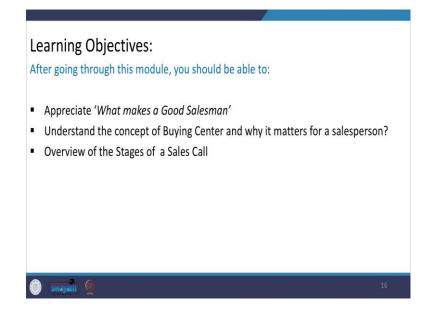
Strategic Sales Management Prof. Sourabh Arora Department of Management Studies Indian Institute of Technology, Roorkee

Lecture - 13 Buying Center and Stages of Sales Call Understanding Selling from a Strategic Perspective

Hello everyone. I welcome you to the session 2 of the week 3. If you remember, as far as this session is concerned, I have left you on a very maybe you can say a note just to intrigue you to think about what actually makes a good salesman. So, we will be definitely talking about that a lot more in this session.

But, before that, as far as this module is concerned once we are done you I will be definitely able to appreciate 'What makes a Good Salesman'.

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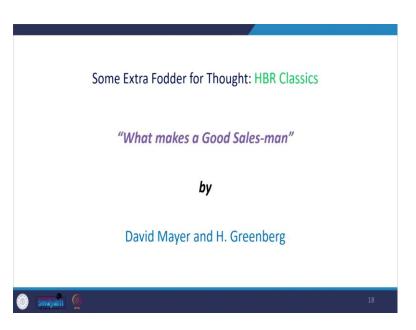
You will be able to understand the concept of a Buying Center and why it matters for the sales person? And you will definitely get an Overview of various Stages of a Sales Call or maybe you can say the selling process.

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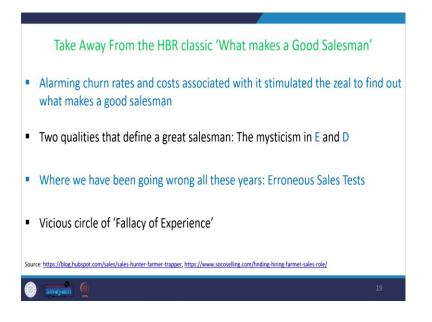
Now, I hope you remember this image in the way I had put it across. So, the whole thing was about this, maybe you can say wonderful article which talks about the skill set that can make any salesman stand out which was written by David Mayer and H Greenberg.

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Now, I will be talking about the takeaways that we can have from this article.

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So, the first is we need to understand what was the ideology or you know what is it that triggered these scholars to kind of explore what is it that makes a good salesman. So, the whole point was this is precisely set in insurance industry. So, what was happening was that you know if you look at the churn rates, they were very very high.

It was even said that you will almost see around 50 percent of the you know sales people leaving an organization in 1 year, or maybe in 3 years you might even have 80 percent of the people leaving the organization or moving to some other job. So, the point is, this is not just about these numbers being very high, it definitely brings a lot of cost for an organization, right.

So, one cost could be let us say the amount that you spent on them in terms of salaries, and if they are leaving they might have not contributed much, right. The other cost that comes is in the form of you know the sales training that you provide them, the orientation programs that you have for them, or maybe everything that you do to make them more prepared for this job, right. And the biggest cost is opportunity cost which is the cost of losing sales, right.

One thing is now they are not out in the market, they are not pitching products to the prospects or you know they are not trying to bring in new consumers. So, that is one cost. And other thing is it might even take a lot of time for you to hire new people and

what is going to be the guarantee that they are going to be you know perfect fit for this sales job.

So, these particular events, specifically as I told you in the insurance industry, triggered these scholars to find out what exactly makes a good salesman. So, they eventually zeroed down on two good qualities, I think good would be an understatement, two fantastic qualities which they kind of associated with a great salesman.

I think I have put it more in a dramatic way in the form of the mysticism in E and D. So, where E stands for empathy and D stands for maybe ego drive, they have kind of only taken the D.

So, what happens is see, empathy simply means that you try to put yourself in the shoes of others. So, this the point which they are trying to make is whenever a sales person goes to the client or maybe let us say a new prospect or let us say the existing customers, they should always be empathetic towards them. Which means they should try to understand their problems which in a way also indicates that they should be good in listening, right, until unless you give that opportunity to the other person to speak, you will not be able to understand, right. If you are not letting them speak, how will you understand what is their situations.

