

Selling to Senior Executives

Establishing Trust and Credibility

Why only a few salespeople reach senior executives.

When senior executives take a hand in purchasing decisions

Most executives take a hand in purchasing decisions early in the buying cycle when they:

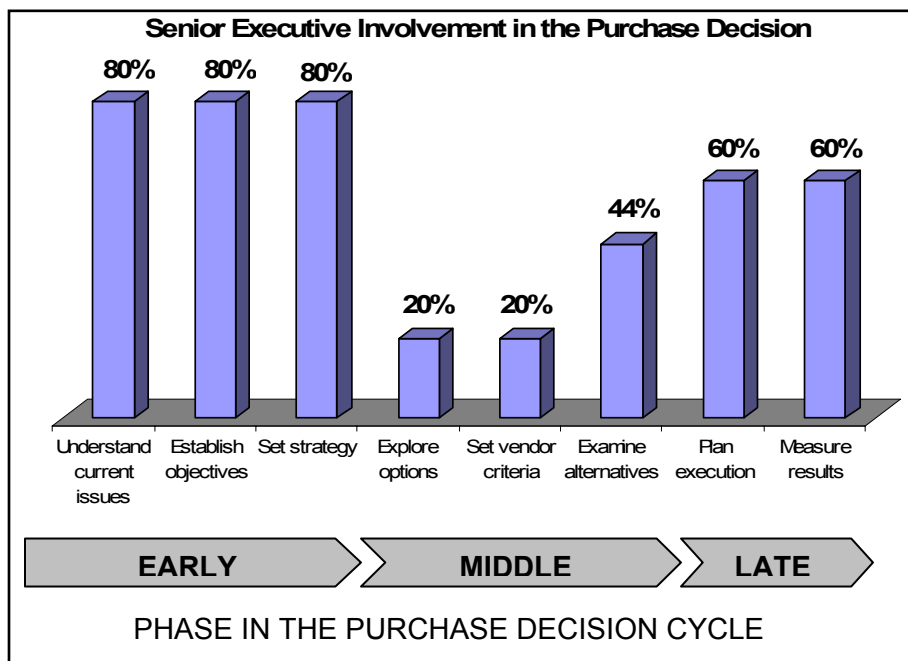
- Need to understand current business issues
- Establish project objectives
- Set overall project strategy

Their involvement is considerably less in the evaluation phase of a project, where they delegate most decisions to subordinate employees or committees. They seldom involve themselves in the middle of the purchasing cycle which deals with:

- Exploring options
- Setting criteria for evaluating vendors
- Examining alternative solutions

More than half of senior executives participate in the latter part of the purchasing cycle which concerns:

- Planning the implementation of the project
- Supervising the measurement of project results



When to access senior executives

Senior executives will agree to meet with a salesperson only if the topic affects their business's needs. They will delegate all other issues. To warrant opening a spot on their busy calendars, the salesperson must clearly show that the information the senior executive will gain is worth their very valuable time.

According to data gathered and shown on the previous page, there are two times when senior executives are accessible:

- Early in the purchasing cycle
- Late in the purchasing cycle

Because most decisions have already been made before the Late Phase, and because senior executives are reluctant to reverse their subordinates after decisions have been made, a salesperson must target early involvement to influence the outcome.

Gaining access to senior executives

Reasons senior executives will meet:

- Existing relationship
- Company reputation
- Product/service
- Internal referral
- Strategic vendor

Only one of these works reliably, according to a study commissioned by Hewlett Packard, and that is internal referral. The study results are shown below:

Effectiveness of Methods Used to Get a Meeting with Senior Executives

| | Always | Usually | Occasionally | Never |
|---|--------|---------|--------------|-------|
| A recommendation from someone inside your company | 16% | 68% | 16% | 0% |
| A referral from outside the company | 8 | 36 | 44 | 12 |
| A letter from a salesperson followed by a direct call | 4 | 20 | 40 | 36 |
| A contact at an off-site meeting | 0 | 44 | 32 | 24 |
| A direct telephone call from a salesperson | 0 | 20 | 36 | 44 |

Eighty four percent of the executives interviewed said they would usually or always grant a meeting with a salesperson based on a recommendation from someone inside their firm. In comparison, only eight percent said they would always meet if the suggestion came from an industry peer.

