Kicking export sales into gear

It's all about kicking. At least that's the popular wisdom on the All Blacks winning this year's world cup. Some views are so extreme you'd think we only need 15 good kickers and the William Webb Ellis Trophy is ours.

Of course the reality is much different; we'll have to be good at everything, including booting the ball between the sticks.

Technology exporting is the same. We'd like to think that the quality of our innovations is enough to succeed, but it's those broader capabilities like selling that make the difference. To win, the All Blacks need to be able to kick well. For technology exporters selling is the secret.

Technologists sometimes look at sales people with disdain. As the slippery, shiny-shoed types who are a necessary evil when it comes to getting their inventions to the market.

In the wider community, sales people are also right down at the bottom of the totem pole of respectability. The annual Readers Digest survey puts sales down there with politicians, journalists and prostitutes. This is a concern because in many ways the future of our 'knowledge-based' industries depends on those who can sell.

Sales people's bad reputation reflects some of the consumer-based sales people we deal with every day; those seen as the classic 'snake-oil' purveyors. Think telemarketers, car salesman and those annoying Greenpeace street hawkers.

A gift of the gab, hard sell, pushy and relentlessly optimistic are all seen as characteristics of these people. There is a perception that you just need to get psyched up and have a good line of blather to be successful in sales.

The world of our export sales people for sectors like software, electronics, manufacturers and engineering services is completely different. For those selling business-to-business, they are typically pushing complex products into huge corporations.

For consumer products they are often trying to put together deals with large and powerful distribution channels. Either way the task is completely different from the telemarketer reading a standard script over the phone.

It is intensely competitive, rivaling women's clothing sales day at your local department store. For example in the USA, it has been estimated that Fortune 500 corporations are targeted by around one million sales people every year.

Unlike the door-to-door hawker, these transactions is long and involved. To adopt something like a new computer system, a Fortune 500-type company will go through this sort of process; identify areas that need to change, assess what solution could be applied, quantify the value of adopting new technology, review all the possible

vendors to find the best fit, go through contract negotiations and then start implementing.

For a sales person this could involve months of painstaking and relentless work, and still they could lose the deal and be left with nothing but a large cost of sale.

Snake-oil type sales people can't succeed in this environment. Having courage and the gift of the gab gets you nowhere with large organisations whose risk-averse nature makes them analyse any decisions very carefully.

This sales puzzle would be at top of any technology entrepreneur's list of main business issues. The annual Market Measures study of New Zealand technology company's sales and marketing highlights the four types of selling approaches used by Kiwi tech exporters.

First was the "build it and they will come" method. Driven by the owner's belief that their product is so good it will attract buyers with little or no sales and marketing activity. This is not common amongst tech exporters, with most firms more realistic about what is required to succeed.

Second was the "hanging up the shingle" style of selling – companies that undertake some promotion (e.g. a website) but do little proactive sales activity. They hope hanging out the shingle will be enough to attract buyers.

A minority of companies were using this approach, but it was still apparent. Most prevalent was the "door to door salesmen" approach. Companies arm their sales people with brochures and other collateral and send them out to 'walk the street' in offshore markets. The sales person is left to do everything – from introducing the company and overcoming objections to closing the sale.

Companies using this method typically experience a high cost of sales and long lead times, which stay relatively constant. They are very reliant on quality of sales staff and find it difficult to engage distributors. Revenue is lumpy and unpredictable, and growth is restricted by the size of their direct sales resource so it is hard to achieve scale.

So what was the highest performing sales approach for tech exporters? It was the "moving the herd" method. This involves telling a compelling and unique story through promotional tactics to help move a tightly defined target market en masse through the sales cycle.

Through this promotion (e.g. social media, PR, advertising) prospects become aware of the product, understand the value it provides and become attracted to it all before a sales person arrives.

"Moving the herd" companies typically notice that sales activity starts to build over time and average cost of sales drops. They have a broader company involvement in 'selling' activity, it's not just left to the sales force.

Distributor engagement is better, and growth increases as the sales person becomes less involved in all stages of the buying process. They can build scale without building a large sales force.

Sales in this kind of company has become as much of a science as engineering or software development. A whole discipline called 'sales process engineering' has emerged.

Instead of sales teams operating independently, a formal process gives them a common approach and language for chasing sales opportunities. It provides criteria for analysing sales opportunities and choosing the ones with the greatest likelihood of success.

Possibly the greatest value of any formal sales methodology is getting better at walking away from resource-intensive deals with a low probability of success.

Imagine if some of our smaller tech exporters could start applying this level of 'science' to their sales. Using the same rigorous process they typically apply to their product development and engineering.

I'd rather we win the World Cup scoring lots of flashy tries, but that's not likely. Daniel Carter's boot will be crucial, in the same way your selling ability is important when taking technology to big offshore markets. It's selling that will ultimately deliver the silverware.

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Source: NZTE