



The B2B Buyers Journey – A Sales & Marketing Guide



The technology executives guide to facilitating the B2B Buyers Journey

Mark Gibson

Cupertino, CA.

January 2016 Version 1.5





About this eBook

Author: Mark Gibson

Release Date: January 2016

Version: 1.5

Topic: The B2B Buying Process; why you need to understand it and how to facilitate buyer transitions through the process.

Subtopics:

- The I-M-P-A-C-T buying process
- The impact of risk on vendor engagement and buying behavior
- Questions salespeople must ask and answer to facilitate buying process transitions
- Mapping the sales process onto buying process
- The role of content in the buyer-seller dialogue
- Sales Enablement across the B2B Buying cycle

Target Audience: B2B Sales professionals, sales managers, entrepreneurs, marketers, sales operations and sales enablement professionals

Purpose: Create an understanding of the B2B buying process, not through the lens of the sales funnel, but based on what's actually going on in the buying organization. Help salespeople to understand how to facilitate the buying process.

Summary Abstract: Salespeople worldwide are struggling to connect with buyers and engage in meaningful conversations that create value for the buyer. Buyers are making much of the buyer's journey without salespeople. Forecasting accuracy has never been worse and no-decision outcomes of forecast opportunities waste huge resources. Engagement and buyer qualification at each step in the buying process are critical success factors for B2B companies, yet few salespeople understand what actually goes on in the buying organization. This overview sheds light on the buying process and will help salespeople to qualify and forecast more effectively.



Is this eBook for you?

- Are you a sales leader, sales enablement or sales operations professional?
- Are you a marketer responsible for nurturing customers as they progress their buying journey?
- Do you have sales teams engaged with B2B customers?
- Is your technology product, solution or service, disruptive or innovative?
- Have you adopted or are you thinking of adopting Challenger Selling, Selling with Insight or other consultative selling method?

If you answered yes to three or more questions, then read on.



Contents

About this Book	2
Introduction	5
Why Companies Buy	6
Outcome of Forecast Deals	8
The Sales Funnel	10
AIDA	11
Sales Relationship/Process	12
The IMPACT B2B Buying Cycle	16
Buyer Risk Tolerance	23
Selling to Early Adopters	25
Mapping Buying - Selling Process	26
The Role of Content in Selling	27
Summary	28



Why Killer Products Don't Sell

In preparing this eBook, I tried to think of some of the questions you might have.

You might be thinking, “what is Mark going to teach me about the B2B buying process that I don't already know?”

That's a great question... and I don't know if I can, but let me tell you a story.

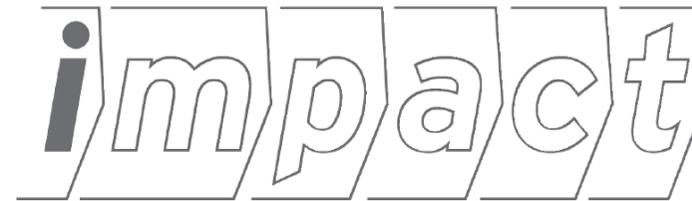
In 2003 I was working in a Silicon Valley tech startup. Google was just 5 years old, the iPhone was a glint in Steve Jobs' eye, and Blackberry was the king of the smart-phone market. I'll never forget one meeting at the disc drive manufacturer Maxtor; the buyers in the meeting knew nearly as much as we did about our product and they knew more about our competitors product than we did.

They had done their homework using Google prior to our meeting. This was the moment when I realized that buying behavior had changed forever.

Another problem was that we didn't really know where they were in their buying process. They went radio silent and disappeared after our meeting and reengaged months later.

