



Thoughts on Selling in an Economic Downturn

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Industry background

- **Oracle Corporation (1986-'92)**
 - Helped developed Oracle's applications products – member of original Oracle Applications sales team
- **Platinum Software (1993-'95)**
 - Sold early client/server ERP apps
- **Clarify (1996-'99) VP North American Sales**
 - Company grew from \$18M to \$250M in 4 years
 - Sold for \$2.2B to Nortel
- **Extensity ('99-2003) – SVP WW Sales and Bus. Dev.**
 - Successful \$100M IPO and subsequent sale to Geac
- **SuccessFactors ('04-08) – VP Global Sales**
 - First VP of sales. Led company from \$2M in bookings to \$200M over four year period. Successful IPO with \$500M initial valuation

Current scenario



- Fewer deals
- Longer sales cycles and complex approval processes
- Less discretionary budget funds
- Distractions, reorganizations, rifts
 - Your prospect isn't lying, they just don't know
- Nobody's sticking their neck out
- Lack of visibility and predictability
- Irrational behavior trumps logic and value





Selling in a downturn

- It's all about value...no value, no deal
- Have the right sales org for this environment – focused, capable, empathetic, overworked if possible
- Avoid the classic “death spiral”
- Understand and coach for the new funding process



#1 Establish “Value” that matters

- Build a solid ROI
 - Simple model with simple output
 - Credible numbers
 - Relevant reference examples
 - Professionally documented
- Link to key strategic driver in the business
 - There must be quantifiable impact to the business
 - It better matter to your economic buyer
- Articulated well
 - The better your rep, the better the articulation of value



Typical Business Drivers

- Increase profitability
- Gain market share
- Accelerating revenue growth
- Reducing operating expenses
- Globalization – expanding and operating internationally effectively
- Merger/Acquisition strategies
- Retention/Reduce Turnover
- Increase employee engagement and overall productivity
- Company reduction/sizing
- Assessing and utilizing best talent across the organization
- Building or enhancing a brand
- Streamlining corporate functions

#2 Retain a team of “Keepers”

Keepers:

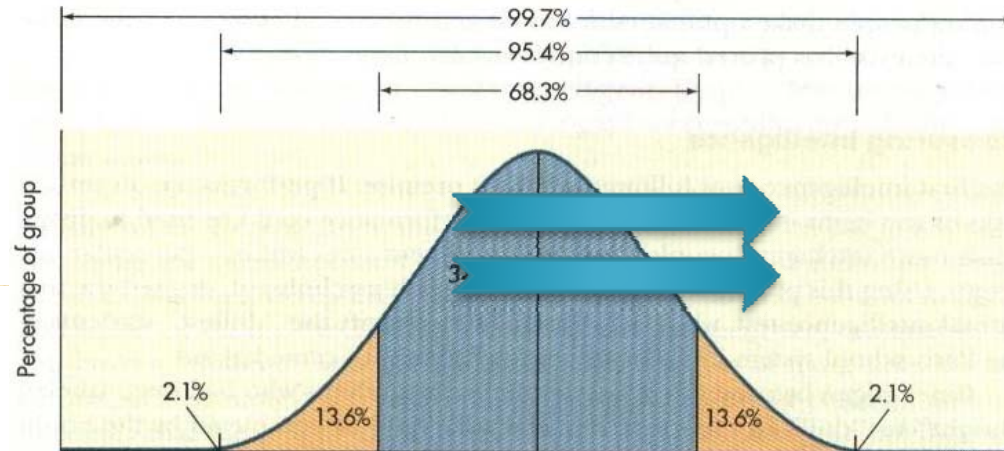
- Ask the tough questions
 - “Why would you do this now?”
 - “Why wouldn’t you buy Oracle’s solution?”
- Make the effort to understand the prospect’s business
 - Establish credibility, then gain trust
- Real passion for the company and its solution
- Discount less



Good reps earn trust

- **ASK QUESTIONS and LISTEN to the ANSWERS**
 - What else do they do within the job?
 - What other projects are they working on?
 - What other managers do they interact with?
 - Who do they support what team or LOB?
 - What matters to their bosses?
 - What issues are relevant at exec levels?
 - Sales 101 – who are they? Get personal
- Read articles, financial statements, websites, etc to understand key business issues
- Discuss articles, books, white papers, success stories to build credibility

If you had to stack rank all the reps you've worked with in your career...



- Where would your current reps rank?
- C'mon, be honest
- **DO NOT COMPROMISE on THIS!!**



#3 Don't get caught in the “capacity model death spiral”

- In hard times – seems sales reps are last to go
 - Retain “revenue generating” resources (i.e. sales reps)
 - Cut “marketing spend”
- Stay proactive
 - Find new prospects – help them see the light
 - If you wait for them to find you...
- Mothball those “capacity models”
 - Focus on bottoms-up pipeline metrics
 - How much at each stage, each segment, each competitor, etc. = how much yield?



