

# Solution Sales and Marketing: How To Win Large Global Customers

**It's a classic story:** The high-tech entrepreneur has a creative idea that has huge potential. It's innovative, it's exciting, and it's groundbreaking stuff.

This magic technology, if adopted, could help companies to operate better and gain an advantage over their competitors.

So the entrepreneur brainstorms its awesome potential in a room of whiteboards and creative colleagues, captures it all in

I confess that it took me over a decade to fully understand and internalize the idea that product creation is a secondary activity. The real growth and profit is in building customer relationships by delivering repeatable solutions to their problems.

In that decade I spent a lot of money – my own and other people's – learning this lesson as an entrepreneur, employee, salesperson, and investor.

applies whether the entrepreneur is selling directly or managing a sales team.

Though selling is a valuable skillset, it is not commonly taught. A typical MBA program will not teach you how to sell complex deals to global customers.

#### ▶ Selling drives growth.

The entrepreneur must recognize the power of sales and marketing and its role of driving the business forward to revenue and profit.

**Selling is a process. The entrepreneur must first get past the dangerous myth that sales is a relationship-only game and a mysterious art form.**

This is in contrast to the view that all great companies start with a lot of investor financing, or that sales is a lowly activity that annoys people and involves a lot of cold calling.

a business plan, builds a prototype, and secures funding to "take it to the next level".

Fast-forward 6 months. Product development took longer than expected, but version 1.0 of the platform is finally ready to go.

#### Now what?

Hopefully, in parallel to developing the technology, the entrepreneur started engaging with potential clients in month one.

Hopefully the startup has gradually built up a mailing list of hundreds of qualified leads, i.e. decision makers across North America that are responsible for achieving whatever this magic technology can achieve. The prospects have read the startup's whitepapers, completed a survey to indicate their real needs, and attended a valuable webinar or volunteered to join the beta program.

\* \* \*

**There is a popular myth** among high-tech entrepreneurs that product creation is at the heart of a high-tech business.

It isn't.

The heart of a high-tech business is engaging with your chosen customers to help them make or save money in a repeatable way. Everything else is just a question of how.

\* \* \*

**Most would agree** that focusing on the customer is an important principle. This begs the question: why do so many entrepreneurs focus on product creation more than market development and sales?

Some believe that having a product or service is a pre-requisite to market entry, though this is rarely the case given the opportunity to develop leads through research surveys, publishing, and blogging.

The probable answer is the simple one: most entrepreneurs enjoy creative product development, while seriously engaging your potential customers involves a new set of ideas and challenges:

#### ▶ Selling is a process.

The entrepreneur must first get past the dangerous myth that sales is a relationship-only game and a mysterious art form.

In reality, solution-based selling is a predictable business process that you can learn, apply, and manage.

#### ▶ Selling is a skillset.

After realizing that sales can be a predictable process, most entrepreneurs will have to spend time and effort to become proficient in selling as a skillset. This

#### ▶ Customer problems are the real opportunities.

When the entrepreneur decides to focus on customers, it means investing time in the gritty reality of customer problems, rather than the excitement of the creative development process.

The customer only cares about the entrepreneur's capabilities to the extent they can solve one of their real problems. This is a challenge to the entrepreneur's worldview if they have identified inward-facing product development as their main priority.

#### Help!

Getting through these challenges is hard work, but it's very rewarding to sell a repeatable solution to multiple customers.

For the purpose of this article, we can define a "solution" as a combination of technology and services that helps a client solve a specific business problem.

There are several advantages to a solution-based growth strategy:

#### ▶ Economies of Scale in Solution Delivery

The "build once, serve many" model of solution delivery allows the firm to serve multiple customers and charge each customer

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## Create a sales system to fuel export growth!

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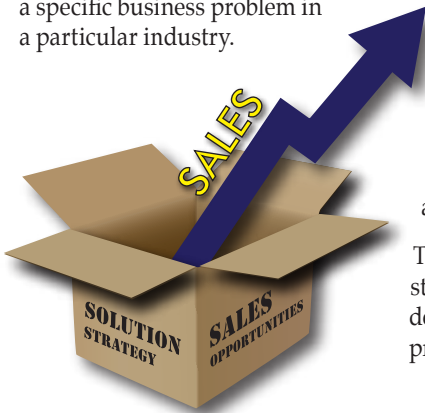
based on value, while reducing delivery costs and increasing profit with each sale. This is common to software, but the same principle applies to delivery processes, information products, staff capabilities, and intellectual property.