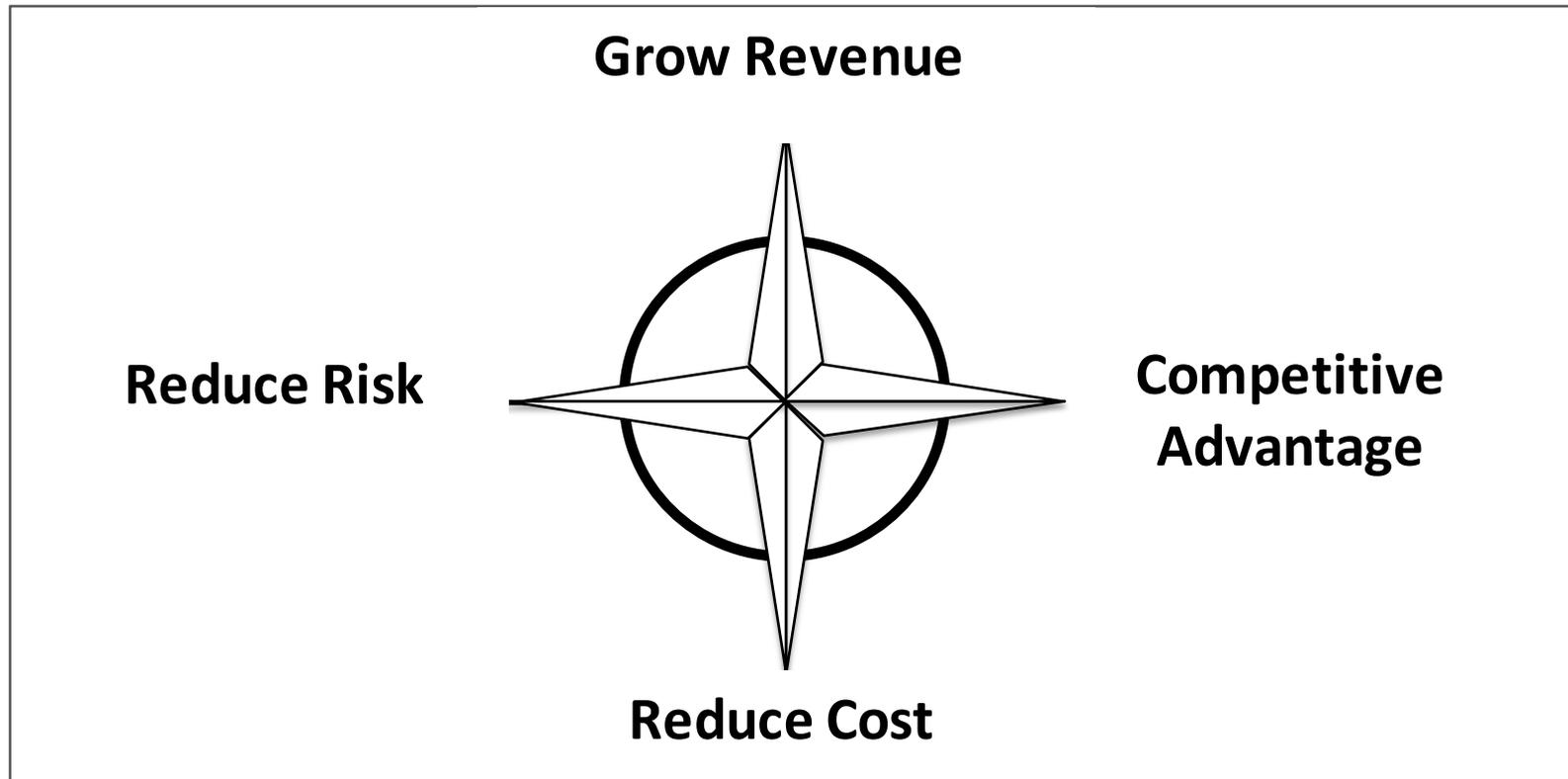
When I read *Why Killer Products don't Sell* by Ian Gotts and Dominic Rowsell, which is the original work on which IMPACT is based, it was like a light had been turned on in a dark room.

At last I understood the B2B buying process - not through the lens of the sales funnel, but based on what's actually going on in the buying organization.



**the technology executive's guide for selling
B2B disruptive and innovative solutions**

The Buyers Compass – Why Companies Buy



Successful entrepreneurs, marketers and salespeople selling disruptive technology, must learn to recognize early adopters, understand how early adopters engage with innovative technology vendors and how they manage a buying process.

Before explaining how companies buy, it's worth reviewing why companies buy. I call this graphic the buyers compass and I suspect that growing revenue and reducing cost are the main drivers of B2B buying. Reducing risk is key to selling in security markets.

Gaining competitive advantage is also a driver of buying behavior. Buyers are looking for insight on how they can apply promising technology products to give them an advantage over their competitors.

Why else do you think companies buy? Why do people buy?



Today's Buyers are Better

Today's buyers are better informed.

This buyer is way more *interesting*.

They are more demanding, have less patience than the prior generations and they don't need salespeople to tell them about their products or services.

They are firmly in charge of the buying process

Your differentiation points are just noise to busy buyers and your competitive advantage is fleeting and of little interest to buyers.

Without a thorough understanding of your buyer's journey, a repeatable sales process that everyone uses and effective qualification, salespeople today have little hope of competing, let alone winning.

Let's take a look at win rates in B2B selling

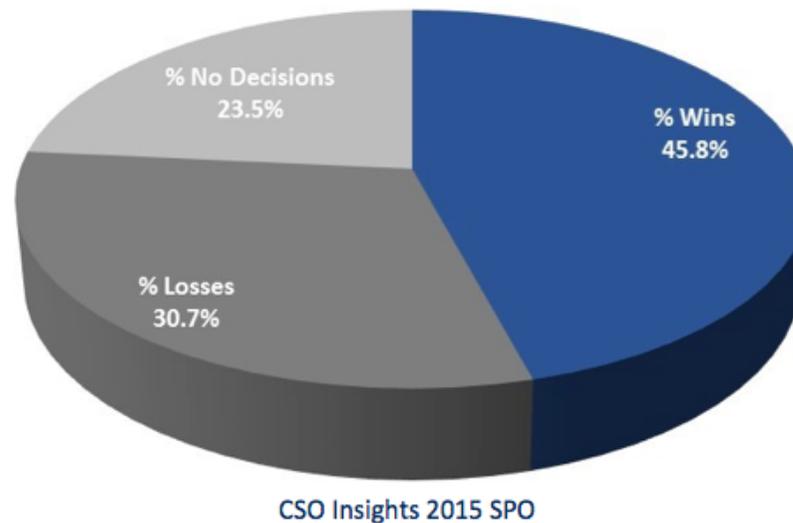


"The most interesting man in the World"
Dos Equis commercial



Outcome of Forecast Deals

With sales win rates at less than 50% and sales quota achievement declining to its lowest point in 5 years at 58% (CSO Insights), it's time sales managers and business owners took a much harder look at buyer-seller engagement.



The worst sin a salesperson can make is to go the distance with a prospect and lose, either to a competitor or the status-quo – no decision. I have seen the “deals ending in no-decision” number a lot higher – some analysts suggest that its more than double the rate in the CSO report.

According to a study published by Corporate Executive Board, buyers are on average 57% of the way through a buying cycle before they contact a vendor.



57%

CEB published this number indicating on average, that B2B Buyers are 57% of the way through a buying process before engaging vendors, and it led to a storm of controversy.

But are buyers really 57% of the way through a buying process when they engage?

