




Price is NOT the Reason Why You Lost the Sale



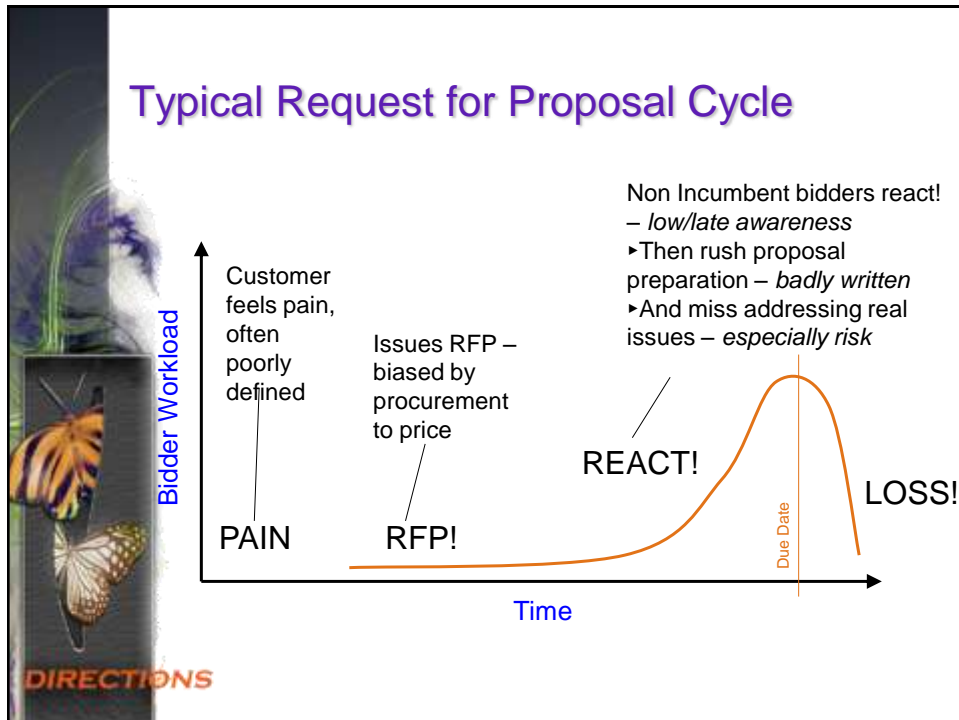
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Quiz

- If you quoted the highest quote for your customers, what are your chances of winning?
- If you quoted the lowest quote, what are your chances of winning?
- If your proposal is the best proposal amongst all proposals, what are your chances of winning?

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Shipley: some good concepts that enables winning business

- Helps clients winning \$200+Bn in 160 bids each year
- 82% Win-rate (with Pre-RFP engagement)
- Top 43 of Fortune-500 companies adapted Shipley Process
- Over 300 consultants, with offices in US, UK, Europe, China, Japan, Korea and Australia
- Trained over 30,000 BD Professionals worldwide

82% WIN RATE

DIRECTIONS

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Benchmarking

BUSINESS DEVELOPMENT BENCHMARK DATA

Category	Typical	Leaders	Best-in-Class
Total win rate ¹	20%	40-50%	80-90%
Competitive win rate ¹	10%	25%	65%
\$ Award:Bid \$ ¹	25:1	75:1	225:1
Pre-RFP Expenditures ²	15-20%	30-40%	65%

¹ This data is from a Pricewaterhouse Coopers study of 24 major US corporations, including AAI, AlliedSignal, Honeywell, Hughes, IBM, Paramax, and TRW.

² Unpublished data, Shipley Associates BD-CMM Study.

Shipley clients' performance

DIRECTIONS

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What Makes a Winning Proposal?

Price?

Quality?

Relationship?

Reputation?


.....

DIRECTIONS


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Price vs. Value



What is the Value of Water?




What do Your Customers Value?

A Value is NOT a Real Value
UNLESS the Customer Wants It!




39% of a customer's decision to buy from your company is based on the effectiveness of the sales representative



