Guidelines for Teaching Salespersons How to Sell Expensive Products and Services to Public Institutions

Lloyd Rain, 10/00

PREFACE

Regularly, I find myself sitting at the conference table in my office pondering my effectiveness in the current situation. Across from me are several astute and highly knowledgeable salespersons, representing a reputable company and wanting to sell a complex or expensive product to my institution. They are seeking my advice on how to go about selling their product to my college.

We're not talking about office supplies, spare tires or tongue depressors here. We're talking about high-dollar products, services and systems — electron microscopes, aircraft, robotic lathes, computing systems, institutional software, consulting services, high-tech testing equipment, running tracks, rotating filing systems, handicapped elevators and lifts, employee assistance plans, workers compensation insurance, moveable bleachers, chillers and boilers, press brakes, energy-saving systems, and the like.

Invariably I explain that the Purchasing Department rarely originates any requirements. That various requirements originate from deep within the bowels of the institution and that we, Purchasing, are merely the process providers — we provide the overlay which guides the institution from identification of a requirement to delivery of a solution (and occasionally installation and contract management).

This profound explanation is of absolutely no value to the attentive but confused people sitting opposite me. I then continue to explain, with the solemnity of Moses reading the Tablets, the various purchasing processes, IFBs, RFPs, RFIs, RFQs, etcetera. By the end of this explanation my audience is shuffling from side to side, is interminably bored and realizes that they have wasted their time with me and is no closer to their objective that they were before the meeting.

Invariably we part with the obligatory pleasantries, each of us knowing that our expectations were not met and the meeting was completely unproductive, a waste of our time.

I don't want to have to endure any more of those sessions and I'm certain that no salesperson does.

To that end, I have evolved a set of guidelines to assist purchasing staff to educate the salesperson in the art of selling products and services into the indeterminate maze that we loosely call public agencies.

I have tried to be as explicit as possible — right down to the kinds of literature and the styles of presentations. Each step may not apply to a specific product or a certain type of institution or agency. The process will differ to some degree between small and large, federal, state and local. Salespeople aren't expected to sell software in the same manner that they sell earth-moving equipment. Or aircraft engines. Or cyclotrons.

Nevertheless, there are certain commonalities in both the strategy and the tactics of selling into public agencies — enough consistency of the process to make the following guidelines of value, I hope, to the sales representative.

As you examine this model, you, the purchasing professional, will begin to realize that we have created a purchasing environment within which it is almost impossible for a salespersons to be successful — a process which is cumbersome, convoluted and, at times, even capricious.

This is because of two essential elements indigent to the culture of public agencies.

They are:

1) **Little is mission-critical**. There is rarely such a thing as a true emergency (excluding the military); even emergencies aren't emergencies. Time is of no essence at all. It doesn't really matter whether the Math department gets that new calculus software this term or next term or next year. It doesn't really matter when the state goes live with its new on-line bidding system or if the government research laboratory gets that brand new, super shiny atom-smasher this year or next year. Most of all, its doesn't matter to anyone when a salesperson books his sale, this year, next year or next century. The message is that time is of no concern and the general snail's pace of standard agency process will prevail as we proceed from initial sales contact to contract signing. For most complex products, figure on a year — minimum.

2) **No one person makes any decision, ever**. We shudder at the thought of making a singular, personal decision. We anxiously retreat from the possibility that we might have to make a decision all by ourselves. It's simply not done. We make decisions as groups, committees. This philosophy is based on the premise that a decision from a committee of peers may not be the best decision, but it is the one which will be most accepted into the culture. Thus, the "best" product is not always bought. The "best" service is not always the one that is procured. The "best" decision is the one that has the support of the group, even though the group may well be a committee of people completely unskilled in the discipline of the decision being made! Our committees are not assembled on the basis of necessary skills for the decision at hand. They are formed on the basis of bringing "stakeholders," those who will be affected by the decision, into one chamber. Thus, the committee may be comprised of complete non-initiates in the field of endeavor, easily duped by those with greater knowledge or those with high levels of assertiveness. It doesn't matter. That is democracy in public administration — the communal wisdom of the uninitiated, the unskilled and, in some cases, the uninterested. I have seen committees decide against having Purchasing people in their ranks because they fear that a process will be imposed. I have seen many people appointed to committees who have absolutely no concern for the result — save for their mission of ensuring that nothing negative happens to their own department. The latter is most common in software groups when there's a vested interest in ensuring that the status quo prevails in the end. We do not expect any particular member to have any particular background understanding of a product or service and we certainly don't expect that the majority of any committee is actually desirous of making progress in the direction of a given solution to a need. In the end, if a committee reaches a consensus to proceed with the publication of a solicitation or an actual purchase, it is usually because the prime mover within the group has the political acumen to lead the group to an acceptable conclusion — which, as I have said, may or may not represent what an objective, impartial observer would have defined as the "best" solution. It is the essential nature of public agencies to govern by committee. This will not change.