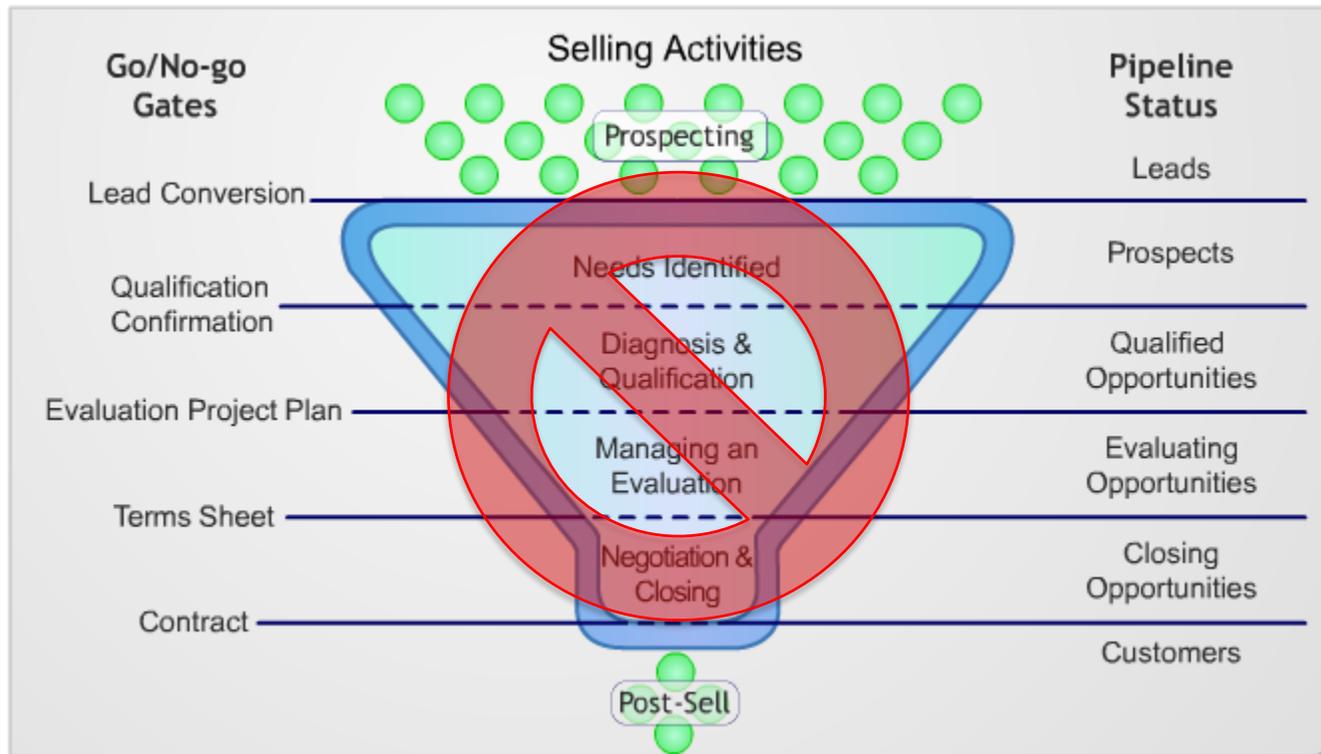
The answer is - that it depends.

In this eBook, we are going to explore how companies buy and how and when they engage salespeople.

This is governed by product/market maturity and buyer risk tolerance.

The Sales Funnel

Today many salespeople and sales managers view the buyer's world through the lens of the sales funnel. The deal is tracked as it moves through the sales pipeline and percentages increase toward a close. These percentages are applied to product the sales forecast.



The only problem with this approach is that in most cases, it has nothing whatsoever to do with what buyers are doing, nor where they are in their buying process.

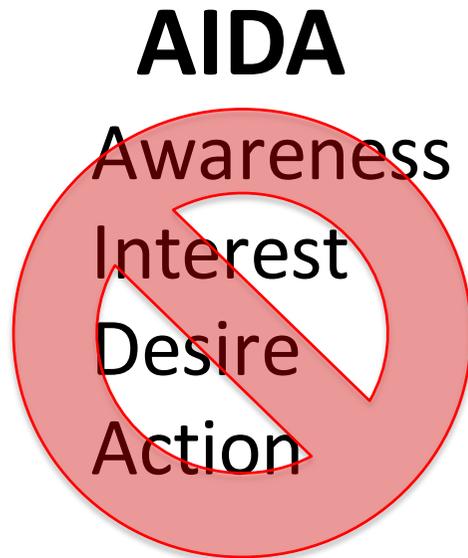
Is there any wonder that forecasting accuracy is an oxymoron?.

I suggest that the sales pipeline is useless unless it is mapped to key transitions in the customer's buying process.



The 19th. Century called – they want their buying process back

In 1898 an advertising executive named, St. Elmo Lewis coined the acronym AIDA. Awareness, Interest, Desire, Action to describe the advertising process.



In the mainframe era of the 1960's, it was adopted by technology companies to describe the buyers journey through the sales funnel. AIDA has been handed down to successive generations of salespeople and it is alive and well today.

AIDA is way too simple to describe today's B2B buying process... yet many companies still train their salespeople using this obsolete view.

On average there are 5.7 buyers in the team to make a major B2B buying decision. As a consequence of a more complex buying process, sales cycle-times have increased.

AIDA is not a relevant acronym to describe a B2B buying process in the 21st century

An understanding of the buying process and adoption of a formal selling process that aligns with the buying process is critical success factor in improving sales performance.

