

Sell to the kinds of markets you have

In their very interesting book "Why Killer Products Don't Sell", the authors Ian Gotts and Dominic Rowsell encourage B2B companies to sell differently based on the stage of the market for their product or service: is the service new and virtually unknown; is it reaching the phase of wide acceptance by the marketplace, or is it a well-known commodity?

What they say is worth thinking about.

The phases of a service market

Despite the book's title, the ideas apply to services too (and the authors do say that). This chart summarizes their view on the evolution of a market.

Stage of market evolution	Prospects' view of the service	Competition
"Early adopters" considering buying	Never heard of it	"Do nothing"
Reaching phase of wide acceptance	Eager to use it	Other suppliers, including some that might be big
Very widely used	Eager to use it	Lots of players

Challenge 1 - The right business development model for your service

Each kind of market requires a different kind of business development (BD) as outlined here:

Stage of market evolution	How they buy?		How do you sell?		Expected result
	Critical buyers	Key buying factors	Business development style	Who should do it?	Buying cycle
"Early adopters" considering buying	<ul style="list-style-type: none"> • Top executives • Business unit heads 	<ul style="list-style-type: none"> • Can it help me achieve my goals? • Can I minimize the risk of trying it? 	Consultant - "What are you trying to achieve?"	The professional	Long - must show benefits and create champions
Reaching phase of wide acceptance	Users - people who will directly use the service	Features and benefits relative to price	Classic "touch all the bases" account penetration	A BD specialist or the professional	Medium to long - must outmaneuver competitors
Very widely used	Procurement department	Price	Respond to RFP's	Proposal response team with guidance	Relatively short

If you are offering something that almost no one has heard of, then you as a professional (and not someone else) need to be selling to the top. You need to talk with top executives until they understand how your new service can help them achieve their goals. You need to help them feel comfortable that what you are suggesting is novel but not unduly risky. This business development strategy is appropriate for totally custom work, for a new kind of professional service, or for a kind of project that almost nobody has previously undertaken.

On the other hand, if potential clients are quite familiar with the kind of work you are hoping to do, then they are looking to 1) understand that the service is suitable for them, and 2) pick the best provider to work with. Competitors' approaches may vary, so the decisions emphasize benefits vs. costs for each potential supplier. Most likely, the users of the service will be quite involved in the decision process, and the most senior executives less so. There will be a lot of people to talk with and it may make sense to have a professional business development person help with the business development work.

Some professional services have been around a very long time and are viewed by customers as commodities. People buy on price. For these, margins will be low and you will want to minimize the time you spend on business development.

Challenge 2 - When you provide a mix of kinds of services

Most professionals (and their firms) offer a mix of services along this spectrum -- some services are novel, some are competitive and some are viewed as commodities. Some of your services need a long, engaged consultative sell focusing on bringing the client along to understand the possibility of value to be created. Other offerings are eagerly sought by clients, but face strong competition; these require a detailed understanding of benefits for the client, comparison with the competition, and skillful management of the politics of the business development process. Still other kinds of work you do are viewed by prospects, fairly or not, as commodities; these require you to have the discipline to not over-invest in business development.

Challenges for you include:

1. Remembering to think about what kind of sale you are engaged in
2. Having the skills (and flexibility) to adjust to each situation, including possibly learning to stay away from the kind of sales you cannot do well.

Something to try this week

- Look at the projects you've done over the past year. How many and how much revenue came from each phase of market evolution? Which kinds of work are most important to you?
- Consider whether you do business development the same way for all kinds of work. How can you change this if you don't like your answer?

What are these tips?

These monthly tips are intended to help professionals create more business and enjoy their work more. We focus on how to start relationships, how to build relationships, and how to convert those relationships into sales.

Can you answer my questions about business development?

We'd be delighted. Please send any questions you have to questions@bridgewellpartners.com and we'll do our best to help you out. Or call us at 312-863-3489. Or visit www.bridgewellpartners.com to learn more about how we coach and train professionals to be better at business development and to enjoy it more.