Now, you do not need to definitely confuse it with sympathy. Sympathy kind of brings in more of an element of emotions and you might even sight the customer. In the sense like, if you get too sympathetic towards them with respect to their problems you might even start feeling, ok you know I do not think he should buy a product even when there is a possibility that the product is going to be a best fit for them.

So, the whole crux of empathy is put yourself in their shoes, but do not get too sympathetic. Try to understand how the product will add value for them. In the sense like, focus towards understanding their situation and then try to map how this product is going to be a value creator for them.

Do not get sympathetic at all. Otherwise, things might not work and it might get derailed. Because it has as per this article it has been seen that the salesman who get very sympathetic are not able to close deals. Now, when they are talking about ego drive what they are trying to say is that you should not have that thing of closing deals just with respect to making that money or that extra incentive that you might earn. What they are trying to say is whenever you close a deal it should satisfy your drive, which means you are doing it for yourself not the customer because it enhances your ego.

But in this case also we need to understand that the ego or maybe the drive should not be so fragile in the sense like that if you see the failure or you are not able to close that deal. So, you know you get into that extreme and you leave, get out of this profession or you do not want to be in selling. It should not be like that.

In case you see a failure, that drive or maybe you can say the ego drive, should push you more to close the deal with respect to another clients or should kind of pump you more to get into the market and get more of customers to satisfy your ego. So, this is how it works. And even if it is more like you start taking these particular things to your heart maybe the failures with respect to selling things might not work. So, the two things that they are talking about is empathy and ego, right.

Now, what they are further saying is let us say you have someone who has a very high level of let us say you know drive, ego drive, or very low level of empathy. In that case, what will happen is such kind of sales might not even understand consumers and may just forcefully sell by using various tactics. And they are definitely going to harm an organization long term because that relationship connect is definitely going to be missing.

Now, let us say you have someone who is very high on empathy, but does not have ego drive. Now, this person is never going to you know bring in that last push to close that deal. Now, being high on empathy, he will definitely going to be someone who will be loved by people in the organization, even by the clients.

But because of the missing drive he will never be in a position to take, go ahead, or maybe push that last smile to close the deal. So, even this might not work. But if you understand he might make a good salesman because of the empathy question being very high. So, in a way if you talk about someone who is very high on empathy and low on drive he might make a very good sales manager because of the relationship orientation he might have because of being on very high empathy.

Now, let us talk about someone who is neither high on empathy, nor on drive. The good part is or maybe the worst part is if you have not hired such people, it gets a great deal for you your resources are not being wasted, right because you make the right choice. In case you have hired these people, the bad part is these people are never meant for a sales job.

Now, then what is it that is going to make the best sales guy or the salesman. Now, these are the people who are high on empathy as well as drive.

Now, empathy means they will definitely understand their customers prospects or clients well, and they will be there to you know focused on arriving at a win-win situation because of that empathy element and drive. Because it will keep pushing them to kind of you know not bog down or give up with respect to failures. And they will be in sales because it satisfies them, not on the basis of the revenues or maybe incentives, I would say, that in brings in, right.

So, this is whole thing about the E and D, and why you know this particular you know article create a lot of buzz because till that date nobody was talking about these two facets. Everybody was more like you know let us say if someone is very extrovert, he might be very good in sales. Or let us say you know if someone talks very smartly, he could be good in sales. If someone is very well dressed on the basis of appearance, they might conclude that he is going to be good in sales. So, these were all the facets.

Now, there is another thing which can get connected with that. That all these years when this article was published, there has been very very erroneous sales test because they were never measuring the quotient of empathy and drive. They were either checking let us say extrovertness, someone being very smart, or maybe let us say well dressed, their appearance, and things like that.

And which anyway you know maybe you can say they were focusing on those traits which are not even required or maybe you can say which do not define a great salesman. So, this was one thing which this particular article brought in picture. And the another thing which this particular article highlighted was policy of experience, which meant that see, if you have someone who might not have much of an experience or maybe let us say a zero experience. But he is very high on empathy and ego drive, then there are very very high chances that he is going to be a very good salesman.

Whereas, everybody was coming out from the thought process that if some if someone is having a lot of experience in the sales field, they are definitely going to be salesman. So, this was another policy which this particular article or scholarly work kind of squashed.

So, what I would urge you is maybe you can search for this article or if you can get an excess, I would definitely recommend you to read it. This is one of the finest pieces. It is always prescribed for someone who is either studying sales management or maybe you can say is teaching sales management.