Sales Relationship/Process

This CSO Insights Sales Relationship Process Matrix illustrates the impact sales process and customer relationship have on sales performance. What CSO Insights found was that on average, companies that fell into certain segments on the SRP matrix had similar types of sales performance

Trusted Partner		Level 3. Successful Years 25%		
Strategic Contributor				
Solutions Consultant		Level 2. Challenging Months 48%		
Preferred Supplier				
Approved Vendor		Level 1. Sleepless Nights 27%		
	Random Process	Informal Process	Formal Process	Dynamic Process

As the relationship strengthens and moves up the y axis, sales performance improves. As the selling process moves toward a formal and dynamic process, that is aligned with how companies buy, sales performance improves. Lets drill down on the data to see what we discover.



Vendor Understanding of the Buying Process

This is another interesting table from CSO Insights and it shows the correlation between the level of relationship with the customer and an understanding of customer buying process.

1. A company that exceeds expectations in the understanding of the customer buying process is four times more likely to be perceived by the customer as a trusted partner.
2. Where companies have a poor understanding of customer buying process, they are twice as likely to be perceived as approved vendors.
3. The bottom line here is that companies with a poor understanding of the customers buying process win less, lose more often and more of their deals end in no decision

	Ability to Understand Customer's Buying Process as Related to Relationship Level and Outcome of Forecast Deals:	Understand Buying Process: Needs Major Redesign/Improvement	Understand Buying Process: Exceeds Expectations
1	Perceived by Customer as a Level 5 – Trusted Partner	6%	24%
2	Perceived by Customer as a Level 1 – Approved Vendor	25%	12%
3	Outcome of Forecast Deals: Won/Lost/No Decision	41%/33%/26%	54%/26%/20%

Sales Relationship/Process Performance

This CSO Insights table shows the difference in performance between the three levels

1. In Companies with a formal sales process or dynamic formal sales process, 14% more reps make quota.
2. Companies with a formal sales process are better at making their plan 14% of the time.
3. Companies with a formal sales process win more often, they lose less often and fewer deals end in no decision.

4. Sales turnover in companies with formal and dynamic sales process is nearly 43% lower than level 1 organizations.

5. Finally customer churn is lower in companies with a formal dynamic sales process.

Customer churn in SaaS companies is a major barrier to profitability. Many SaaS companies do not begin to make money until the customer renews for the 2nd or 3rd year.

2015 Sales Performance Optimization Study Level Comparison		Level 1: 2014 Results	Level 2: 2014 Results	Level 3: 2014 Results
1	% Reps Making Quota	53%	58%	64%
2	% of Company Plan Attainment	76%	84%	89%
	% Forecast - Wins	39%	44%	51%
3	% Forecast - Losses	37%	31%	28%
	% Forecast - No Decisions	26%	25%	21%
4	% Sales Force Turnover	21%	16%	12%
5	Average Customer Base Churn	21.7%	15.9%	14.4%



What if?



What if you truly understood how your customers buy?

What if you could communicate clearly with customers to understand where they are in their buying process?

What if you could prepare salespeople for the conversations they must have and the questions they must answer to help buyers to transition each step in the buying process?

The I-M-P-A-C-T Cycle – How Companies Buy

Well you can and I want to introduce the IMPACT Cycle – how B2B companies buy.

Why is this important?

Because if your selling process is misaligned with customer buying behavior, you are wasting money and sales cycles.



IMPACT Concept from book Why Killer Products Don't Sell
Used with permission of authors

- The buying process starts with an IDEA.
- The idea is then MENTORED and alternatives are researched.
- If there is a viable path to implement the idea, it is POSITIONED as an initiative and it must compete for funds and resources with a host of other projects and priorities... which is why it's in red, because this is most qualified leads die.
- Assuming the idea gets through position it becomes a qualified opportunity, an ASSESSMENT of the pros and cons is conducted.
- If the assessment is positive, a business CASE will be created. If the case makes business sense and consensus is achieved among stakeholders, it will go to procurement.
- Finally a TRANSACTION will occur.

Every B2B purchase goes through the **IMPACT** cycle, with or without the supplier.



It starts with an IDEA

CXO's constantly look for ways to cut costs, increase revenue, become more competitive and to lower risk.

A buying cycle is often initiated as a result of an idea that sparked curiosity in a CXO at an offsite exec meeting. This could be from a conversation with other business leaders, as a result of a question or from a strategic presentation from external consultants or advisors working at the CXO level. Alternatively it could be an idea from a sub-ordinate that demands attention. This is blue-sky thinking and brainstorming ways to achieve *buyers compass* outcomes.

Alternatively a vendor sparks the idea and through their disruptive marketing approach or value-created selling effort. What questions must buyers have answered to start a buy cycle?

Idea



Idea

- Ideas phase
- Blue-sky
- Grow revenue, contain cost, etc.
- How can technology help?

Buyer Questions

- How can I get more out of...?
- Is there a better way?
- What do we want to be?
- How do we tighten...?
- What personal risks am I exposing myself to?

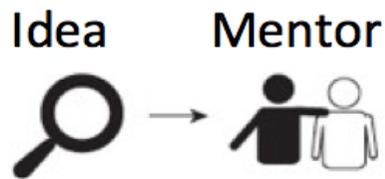


The idea needs a MENTOR

To move the idea forward requires a Mentor or Champion – CEB calls them Mobilizers, to run with and validate the idea. Ideally this person has passion vision and energy... this is your early adopter if your idea is disruptive.

The mentor typically works in a small team, the idea is under wraps. The Mentor scopes and tests the idea for feasibility, credibility acceptability.