► **Competitive Differentiation**  
Solution-based companies that specialize in solving a business problem are able to sell primarily to business decision makers and justify their solution's price tag as a function of how the solution will make or save the customer money.

This value-based approach is a radically different and more profitable sales conversation than trying to sell commodity technology or labour to non-business buyers responsible for procurement or IT.

► **Economies of Scale in Selling**  
Selling the same solution that solves the same business problem to multiple companies in the same industry allows the startup to reduce its cost of sale, shorten the average sales duration, and improve its closing rate.

► **Marketing Gravity**  
There is a cumulative effect of consistently positioning and promoting your firm as a solution provider to a specific business problem in a particular industry.



Customers talk to each other, and often ask around when planning out a new project and looking for a provider.

If you consistently focus on the same vertical industry and deliver repeatable solutions to common problems, your firm's reputation will attract new leads into your sales funnel, lowering your cost and work effort per sale.

► **Higher Business Valuation**  
Typically business valuation is a function of revenue times a multiplier. This involves a subjective estimate of future earnings potential based on your industry segment, customer demand, and your ability to scale.

Common multipliers in the technology industry range from 1 or 5 times revenue to as much as 40 times revenue.

If your revenue mix is heavily weighted on services, then migrating to a solution-based approach allows for greater economies of scale, more IP, and improved scalability, all of which leads to a higher multiplier and business valuation.

### Sounds good, but how?

Those benefits make a strong case for taking a solution-based approach to market development and company growth.

However, many entrepreneurs struggle to know what proactive activities are required to build a solution-based business.

These activities are not as straightforward as product development, for which best practices are better defined.

Generally, there are three main areas of marketing & sales development when adopting a solution-based growth model:

► **Market Intelligence, Solution Strategy, and Positioning**  
This area is the process of selecting a target market, researching the gaps in the market, and developing a strategy for entering the market.

This phase of the process involves quantitative and qualitative customer research to uncover what real business problems are challenging the decision makers in your target market.

This is the time to evaluate the competition, assess your solution opportunity, define your positioning and key differentiators, and model a solution that to deliver unique benefits to your target market of decision makers.

► **Lead Generation and Internet Marketing**  
This is the process of attracting, engaging, and qualifying potential customers into your sales funnel. It usually starts by defining your ideal lead in terms of their job title/role, company size, vertical industry, and business goals, and how many leads you likely require to meet your growth goals.

From there you can plan and execute lead generation campaigns including tactics such as search engine marketing, case study webinars, online trials, email marketing, and telesales to meet your monthly quota of leads.

► **Solution-based Selling**  
This refers to the process of transforming leads into sales by uncovering specific buyer needs, building a shared vision of a solution, identifying key decision

makers, and managing the sales process from start to finish.

There are several excellent enterprise selling methodologies, tactics, and tools that can help to qualify, accelerate, and de-risk each stage of the sales process. These professional selling methods are essential when developing larger accounts with multiple stakeholders.

These three processes function together to define and position a competitive solution, attract and engage qualified leads, and transform leads into sales through a structured sales process.

It takes time to develop these business functions, however their cumulative effect is to create a predictable sales and marketing system that reduces business risk, accelerates growth, and increases profitability.

### How to learn more.

We'll focus on each of the three processes in our upcoming seminar series: **Solution Sales and Marketing: How To Win Large Global Customers**.

The series delivers practical strategies and sales tools so that you can effectively package, promote, and sell your capabilities as repeatable solutions to your chosen customers.

**For more details and to register for one or more of the three sessions, visit:**

[www.itans.ns.ca/\[url\]](http://www.itans.ns.ca/[url])

*Tom McLellan, President of Growth-Click and facilitator for this ITANS exclusive seminar, has practiced solution sales and marketing in the UK and Toronto, selling into accounts such as Bristol-Myers Squibb, Honeywell, CSI, and Credit Suisse.*