Customers DON'T just Buy from
People They Like

They Buy from Whom They Trust

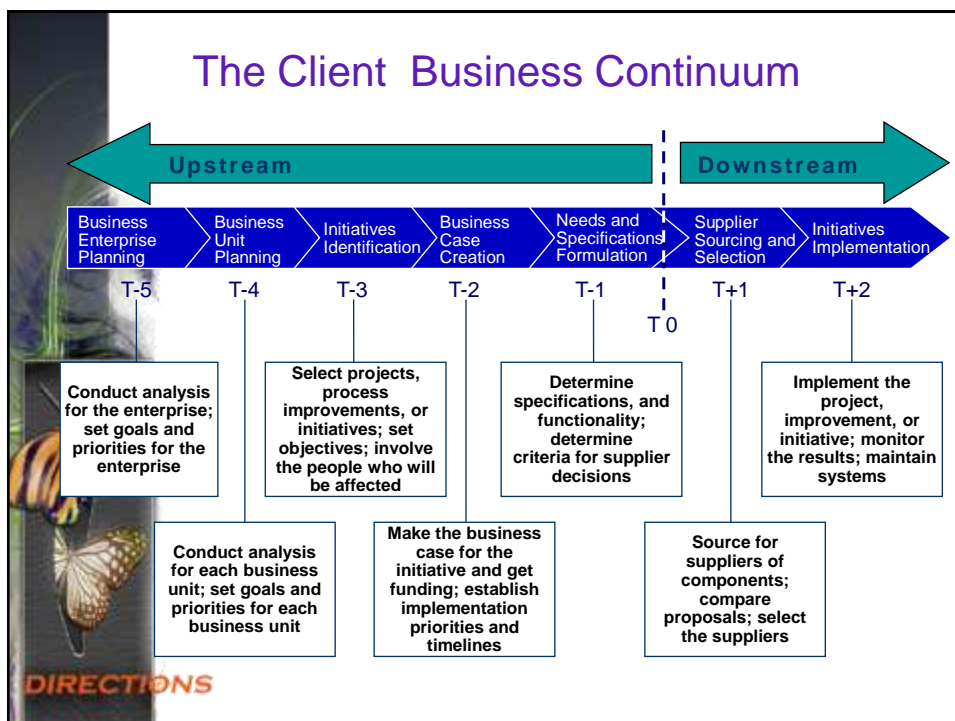
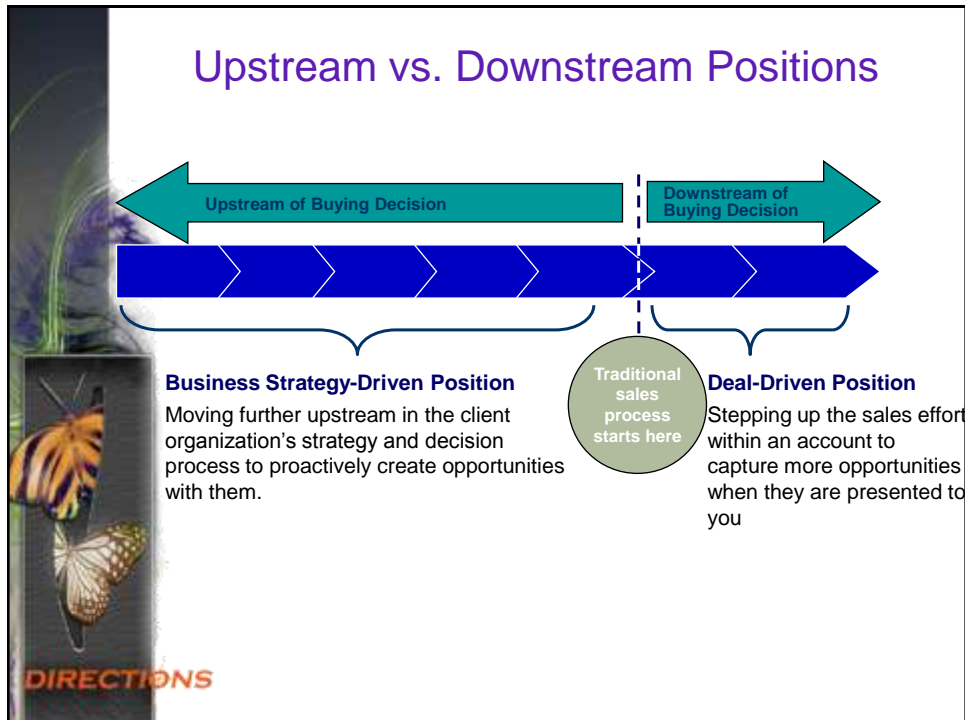
DIRECTIONS



What Makes a Winning Proposal?

- 80% of all B2B sales are made with current suppliers
 - Typical win-rate when pitching for new is 20%
- Customers might have made the decision whom to buy from BEFORE requesting for your proposal
- Customers HAVE other buying criteria besides price
 - They just usually pretend it's ALL about price

DIRECTIONS







**Can You Help Your Customer
Reduce Total Cost of
Ownership?**



**Different People in Your
Customer's Organisation
have Different Buying Criteria**

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Bidder Comparison Matrix

#	Hot buttons	Prospect's Weight	Us	A	B	Discriminator
1	Specific Experience	30	25	20	15	Positive: five identical projects in past year
2	Budget	20	5	20	15	Negative: we are bigger, and therefore more expensive
3	Familiarity with Manager Named	20	11	10	9	
4	Ability to Meet Schedule	30	25	21	15	Positive: our two projects for this client both came in on time
TOTAL SCORE		100	66	71	54	

DIRECTIONS

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Sales Strategy

Strategy is:

- always **written**
- about **what** you're trying to achieve
- ... **and** about **how** you're going to achieve it