With these warnings then, I embark on the somewhat tremulous path of proposing ***Guidelines For Teaching Salespersons how to Sell Expensive Products and Services to Public Agencies***.

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Guidelines for Teaching Salespersons
How to Sell Expensive Products and Services to Public Agencies

1. WEB SITE

Provide a clear and concise web site showing the the benefits, features, capabilities, costs, maintenance and other functions directly associated with defining the product or services; if possible, provide a demo or a working interactive display. The web site should enable the viewer to generate a Request For Proposal (RFP) by filling in all the necessary information (number of users, current admin requirements, desirable options, interface requirements, conversion opportunities, etc.)

> Note that constant maintenance and upgrading of your web site is necessary. A good website is always a work in progress.

2. EVOLVE MAILING LIST

Select a **lead contact** emailing list, preferably consisting of the people most likely to lead the decision on the use of the product or service (Purchasing Directors for purchasing software, Business Officers for administrative software, Science Chairs for cyclotrons, Aircraft Maintenance administrators for titanium tool sets, Facilities Directors for mowing equipment, Maintenance Coordinators for pressure-washing equipment, Electronics Equipment Coordinators for audio-visual systems, etc.); the mailing list should have name, title, institution, address, email address and phone number. Expend considerable time and effort identifying the correct **lead contacts**. Try to identify the primary person who is responsible for **initiating the requirement** for your particular product or service (notice that I did not say the primary user or the primary purchaser — you want to identify the person who **initiates the requirement**). Addressing all the following mailings and steps to the wrong individual is like throwing dollar bills out of an airplane — you might get lucky enough for a dollar or two to fall into the right hands, but it is highly unlikely.

2A. EXEMPTIONS

Ascertain, at the outset, if your product or service qualifies for an exemption from public bidding. Many commodities and services qualify for such exemptions; that is, they can be purchased by direct negotiation from a sole source without benefit of a competitive process. A variety of exemptions exist and they vary from state to state and institution to institution. The most common exemptions are for copyrighted materials (this can apply to software if it's only available from one source), total uniqueness of product, only one available source, intergovernmental purchases, commodities which have a short shelf life, degrade rapidly or are consumed quickly, and so on. Check with the Purchasing Department specifically on this issue. If you believe your product can be exempted from public competition, state so in all your communications, but don't belabor the point.

> **The following activities should be staggered by dates; i.e., they should not all occur at once. Steps 3 through 7 should evolve into a continuous process so that all activities are happening at various times once the system gets rolling; thus, one huge mailing is not preferable, just as one great influx of sales is not manageable (and is especially unwelcome if there are no sales following the first wave).**

3. Send Email to Each Lead Contact *(LIT #1)*

Send each **lead contact** an email announcing the availability of the product or service and stating three things:

a) The key uniqueness of the product or service

b) The availability of the website for more information

c) The fact that a letter and brochure will be arriving in two or three days and a request that the **lead contact** person read the letter and view the brochure (these are *Literature #2 and Literature #3).*

4. Field Inquiries

Be prepared to field a few (but not many) inquiries as a result of the email message. Respond to inquiries with Step #5.

5. Send Cover Letter and Brochure *(Lit #2 and Lit #3)*

Send the cover letter and brochure, addressed individually to each **lead contact**, requesting that the **lead contact** view the website and call if there are any questions.