Uses Internet eBooks, videos, whitepapers and opinions of experts to gather ideas and to plan how it will be delivered as an initiative. This is typically the reason for the first inbound lead.



Mentor

- Ideally with passion, vision, energy
- Works with small team
- Scope, is it feasible, credible, acceptable?
- Plan how it can be delivered, who and how

Buyer Questions

- Is it feasible?
- Is there a possibility?
- Who else is doing it?
- How do I get senior level support?



The idea is POSITIONED as an Initiative

If the mentor is not a Mobilizer, they will need to find a sponsor or Champion, because to move forward the idea forward as an initiative needs resources (money, people, time)

The idea could still be under wraps, but this is where political muscle is required as this idea will compete with other idea-driven projects sponsored by other execs.

95% of B2B leads get killed-off at Position.

Question: For your sales forecast, what is the percentage of likely closing of an opportunity at Position? (Answer, it should not be in the forecast until it clears Position and moves to an Assessment).



Position

- Need Exec Sponsorship
- Exec discussion: resource, \$\$ available
- POLITICAL: **Change** = emotions

✚ Many projects die here

Buyer Questions

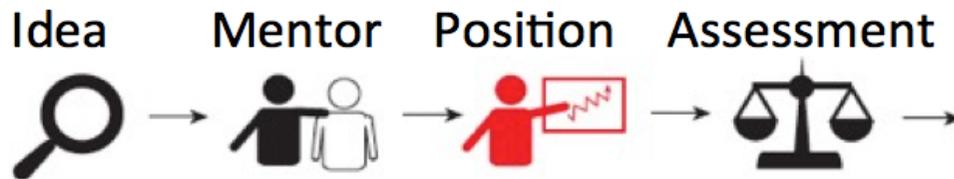
- Why change?
- Why now?
- Why can't we use existing?
- How do I fund a pilot?
- What \$\$\$ evidence?



An ASSESSMENT weighs pros & cons of the initiative

In today's world of corporate governance and accountability, an assessment plays an important part. Particularly in major projects involving strategic investment and direction.

This is more than a cost justification; an assessment means evaluation of everything, qualitative and quantitative. An assessment team is assigned and pilot project or POC is conducted. The vendor should drive for a paid pilot. I will come back to paid pilots vs. free consulting a little later.
What are some of the questions that must be answered at Assessment?



Assessment

- Important in a Post-Enron World
- Qualitative, quantitative assessment, \$\$
- POC or Pilot to create evidence & data

Buyer Questions

- Is it feasible?
- Is it worth risk?
- How long will it take?
- How difficult to implement?
- Who else like us has done it?
- Can we make it compelling?
- What are critical metrics?



The business CASE for the initiative

The output of the assessment is used to build a business Case.

Case bounces between mentor and sponsor until decision stakeholders reach consensus that all business and political goals can be met.

The case will then have budget assigned which signals the start the formal procurement process.

Project may now be taken out of hands of sponsor-mentor into hands of IT or procurement.



Case

- Use assessment, create business case
- Case bounces between mentor – sponsor
- Budget applied and made public
- May issue an Invitation to Tender (RFP)

Buyer Questions

- Who can help & how?
- What are our options?
- What is the ROI?
- What references?



Transaction

Transaction is where the customer will make their decision.

If you did a great job and initiated the opportunity at Idea or Mentor and created the bias for action, then you have an 80% chance of winning.

If you got invited in for the bake-off at Transaction and it's a fair fight you have a 20% chance at best...realistically it's 5%. Getting in first by sparking the idea and creating the buying vision accounts for the popularity of insight driven sales and marketing methodologies, such as described in "The Challenger Customer"

Given that 95% of buying processes commence with an Internet search, would you ideal customers find your company website in an Internet search in researching solutions to buyers compass issues at Idea or Mentor?

If you are like most technology companies and your Website is all about your product, then then there is no time to waste – you have a serious marketing effort ahead!



Transaction

- Confirmation of project to all stakeholders
- Procurement involved
- Competitive tendering, bake-offs, etc.

Buyers Questions?

- What's your best price?
- What's next?
- What support will I get?
- Who can I talk to?

Managing Risk

The idea is subject to risk at every transition in the buying cycle.... even at Transaction

I heard a story recently where the CEO of a software company had a 6-figure deal teed up and ready for signature and he got a phone call from his champion, apologizing, but that he was leaving. That deal was stone dead in an instant and when this happens, it's back to the drawing board until you find another champion... a 6 month set-back at least.

Political Risk:- occurs in the fight for funds and resources or from those who simply don't understand your idea and will veto it.

Product risk: - is a major problem for startups – if the product seems too risky, then they can do pilot after pilot, but the big deals never come.

Business risk: - the idea does not create enough business value.

Financial risk: - the company may expose itself to too much cost or liability.

Brand risk: - the idea is perceived as too far from the firm's self image – this and product risk are two big hurdles for emerging companies to overcome.

What can salespeople do to reduce risk for the vendor?



Idea subject to risk at all phases,

- Political – internal
- Product – is it proven?
- Value – what is business value of the idea?
- Financial – liabilities, costs, competition for funds
- Brand - does it fit our self-image?





Buyer Risk Tolerance Affects Vendor Engagement

IMPACT is the process that buyer goes through, with or without the vendor.

Of critical importance is the point at which you engage or are invited-in, as it affects your business relationship with the buyer. And this in turn determines the operating culture of your company, i.e. how you organize, run and measure performance.

There are the Early Adopters (EA) who are happy buying innovative solutions.

There are the Early Majority buyers (EM) who want to buy the market leader.