STRATEGY

DIRECTIONS

Slide 20



The R⁴ of the Customer's Experience

- **R**eliability
- **R**elationship
- **R**esponsiveness
- **R**esourcefulness



The R⁴ of the Customer's Experience

- **R**eliability
 - Product quality
 - Inventory
 - Delivery schedules
 - Maintenance
 - Price fluctuations
- **R**elationship
 - Helping the customer
 - Emotional bank



The R⁴ of the Customer's Experience

- **R**esponsiveness
 - Response time
 - Response frequency
 - Reachability
 - Initiative
- **R**esourcefulness
 - Internal resources
 - External resources




The R⁴ of a Competitor's Key Account

- **R**elationship
 - Customer's procurement manager has a strong relationship with your competitor
 - Competitor also sells at 15% below your price
- **R**eliability
 - Competitor provides Reliable performance in day-to-day operations
 - Safety may be compromised if there's an accident




The R⁴ of a Competitor's Key Account

- **R**esponsiveness
 - Competitor is Responsive when it comes to maintenance and repairs
 - But their sales people only drops by when they are taking sales orders
- **R**esourcefulness
 - Customer has yet to upgrade since they deem too expensive
 - Competitor has yet to give a good response to this issue



Your R⁴ in Response to Lure the Customer

- **R**esourcefulness
 - Work out a way for the customer to implement their upgrading in gradual steps, so that their upgrading costs can be spread over time
- **R**esponsiveness
 - Your sales engineers can visit the customer's end users on-site to help end-users solve daily usage problems
 - Such problems and your suggested solutions can then be documented and be presented to relevant people in charge




Your R⁴ in Response to Lure the Customer

- **R**eliability
 - Your sales team's Responsiveness is going to enhance the trust between you and the customer
 - They will be more convinced that they need better Reliability in case of accidents
- **R**elationship
 - Leverage your Resourcefulness, Responsiveness and Reliability to build winning Relationships




How do You Fare Against Your Main Competitor?

• Your Competitor's R ⁴ :	• Your R ⁴ :
– R eliability	– R eliability
– R elationship	– R elationship
– R esponsiveness	– R esponsiveness
– R esourcefulness	– R esourcefulness




Objections Handling

- Objections happen at ALL stages of the sale
- The key to successful selling is to avoid objections, not to handle them as they arise
- Framework of handing objections
 - Empathise (But not to agree with)
 - Clarify
 - Agreement to an Action




Empathise

- When customers raise objections, DON' T confront or argue with them, otherwise you will only get embroiled in an argument with them
- "I understand how you feel"
- "I' m glad you bring that up!"
- "Thank you for your feedback. Are there any other concerns besides this?"



Areas to Clarify On

- The meaning of the words they say vs. what they REALLY mean
 - Unfair comparisons
 - Delay tactics
 - Give and take strategy
- “Whom did you compare with that you find us to be expensive?”
- “Do you feel that price is more important than productivity, or productivity more important than price?”
- “Are there any other concerns besides this?”



Agreement to an Action

- After clarifying with the customers' concerns, see if you can get their commitment
- “If price is not a problem anymore, can you place the order now?”

Objections Handling

- **It's too expensive!**
- Hmm...I' m glad you said that. Why do you feel that our price is high? Which is MORE important to you, price or quality?
- **How much?**
- Apart from the price, do you have any other concerns? If you don't have any problems with price, would you like to give it a try now?



Objections Handling

- **I don't have time. Please leave your brochures here and I will contact you later.**
- I understand you are very busy. So is everybody else. But what if within 15 minutes I can show you whether you can achieve better results with lower costs? Do you think the 15 minutes are worthwhile?
- **Let me think about it.**
- I understand how you feel. You simply want to digest all you have learned just now, right? Which areas do you feel is of most value to you? So what shall we do next?





Objections Handling

- **Our budget is fixed and cannot be changed.**
- I understand what you mean. In which aspects do you think you want to improve your current situation? Why do you think they are important to you? If we can solve such problems for you, can you do something about the budget?



Prospecting for the Right Customer

The Sales Person's Most Important Resource




Time



Prospecting for the Right Customer

You can choose to spend time
on good prospects;
Or waste in on lousy ones



How to Deal with This Account?

- Customer A buys approx. US\$10 million worth of products each year
- Customer A constitute to 30% of overall sales
- Each year, Customer A demands a "cost-down" of 10%
- If prices are not reduced, Customer A will bring the business elsewhere

How does Shipley work with client?

Capability Consulting: *Improve performance*

- Process Improvement
- Proposal Assessment
- Business Capture Center Design
- Professional Development and Training
- Executive Advisory

Capacity Solutions (deal engaging): *Enabling Winning*

- Capture Management
- Program Management
- Proposal Management and Development
- Staff augmentation




DIRECTIONS

行千里而不劳者，行于无人之地也

If you can march 1,000 miles and
NOT feel tired, you win

DIRECTIONS



Q&A

Contact info@directions-consulting.com for more details, OR log on to: www.psycheselling.com/page4.html to get monthly updates