6. FIELD INQUIRIES

Be prepared to field a few (but not many) inquiries as a result of the letter campaign. Respond to inquiries with Step #7.

7) INITIATE TELEPHONE FOLLOW-THROUGH

Telephone the **lead contact** a few days after the letter and brochure is received with the intent of accomplishing three things;

a) Answering any lingering questions;

b) Encouraging the **lead contact** to visit the web site; if the **lead contact** hasn't visited the web site, ask if the person would be interested in a hand-holding, walk-through of the site or of the demo, in real time, on the phone;

c) Generating a verbal RFP (so that you can develop a proposal based on the needs of the agency or institution).

> Note: the objective of all the above is to ascertain the **lead contact's** level of interest, to delete from your list those who are clearly uninterested, and to solicit an RFP; that is, to enlighten the **lead contact** such that the <u>**lead contact asks you for a priced proposal**</u> to sell the product to the institution.

> Note that disinterest may be for a number of reasons most of which may have nothing to do with you or your product or service. The most common reasons are that the user is satisfied with the current system, there is no funding available for an acquisition, the needs are very different from the product being proposed.   If possible, try to ascertain the reason for disinterest and if it's convertible to inquisitiveness, attempt to do so. If there is a possibility, such as the potential for funding, place the **lead contact** on a recall list and state the month and year for re-contact. Never, never be obtrusive, overbearing or unappreciative of the **lead contact's** time.

8) Generate Priced Proposal *(Lit #6)*

Gather enough information, either from the web site RFP page, or verbally from the **lead contact**, to generate a priced proposal for the **lead contact**; this means ascertaining the **lead contact's** needs, (quantities, qualities, technical requirements, number of users, departments, systems, compatibilities, services, maintenance requirements, warranty issues, if applicable). Base your priced proposals, *Lit #6*, on an appropriate assembly from *Lit #8.*

9) Send Proposal Package

Compile and send a priced proposal to the **lead contact.** Include, in this order, *Literatures #6, #3, #4, #5 and #7.*

10) Perform Phone Status Check

The objective of this step is to generate an invitation for an on-site presentation; failing that, to fill any gaps from the previous steps that become evident.

About a week later, if there has been no contact from the **lead contact**, telephone the **lead contact** and ascertain:

a) Did he/she receive the proposal?

b) Was everything in order?

c) Is any additional information required?

d) What was the reaction to the proposal?

e) Are there lingering technical issues, such as compatibility, interfacing and conversion?

f) Would an on-site presentation be of value to the **lead contact** and associates?

g) Does the **lead contact** have enough information to make an informed decision?

h) When can we expect a decision to be made?

11) Ascertain The Meaning of "Timely"

If any answers indicate that additional submittals or responses are required, be prepared to furnish them in a timely manner. Ascertain what is “timely” in the **lead contact’s** view; bear in mind that for some people “timely” may be within a day or two, and for others, it may be months before a committee can be formed to address the issues raised by the proposal.

> Don’t be surprised by a “Don’t call us, we’ll call you.” response. If this is the response, ascertain when would be a good time to call or check back. Try to set yourself up to do status checks by email rather than phone calls. But don’t become a bother doing this. Your objective here is NOT to be in the **lead contact’s** face all the time or even at all – your objective is to ensure that no critical process decisions are being made without your knowledge and possibly your input.

12) ANTICIPATE THE EFFECTIVENESS OF TRAVEL

If travel appears imminent or necessary, try to subtly ascertain how close the **lead contact** is to closing the purchase. This is one of the most difficult steps. The following questions can be asked to ascertain how effective a costly trip will be toward cultivating a sale:

a) Who will make the final decision?

b) Will a committee be necessary?

c) Will the agency or institution be required to do an RFP or RFQ before a final decision is made?

d) How great is the need for the product (i.e., at what frustration level is the institution or department operating)?

e) Is funding allocated for this purchase (i.e., is there adequate budget authority to proceed with a purchase)?

f) If not, when is budget authority expected to be confirmed (bear in mind that the answer could be “a year... or two”)?

g) Do enough people understand the product to make an informed decision (i.e., has the **lead contact** shared all the forgoing information with a group, which will either become a committee or have a say in the final decision)?

h) If not, is more information required, especially before a presentation is appropriate?