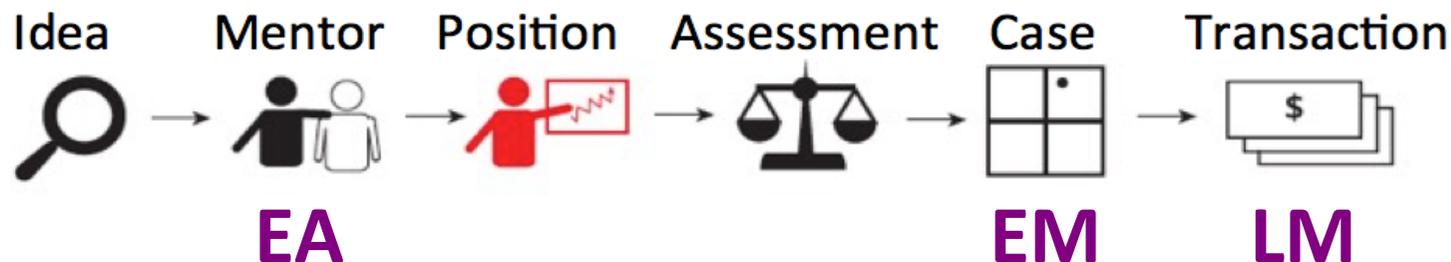
And there are the Late Majority buyers (LM) who want to buy a commodity at the cheapest price.

Here is where the buyer starts to engage vendors in their buying process.

Innovative solutions: EA's are inspired when you connect with an evangelist to create an opportunity.

Mainstream solutions: EM's reach out to vendors when they have a set of requirements and a budget (57%) – they built their own business case & shortlisted you. You work with customer (IT & procurement) through Case & Transaction.

Commodity solutions: LM's make contact when they are ready to buy at Transaction.



Selling to Early Adopters

If you are an innovative vendor with disruptive technology you must target early adopters. This is a Value Created operational culture... salespeople create value for the customer by bringing insight & instigating change.

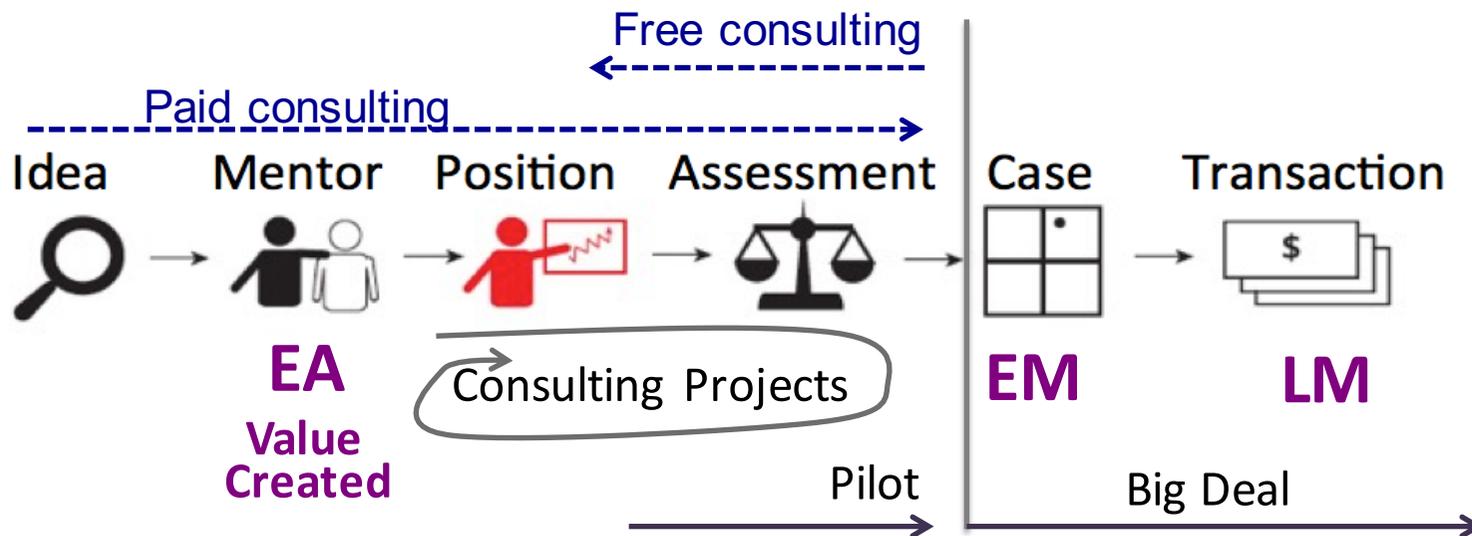
In the Value Created sale to an early adopter, you work with the customer from Mentor through to Transaction.

Why? – because the buyer knows the direction they want to move in, but they don't know how to get there... that's your job – to guide them. The innovative vendor partners with the buyer to help them understand how to exploit their disruptive technology and how to assess and address the risks.

It is imperative for startups to get paid for their consulting in the early stages of the buying process....even if it is lower margin, it is likely to be essential to survival. Precisely because the Value Created company is emerging from startup, there may be multiple pilots required before a big deal is possible - in order to build trust and evidence for the business Case.

When the buyer engages an Early Majority vendor at Assessment, the vendor will be asked for and will most likely agree to do free consulting to prove their solution.

Engaging Early Adopters is about creating true insight at the outset. Sales calls in the early buying stages are consultative in nature, typically a conversation of possibilities, because the buyer does not yet understand what the solution is, or how it can be used to create value. Salespeople who behave like consultants will be more effective than sales-closers, in fact consultants make excellent salespeople in early stage companies.