So, now, I think as a part of extra fodder for thought, we will also be talking about what are the 14 essential qualities of a good salesman which basically comes from the Forbes Expert Council.

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So, I think the link is provided you can definitely go through this article as well.

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But, these are the 14 you know qualities that the Forbes Expert Council specifies with respect to being a very good salesman. So, one is active listening which I already told you, right. Until and unless you are not listening things are not going to work, you might miss out on a lot of things.

You should always focus on developing that emotional connection with your prospects. Because see, many times consumers may not buy simply or prospects may not buy simply on functionality, they might buy because of the emotional connection that you have developed.

Always understand your product or be very very you know thorough about what are the functionalities of your product as well as what is it that competitors is offering. What if the prospect ask you how your product is better than competitors, you should always have those answers.

Have excellent interpersonal skills. Definitely, you should be well versed with respect to striking a conversation or maybe taking that conversation forward. Listening to the prospect or customer is definitely important, right. But meanwhile you also need to be smart enough to kind of you know, by the way you talk to indicate that comfort to the prospect that I am here to listen to you, and we will be definitely working towards a value orientation with respect to what we offer to you.

Approaching sales as a service. This clearly indicates that do not approach this profession with respect to earning, hitting a lot of targets, and just making money. You should always look at it from the perspective of helping the people or solving their problems with respect to the businesses they are in.

Putting yourself in their shoes. I do not think I need to explain this. It is all about being empathetic.

Exhibiting emotional intelligence. See, emotional intelligence is more like you understand their emotions and you talk to them in that ways. See, because emotions can be very very important cues with respect to dealing with people or you know like maybe you can take it like this.

If you understand with how you are you let us say the conversation or your discussion with the prospects is going on and you realize that it might get agitated. Then, it is your responsibility with respect to reading those cues that you try to calm the prospect.

The other thing is being honest with clients. Do not make false promises, whether it is your first meeting or if it is your prospect, customer or client, right. Be likeable and trustworthy. With your behavior or maybe with respect to your nonverbal cues, you should always indicate you know that the other person can have their trust on you.

Show a commitment to growth. Now, this can be looked at from both perspectives, from the perspective of an organization whom you are serving and also with respect to the prospect that you are dealing with. Be positive, because sales field is all about you know seeing a lot of failures.

Being relatable and knowledgeable. Now, why being relatable matters? See, because you deal with a lot of people who could be coming from different cultures, different backgrounds, different thought processes. So, until and unless you bring in that element of relatability, you might miss that connect, right. And indeed you are required to be knowledgeable because you need to know everything, as we just spoke about your product about competitors, even with respect to what is happening in that industry.

See, if you are able to you know make the prospect or clients realize that how your product might add value, more value for them in future because of the changes that

might happen on various fronts, whether that is technology, economic policies, and things like that. I think you will be able to make a lot of difference.

The last is building trust by asking questions. Asking questions is the key. Make the prospect or the customer realize that you are here to solve his problem, not just you know make that sale because I think we all know that many of times whenever a sales person gets too pushy, they are always looked at with this perspective. You know because you want to sell me this product because you might be making more money by selling this option.

But I think one thing we should not miss when we are talking about this Forbes Expert Council view is about their experts. So, I would urge you to go and read this article. They specify everything with respect to these qualities which expert has proposed these. So, I would again request you to go and read more about it.



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Now, what I want you to understand is the concept of a buying center. You might be wondering why we need to study when; maybe before understanding the sales process or stages of a sales call.

See, the only reason is because a buying center or the people who kind of make up a buying center will definitely influence various stages of a sales call. Like, I will give you one example.

If you want an appointment you know, let us say with the prospects organization or in order to meet someone who is in that influential position, to take that decision whether the particular product will be purchased or not or maybe let us say the machinery will be purchased or not. You might need to get in touch with the influencer or let us say the gatekeeper to get that information. So, as I will explain you, all these facets you will understand that how all these things will make a difference.

Like, other example could be let us say, the sales person could be making the entire presentation to the buying center. And you might have the thought process that he might be making the presentation to just one person or maybe let us say you know one representative. No.

When we talk about the concept of team selling, whenever you know with respect to having different members when whenever a presentation is done, who will have different types of expertise with respect to handling doubts or maybe working on different things to get that deal done. Likewise, they also have a buying center, buyer side who is going to set and evaluate the products in various facets related to it.