> If it becomes obvious that a solicitation is going to be necessary for the institution to proceed toward a purchase, abandon any contemplated travel and ask if you can of help develop the solicitation --- possibly by furnishing or proofreading specifications or suggesting topics which need to be covered. Your primary objective here is true helpfulness and ensuring objectivity. Your secondary objective is to ensure that nothing in the specifications negates or prejudices your product. If you find such items, discuss them openly — never try to reverse them surreptitiously or underhandedly.

> Note the following very carefully: it is NOT your objective to skew the specifications in your favor. If you do, it will invariably be discovered and you will lose favor because of it. Absolute candor and honesty is always best. Anything less is not only unethical but will eventually be discovered and will result in a total loss of your credibility.

13) PREPARATION FOR PRESENTATION

If you are invited to make an on-site presentation, ascertain...

a) How many people will be there?

b) What are their titles?

c) Which ones are decision-makers and which are observers?

d) How long should the presentation be?

e) What constitutes the environment (the room audio/visual/electronic attributes)?

f) The logistics of when and where.

g) How many others have been invited?

h) Do you have a choice of first or last place?

> Try to be either first or last, never in the middle. If you are a strong presenter with every duck in order, go first. First sets the stage for all that follow. If you feel you might be less than strongest, go last. Last benefits from pointed questions based on what has been learned from the forgoing presenters (this can be a double-edged sword); but mainly, last remains most salient in the memories of the selection committee.

14) MAKE THE PRESENTATION

Always check in with your **lead contact** a day or two in advance of your arrival to ensure that nothing has changed. Again, revisit the decision-making process with your **lead contact** and ensure that you understand your relative status with regard to the process, the competition, the audience, the finances and the related issues. Discuss any recent changes in the environment (new budget allocations, recent software crashes, changes in selection process, etcetera).

Make the necessary final arrangements, and proceed with the presentation. Have appropriate handouts available (*Lit #6, #3, #4, #5 and #7*). Use the web site if possible but **be prepared to operate off line if web access is not available** (never be caught without this backup program because a local server goes down seconds before you begin and you have nothing to present to 30 people who are anxiously awaiting a clever and clear presentation of a product they might actually like to recommend)! See the **Proposal Guidelines** below.

15) FOLLOW UP

Follow up with a note of thanks to all the audience members that you can identify. Offer to be available if any additional information is required. Do not offer anything else. Attach short commentary on any questions which you could not answer during the presentation and/or which needed additional research. DO NOT offer anything else. **DO NOT send flowers, chocolates, company pens, pencils, clocks, flags, beer, wine, liquor, or favors of any kind**.

> Don't be surprised if you are asked for yet another priced proposal with different inflections and attributes than the previous one(s). Do each proposal iteration as if your livelihood depended upon it — because it does.

16) CLOSURE

After all this, depending upon the need, the price, the competition, and the type of agency or institution, proposals will result in one of the following three options;

a) Complete rejection

b) You become one of many proposers in response to an RFP, an IFB or an RFQ

c) You become a sole suppler entering final negotiation for sale of your product

If you get **Option a)**, and have trouble dealing with it, I can't help you. See a counselor.

If you graduate into **Option b)**, look for additional guidelines (possibly from me) on how to handle these eventualities and send *Lit #9* with a request that your firm is retained on the mailing list.

Of course, where you want to be is **Option c)**. Warning, depending upon the product, its cost range, the type of institution, etcetera, it could take as much as a year or more to get to this point. Additionally, **Option c)** is the least likely outcome of the three.

17) CONCLUDING REMARK

Regardless of the outcome, always be courteous, respectful and considerate of the fact that we in public agencies are doing our absolute best and that we operate in an environment fraught with a myriad of political, governmental and cultural constraints. We do not and can not make decisions like private industry does.

PRESENTATION GUIDELINES

Public agencies and institutions have a multitude of audio/visual/computer equipment – don't depend on any of it to work right or to project things exactly the way you want them. Bring your own laptop, software and projector (and spare bulbs) that you ABSOLUTELY know works right.