Running the gauntlet to reach the executive

Even if the salesperson has a topic they see as worth the senior executive's time, there are obstacles to be overcome to reach the executive. The three most common are:

- Secretary
- Schedule/priorities
- Deferral to someone else in the organization

The first obstacle may be rendered ineffective if the salesperson calls during the secretary's lunch, or after business hours when the secretary is normally absent and the executive is likely to answer their own phone. The other two must be dealt with creatively by the salesperson, and appropriately to the style of the senior executive.

Why contact with the executive is not the end of the gauntlet

Contact with the executive may be very brief and disappointing unless the salesperson can quickly establish their "right" to stay longer. They may have only five minutes to show they have sufficiently valuable information for the executive to extend the time allowed.

The three primary means to provide value to the senior executive in the initial contact are:

- Speak from a business perspective and avoid discussion of product/service features
- Raise relevant questions and share business perspectives new to the executive
- Point out the potential limitations of product or services, enhancing their credibility

In a first personal meeting with a salesperson, the executive will look for answers to the following questions:

- Does the salesperson understand our needs? Have they done their homework (i.e. on our industry, our strategies)? Do they understand our key business drivers?
- Have they been able to convey how their product/service applies to me? Why is it better than their competitor's?
- Is this individual an empowered decision maker, or will they have to consult their manager before making decisions?

What executives want from a salesperson in an initial meeting

- Is the salesperson’s approach:
 - Professional?
 - Confident?
 - Sharp (Thinks on feet, no canned speech)?
 - Honest (Acknowledges potential shortcomings)?
 - Reflective (listens rather than telling)?
 - Flexible (has an unstructured agenda rather than a predetermined one)?

Fourteen behaviors have been identified by executives as characteristic of professional salespeople. They are shown below. The scale is one-to-five, with one being the least important and five being the most:

**Relative Importance of Factors of Sales Meetings with Senior Executives
(1=least important, 5=most important)**

| CRITERIA | Average Score (1-5) |
|--|------------------------|
| Demonstrated accountability/responsibility | 4.48 |
| Understood business goals/objectives | 4.40 |
| Listened before proposing solutions | 4.36 |
| Demonstrated knowledge of industry/firm | 4.36 |
| Willingness to be held accountable | 4.32 |
| Constructed game plan for events to follow | 4.20 |
| Demonstrated ability to solve problems | 4.00 |
| Ensured meeting accomplished objectives | 4.00 |
| Communicated value | 3.96 |
| Proposed alternative solutions | 3.88 |
| Thinking beyond current sale | 3.84 |
| Worked well with your staff | 3.76 |
| Structured agenda for meeting | 3.48 |
| Source of information about competitors | 2.72 |

Most important in executive’s eyes is the salesperson’s ability to demonstrate accountability and responsibility. Second was a salesperson’s understanding of a customer’s goals, objectives, and challenges. A surprising result is the last one. Being a source of competitive information against competitors also erodes trust, since there is no guarantee the salesperson would not do the same for the competitor.

Trust is earned by delivering the goods

Executives value the ability of a salesperson to marshal resources from within their organization most highly. They also gave high marks to a salesperson’s understanding of the customer’s goals, objectives, and challenges.

Relative Importance of Factors For Building Credibility with Senior Executives
(1=least important, 5=most important)

| CRITERIA | Average Score (1-5) |
|---|------------------------|
| Ability to marshal resources | 4.44 |
| Understood business goals/objectives | 4.40 |
| Responsiveness to your requests | 4.36 |
| Willingness to be held accountable | 4.32 |
| Knowledge of company's products | 4.08 |
| Demonstrated ability to solve problems | 4.00 |
| Works well with your staff | 3.96 |
| Knowledge of your industry | 3.88 |
| Knowledge of their own industry | 3.76 |
| Track record of accomplishments | 3.60 |
| Understands your personal issues | 3.32 |
| Source of information about competitors | 2.84 |
| Length of service in the job | 2.48 |

Executives value decisiveness and confidence in salespeople. They appreciate a salesperson who “speaks with authority, but without arrogance.” Most executives are impressed with salespeople who express a genuine interest in their buying needs, who are knowledgeable of their industry, and who think strategically. High ranking executives also prefer salespeople who are responsive, who listen more than talk, and do not pressure the buyer with “hard sell” tactics.

A bad sales meeting is remembered better than a good one. The worst impression that a salesperson can leave is wasted time. Other negatives include poor attention to detail, and a focus on product/service being sold rather than the customer’s need.