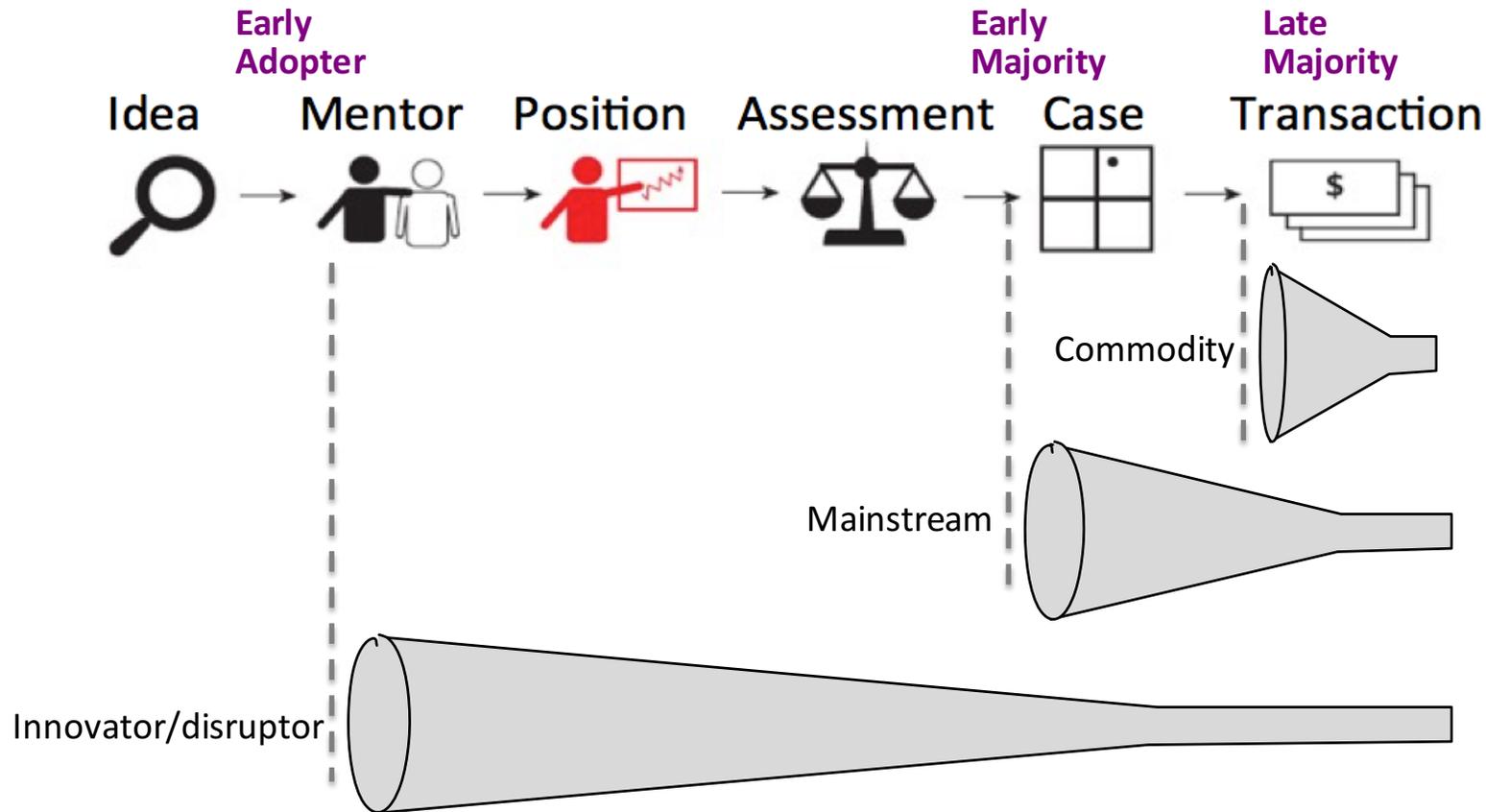




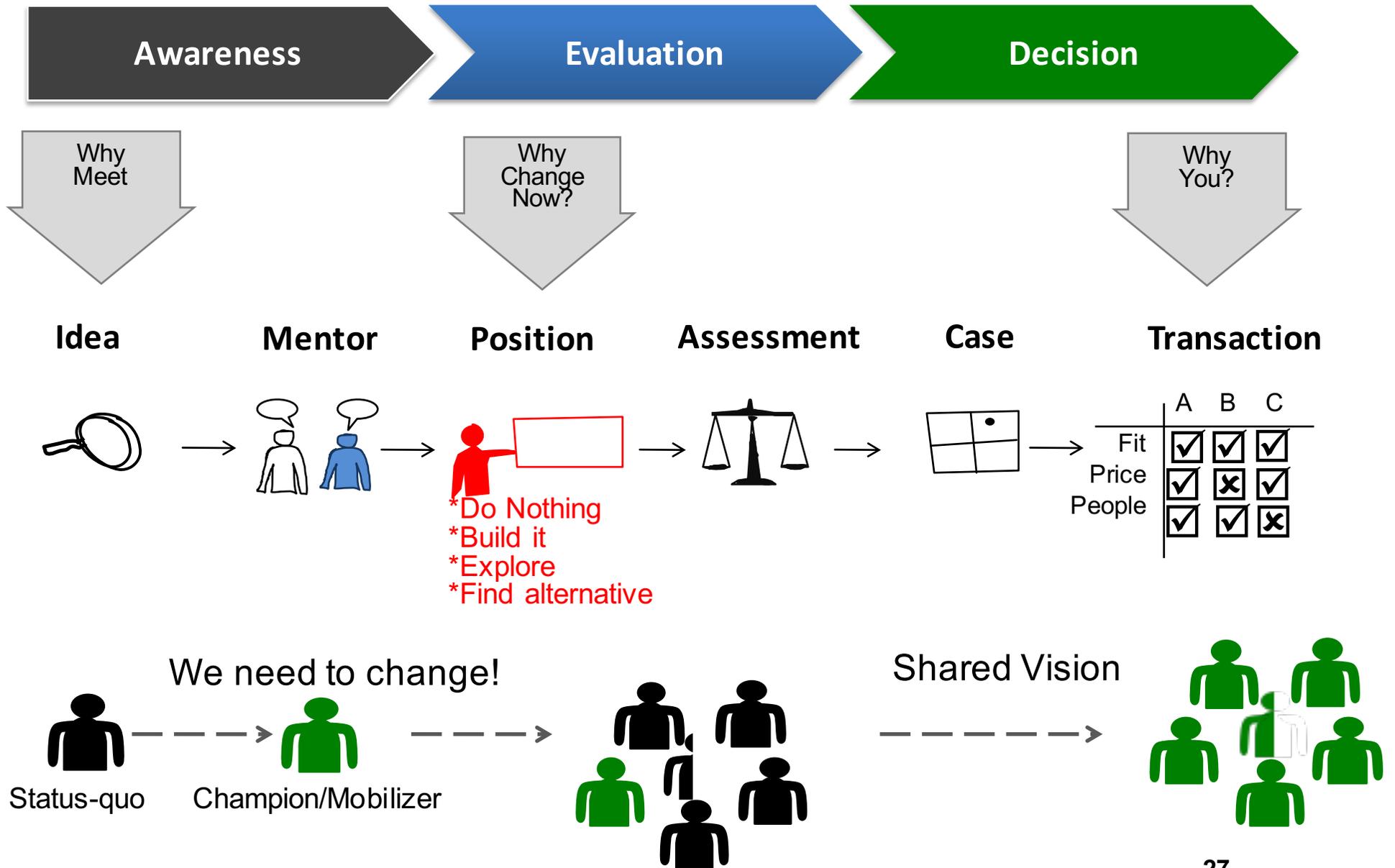
Mapping the Sales Process onto the Buying Process

Mapping sales process onto the buying process is a critical task for sales managers. Sales process varies by company and every company has their own flavor. What is important to recognize is that the sales funnel starts at different engagement points in the buying process, based on buyer/organizational risk tolerance.

Mapping the Sales Funnel onto the Buying Process



Summary: How B2B Customers Buy: I-M-P-A-C-T

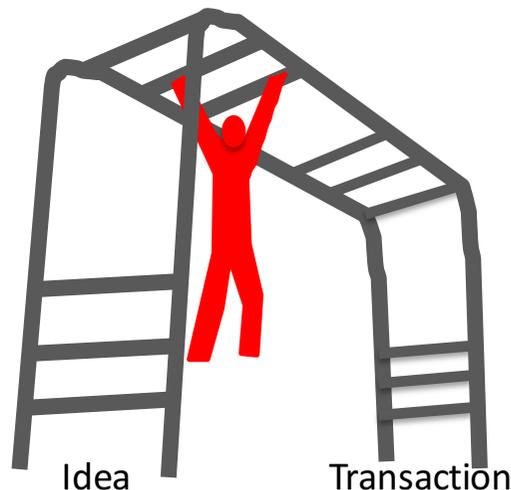


Facilitating the Buying Process through Content & Conversations

Do you remember when you were a child playing at school? In the playground there was the Jungle Jim among other play-things. When I was a kid, we used to pretend that there were crocodiles in the sand below the Jungle Jim and we would be gobbled up if we fell off.

What do we mean by content? If we can capture and model the conversations of top salespeople in the form of conversation support in playbooks or sales guides and make it available to everyone on the sales team and teach and coach them how to use it, we can improve sales effectiveness and team performance.

- Do your salespeople have the conversational content they need to deliver insight and create a bias for action?
- Can they answer critical buyer questions, in order to transition to the next step in their buying process?
- Is your sales team armed with questions you need answers to, in order to qualify and facilitate the prospect's movement through each step in your sales process?