Now, a buying center simply indicates all those members of an organization who will be responsible for taking purchase decisions. Now, this is the team which a sales person need to satisfy or kind of you know positively influence to get the deal done. Because these are the members who will eventually sit and decide, as I said whether the product will be purchased or not.

Now, one person that you have in the buying center is an initiator, one who begins the process of considering a purchase. Now, he is the one who will specify we need these products, right. Let us say you might have a production manager who might recommend, no we need to change this machinery because it is bringing in a lot of cost, and it is not very efficient.

Now, that might kind of you know stimulate the organization to look for alternatives and find out the new or upcoming technologies which can kind of provide them what they are looking for.

The other party to buying centre which you can have is an influencer. Now, he is someone who will persuade the other members in a buying center. He might influence the choice criteria.

Now, he could be anyone. He could be let us say someone who is close to decider or who is close to buyer or who is someone who might have a lot of experience in the organization or has spent a lot of time in the organization. He could also be one of the board members. Anyone who you know who is considered to be influencing, what will be purchased or technically, if you want to understand who might influence the choice criteria.

In the sense, like, he might you know come up with this thought process, no, no, we cannot buy this much expensive or we will only rely on let us say this technology or he might say we will only buy, Make in India, right. So, that will again squeeze you know the options that the organization will have.

So, the other participant or party to buying center could be decider. Someone who holds the power of financial authority to take decisions. Now, this is again very important. Just imagine, a sales person spent all his time giving 10 presentations or 5 presentations to someone who did not have authority.

Now, this gets very tricky. It is not like a sales person can deny giving presentation. But he also needs to figure out and catch hold of the person who will be eventually deciding, otherwise what is the point. Because see what is the point of convincing someone who might not have that authority or maybe you know that power to take the final call.

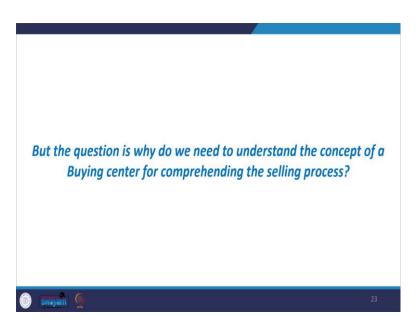
The other participant is going to be buyer. The one who facilitates the buying process in a way he will be making arrangements for the meetings, you know he will call suppliers, or kind of day wise schedule when they are going to come or will make payments as well.

Now, the other is user who will eventually be using the product. As I gave you the example of machinery, we might have the workers or maybe let us say the staff or maybe say the foremen who will be kind of or their leader who will be using that machinery on the field.

The last one is gatekeeper. Now, gatekeeper is very very important these days. He is someone who controls the flow of information. Let us say, I will give you one example.

Let us say, if there is a certain product that we want to send to a school, just imagine who is going to be the gatekeeper think about it. Now, this could be the security person who stands outside or maybe stays there near the gate. This can also be the receptionist or maybe a pa to the principal because he or she is someone who will kind of dictate what information goes.

Just imagine, if you have a you know some salesman who kind of plays a trick and gets the first appointment. Maybe you can take it that way or maybe who kinds of blocks others through the gatekeeper from getting the appointments. Now, this is not going to be ethical, but all these tricks could also be played despite being very very unethical.



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So, again I will explain you or maybe we can say the biggest question is, why we need to understand the concept of a buying center for comprehending the selling process?

Now, see these are the people who well influence what is being bought, right. You might not have just one person attending the presentation which a sales person is giving. You might have the entire buying center. So, in a way, the job of a sales person gets more trickier, more complex, with respect to satisfying or convincing all these parties why the product would work for them. And again as I told you, giving all the presentations or sharing the information with the party or someone, who might not influence the deal it might not work, right. You need to catch hold of the decider, influencers, and all these people, to make sure that you know whatever you are doing or whatever the efforts that you are making are being projected towards the right kind of team, definitely the buying center.



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Now, these exactly are the stages of a sales call which start from prospecting, preapproach or preparation, approach, presentation and demonstration, overcoming objections, closing, and then moving to the follow up.

Now, we will understand the first step. See, whenever you talk about prospecting, it simply means that you are trying to figure out or search for potential buyers for your products or services. You are trying to find out someone who you think will be a good match for your product.

