems they are experiencing within their business.

In an ideal environment a salesperson would understand the problems facing the customer, in an assisted qualification environment the typical pains experienced by customers within the market segment and specific to the roles of the people in the sales meeting should be made available to the salesperson. With the salesperson aware of these during the meeting, they are then fully capable of picking them out during the discussion with the customer and making using a tool to track which of these are presented by the customer.

By prompting the sales person to position industry trend data relevant to the customer pain, or ask whether other problems related to the ones discussed have been considered by the customer, or are being examined for the future, the sales person is able to expand the conversation from the very immediate problems the customer needs solving to longer-term issues. By doing this and demonstrating in-depth knowledge of the customer's issues the sales person is able to better gain the trust of the customer and facilitate sharing of more information.

Once all this data related to the customer need has been captured, the next issue facing the salesperson is how to use that to position a solution to the customer. This is where automated solution identification steps in to play.

AUTOMATED SOLUTION IDENTIFICATION

How do you turn customer pains into a solution proposition if you struggle to understand the issues the customer has told you they are facing, or potentially even the applications your own portfolio can meet?

Using automated solution identification in frontline sales enablement tools your salesforce will be able to identify and position the most relevant customer solutions while still in the initial meeting, and without requiring product specialist resource at the meeting. This not only demonstrates a clear understanding of the customer's requirements from the very outset but also will reduce the length of the sale process by reducing the need for future meetings (with product specialists in attendance) to validate the customer requirements. The speed of making a customer proposal is key to establishing thought leadership with the stakeholders involved in the sale, and by automating the solution identification and describing the solution and it's value proposition this can be achieved even if you weren't the first vendor to discover this opportunity.

The key to being able to use automation for the identification of a solution to your customer's problems? Correctly qualifying those problems immediately.

Using the knowledge of the market segment, the customer stakeholders and the issues they have described is immeasurably important to being able to immediately identify the products within your portfolio that will comprise the customer solution.

How important can this be on the outcome of the sale? Being able to immediately turn the qualified requirements into a product solution in the initial sales meeting could allow the salesperson to immediately establish thought leadership with the customer. Even if the customer had met with the competition it is possible that they may not have been able to submit a proposal while going through their own process.

Using automation in this way with correctly qualified requirements also enables the use of other supporting technologies such as artificial intelligence to assist the sale. Using machine learning to examine the requirements, solution and outcome of every sales meeting allows the use of AI to support the salesperson in achieving a successful meeting.

SUMMARY

Sales enablement tools featuring opportunity qualification, automated solution identification and AI technology will dramatically increase the ability of a sales team to align with customers. These tools will become an essential part of the sales teams toolkit, dramatically reducing sales cycles and increasing revenues for B2B businesses.

**AUTOMATED SOLUTION
IDENTIFICATION ENABLES THE USE
OF TECHNOLOGY SUCH AS AI, BUT
CORRECT IDENTIFICATION OF THE
CUSTOMER REQUIREMENTS IS
ESSENTIAL**



About Sales Pitch Pro

Sales Pitch Pro is a sales enablement company, and our product (also called Sales Pitch Pro) is the first front-line sales enablement tool, enabling sales teams to qualify customer requirements, identify product solutions and then make the perfect solution pitch.

Sales Pitch Pro analytics facilitates the management of a sales team, allowing sales managers to examine exactly how their team are working in sales meetings.

For product and marketing managers we enable the analysis of the success of your sales messaging, examining how your message is working by customer segment, customer personas and more.

Find out more about Sales Pitch Pro at <https://salespitchpro.com>.

SALES PITCH PRO