- Or do they have content gaps that cause them to fall out of the buying cycle and get eaten by the crocodiles (sales managers)?



Conversation Support Elements

- Conversation Map (to buying process, by topic, role, persona)
- Problem/ cause, capabilities, differentiation
- Facts, data, research results, graphics
- Point of view, storyline
- Innovative insights
- “Who I’ve helped” stories
- Visual support, images
- Questions and answers
- Core messages, phrases
- Inventory of emails



Summary

We have examined the B2B buying process and the IMPACT cycle.

We know that sales performance improves with better understanding of how your customers buy.

We know that better alignment between your selling process and the customer buying process reduces customer churn and reduces lost sales and no-decision outcomes.

We identified some of the questions buyers ask and that we must answer to help them make the transitions in their buying process.

If you would like help with content your sales team needs to ask and answer the questions for buyers at each transition in the buying process, contact us, <http://www.admarco.net/contact-advanced-marketing-concepts>

If you found this presentation useful, please share it.

If you want to learn more about the IMPACT Buying process, please visit http://hubs.ly/y0f_c60 and get an instant download of the 20 page whitepaper.

Any comments or feedback, please email me at mark.gibson@admarco.net

BOOK SUMMARY



the **technology executive's** guide for selling
B2B **disruptive** and **innovative** solutions

http://hubs.ly/y0f_c60

By Ian Gotts, Adrian King
and Dominic Rowsell