But, one thing which again becomes important with respect to prospecting is understanding the difference between a prospect and a lead, right. Now, see a lead is someone let us say I got some reference from someone or maybe let us say the buyer who is already using our product or maybe the telemarketing to say you know that this is the lead. But, later on you realize that you know the lead is not having the financial capacity to afford your product. Now, this is not going to be your prospect. So, the key difference is a lead will only become your prospect, one is when it displays the need for product and the other thing is they also have the feasibility and ability to buy your product and pay for it.

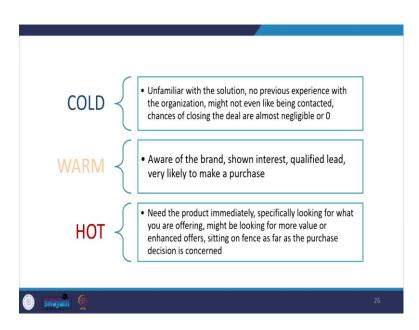
See, just imagine, you have a product, right, the person is interested. What if he does not has money to buy that, right. That is not going to work.

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So, in a way you only need to focus on those leads or those qualified leads who you think one have a need for your product. And they also have the ability to pay for it.

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Now, when you talk about you know maybe let us say qualified leads or prospects you can put them into 3 buckets which being, cold, warm, and hot.

Now, when you talk about cold ones, these are usually in familiar with the solution, right. They do not have previous experience with your organization, and they might not even like you contacted them.

Now, this can also be a situation where the prospect already has his loyalty to one of the competitors, and they are giving them the best of services, the price, and they just do not want to switch. Which also indicates that they have kind of developed a very good relationship orientation with them and these could be very unfamiliar with the with your solution.

Now, the second category is of warm. Now, these are a fair of your brand, these have shown in trust also, it is more like a qualified lead, and they are very likely to make a purchase provided they are treated well.

It is just that you need to trigger them or stimulate them by offering them something you know which they cannot deny or maybe work on the relationship. Maybe do something extra, you need to go that extra mile to put this into the category of hot lead. So, in a way warm leads maybe you can say are the ones who have chances that they might end up buying your product.

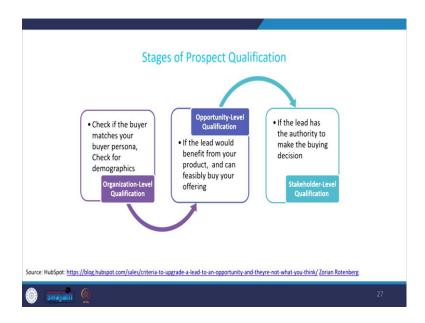
Whereas, when you talk about the hot ones, these are the ones who need your product immediately. They are actually looking for what you are selling. But what is important is in a competitive market whether you are offering them more value or not, or what is it extra that you are offering them, so that they just say no to competitor's product and they start buying your product. In a way, you can say they are sitting on the fence with respect to the purchase decisions.

So, what should be done on priority is maybe you have to focus on the hot ones, otherwise you could end up losing them and they might go ahead and buy the competitors product. You have to be very smart or on point or maybe you can say have that thing of intelligence in monitoring even what the competitor is doing.

See, you might not even know and the competitor might just crack that deal, right. So, you also need to be aware of which people are dealing, which competitors are dealing with the hot ones, so that you do not miss out on them.

Whereas, with respect to warm ones, again you have to do some work to move them to hot one. See, there could be a possibility they might not need the product immediately, right then just do not drop them. You need to nurture that relationship, so that when the time comes they give that preference to you. So, warm ones can be the hot leads of the future or maybe you can say the hot prospects that you might have in future.

Now, I think again there is one very fine article on the HubSpot website or maybe you can say there are blogs or articles related to sales.



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Now, one thing which this particular article which has been written by Zorian Rotenberg, this specifically talks about the stages of the prospect qualification. So, they are basically kind of saying these are the 3 stages through which you might have your you know leads getting converted to prospects, if they kind of pass these.

So, one is organizational level qualification, in which you actually check the buyer persona. Now, buyer persona is again is going to be a jargon for you. This simply indicates how would your buyer look like.

Let us say, if I ask you maybe consider the example of an iPhone. If I ask you who according to you will buy an iPhone, you might say, ok he has to have a good level of income considering the expensive. And let us say if the model that you want to sell is above 1 lakhs, right you want the other person to be innovator with respect to buying new products as I said this is the newest model or something like that. So, in this case you need to see whether this particular is buyer is fitting those dimensions or not.