Make a point of obtaining as many business cards or names as you can from the audience and especially those of the major players.

Research the agency first – by phone, email, web sites and literature. Know its needs, plans, frustrations and shortcomings in advance and be able to reference them in your presentation.

Nobody wants to know how great your company is, how broad is your market penetration, how experienced are your executives, or how many lattes your techies drink per hour. Spend a little (but not a lot of) time on establishing corporate credibility, especially with respect to the product being presented. Spend a lot of time on product features, benefits, technical attributes, operations, support and maintenance – and relate these to the institution's needs and frustrations at every opportunity (without being overbearing, critical or negative, of course). Provide solutions at every possible juncture.

The presentation should be calm, precise and without excessive chatter or verbiage (nothing is more distracting than a motor mouth). Follow the Air Force dictum for use of the radios, "Think, speak, shut up."

Allow lots of time for questions. Answer them all honestly and as directly as you can. Do not stray off topic. Answers should address ONLY the question, succinctly and effectively. People stop asking questions if any answer goes beyond about a minute. Five-minute answers will absolutely kill the entire session. Don't drone, don't wander.

Never waffle. If you don't know the answer to a question,

PRESENTATION GUIDELINES (continued)

When questions peter out, begin asking the audience questions of your own. Lots of questions about your product, its shortcomings, its fit with current requirements, their next steps in the process, the timing involved, your follow up. Don't hesitate to humbly ask for the audience's advice on follow up and ascertain to whom and in what medium to communicate "loose ends" (questions about which you have to find the answers). Always try to ascertain if another priced proposal, based upon new information developed at the presentation, would be necessary or helpful.

Presenters should be clean, neat and highly knowledgeable about the product (I shouldn't have to say this, but it always amazes me when obvious high-level executives occasionally bring some grungy-looking techie who munches corn chips and sucks lattes through a straw to the distraction and disdain of all attendees).

Do not bring a bevy of sidekicks who contribute nothing to the presentation — one presenter and one support person is usually adequate.

Never bring people on spec or for moral support. I once endured a presentation from a national bank (selling procurement card services) during which one person spoke for two hours and her five compatriots watched with blank indifference. Mentally, I had to ask, "Don't these people have anything better to do?" And, "At roughly $100 per hour, is the cost of these supernumeraries added to the transaction cost we will pay?" And, "Is this a training session for bank presenters?" And, "How many people does it take to run a bank — one to do the work and five silent suits for moral support?" And, "Perhaps they intend to overpower us with force of numbers and beat the contract out of us!"

Bring only people who are an integral part of the presentation, have a specific predetermined role, and are skilled and erudite.

LITERATURE DEFINITIONS

Lit #1 Introductory email message as described in Step 3.

Lit #2 Introductory cover letter; a short letter referencing the preceding email, reiterating the product or service definition and its uniqueness, suggesting the perusal of the attached literature, and pointing the reader at the web site.

Lit #3 Four-page, 8 ½ x 11 format, clear, clean spacious, glossy, crisp foldover following the format of **DEFINITION, FEATURES, BENEFITS, PROCESSES, TECHNICAL ATTRIBUTES, OPERATIONS, MAINTENANCE, WARRANTIES, SPECIAL CONSIDERATIONS.**

Lit #4 Current customer lists with references showing organization, contact person and telephone number.

Lit #5 Testimonials; crisp, spacious, clear, (not cluttered).

Lit #6 Priced proposal; short, precise, clearly stating what you propose to furnish, when, with what service, with what guarantee and for how much money. No waffling and not too many options. Any obfuscation or ambiguity erodes your credibility. Attach minimum terms and conditions of sale if absolutely necessary. See *Lit #8* below.

Lit #7 Selected copies of key computer screens and/or reports (if applicable); clear, clean, explicit with precise definitions of screens/reports and little (if any) descriptive or explanatory information.

Lit #8 Standard proposal with standard topics, phrases and all technical jargon, terms of sale, warranties, rates, etc. This should be a standard set of forms make to look like it's customized specifically for the recipient.

Lit #9 **Thank-you-for-your-consideration** note with **If-I-can-be-of-any-service-to-you-please-don't-hesitate-to-call** paragraph.

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