Even in even in case of let us say B2B selling or let us say you are if you are selling some technology which is very expensive, you will see whether the lead that you are considering do they have that financial resources to buy that. If no, things might not work.

Or maybe let us say, you are checking out you know in order to make this particular machine function at full capacity or bring in value, you need to have this kind of the production capacity, right. And the particular lead might not have.

Then, again you might kind of squash it at the organizational level qualification. Usually a buyer persona indicates the demographics. It can also indicate other factors also, but this is one key thing which you should remember.

Now, when you talk about opportunity level qualification, you are eventually seeing whether this product is going to add value for them, are they going to be benefited. Now, this again brings in that perspective that you are not thinking of short term orientation. You are trying to see if this relationship is going to be fruitful in the long term or not.

And the other thing which you check in opportunity level qualification is whether this person has the feasibility or resources to kind of buy your offering or not.

Now, the third stage is you try to check it the stakeholder-level qualification, which again indicates whether if you go ahead you are doing the communication with the right person or not, whether they have the authority to buy that product or not. As I was telling you the concept of buying center stakeholder-level qualification is definitely has to do a lot more with buying center.

If you keep giving presentation, sales presentation to the wrong persons who might not impact the decision things might not work. See, just imagine, if I if I want to sell a smart solution right to a school. Rather than giving presentations to the principal and board of members of that school, I keep giving it to some individual faculties and that too who have joined recently who might not even impact that decision.

Just imagine, they might not have that authority to kind of push you know or have a larger say in whether the product would be purchased or not. So, these are a few things that we need to consider. In this case also, I would urge you to go and read this particular article.

Now, you might be wondering, I you know we spoke about prospect qualification. We also understood you know these parameters of how a prospect is different from lead. But another thing which becomes important is why you need to do prospecting on regular basis.

See, you will definitely need more customers to kind of enhance your sales and profits or maybe to arrive at a break even. But the other key important thing is you will always have your customers or maybe you let us say your clients switching to competitors.

Let us say if they offer them something which they cannot deny or maybe a new technology came which was better for your customer or even clients who have been doing business with you in long term.

So, it is only through prospecting that you will have that pipeline in which you can reach out to new people who might become your customers or maybe your clients or advocates in long term. So, this is again one facet, you need to deal with those defections in order to survive in the market.

Now, various methods that are basically used for prospecting is referrals from existing customers. They might pass on you some leads, maybe you know that the people they might know. And whenever you are in one industry you might you will definitely know some people who will be doing the same business, so they can be a way to kind of chalk out some leads and we will see whether they can be our prospects or not.

People in your circle. Now, this will be product dependent. We all know the people who are in insurance business, the first policy they sell is always in the family, right. So, in

this case also we might reach out to people who are in a circle and in a way it is more difficult for them to say no also, right.

Trade fairs and trade shows. Let us say if you have come up with the technology, let us say for manufacturing maybe a very very advanced photocopier machines, then you might attend or display your products in trade fairs where you the people who can use these products will be coming. So, this can be one way.

Vendors and distributors. You can also reach out to these people and ask for some references that you can kind of contact or get hold of or reach out with respect to prospecting.

You can check out directories. Yellow pages and all these directories which kind of provide a lot of information about people. Let us say if I want to sell some chemical solution or something like that, then I can use those directories which specify you know the chemical distributors and I can reach out to them.

Cold canvassing or cold calling simply means you know, ok let us understand this with this thing. You will be receiving you know some time or the other calls from you know insurance policy agents, banks to pitch they pitch you credit cards things like that, that is considered as cold canvassing.

When we randomly reach out to people and see if they show interest in our product or not, right. But if your if your product is very very niche or specific, then even cooled calling should be done with the or may be done after matching the buyer persona.

Now, bird dogging is more like you have someone into whom you are paying something and he is kind of finding out the prospects for you. So, the whole idea of prospecting as I told you is to build a pipeline and kind of keep that cycle going of reaching out to people. So, that if you reach out to maybe let us say 100 people I am just saying this randomly, you might find some good leads and eventually you might close some deals.

So, in the next session, we will be looking at another stages of prospecting. I hope you definitely found this lecture enriching. So, I will be seeing you in the third session, where we will be digging more into this particular you know facets of the stages of a sales call.

And, we will be also looking at a very different exciting perspective about you know how these have transformed or how these has evolved in the present times with respect to sales dynamics. And one more thing we will be talking about amazon go stores. And I will have a question for you with respect to that.

Thank you.