Grinding on your pipeline

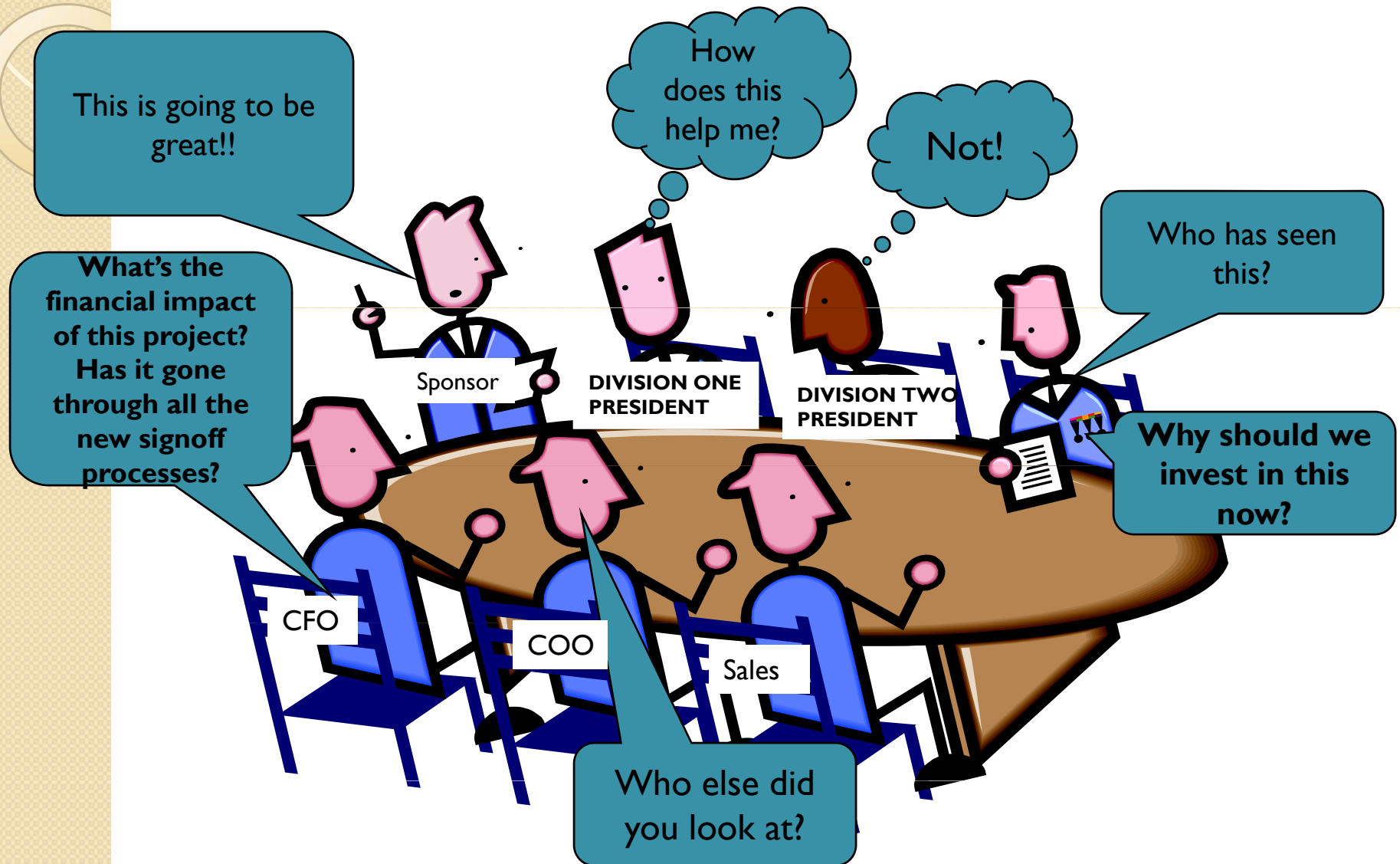
- Pipeline metrics
 - Early vs. late stage pipe
 - New add's, deletes, change of status (win/loss/ND)
 - Compare yield % based upon latest data to your forecast
 - Trends – adapt expectations quickly
- Rigorous inspection
 - Regular and timely
 - Pipelines are perishable
- Go get independent win/loss data



Sales rep state of mind in scary times

- They are scared....they are thinking about the next closed deal 98% of the time
 - Puts food on the table
 - Puts a number by their name
 - Hoping, praying, trying to believe...
- They know they need to, but most reps hate to prospect
 - Be skeptical of their pipeline numbers
 - Be skeptical of activities in early stage opportunities
- Inspect or approve all sales proposals
 - Many reps feel lower price earlier will help

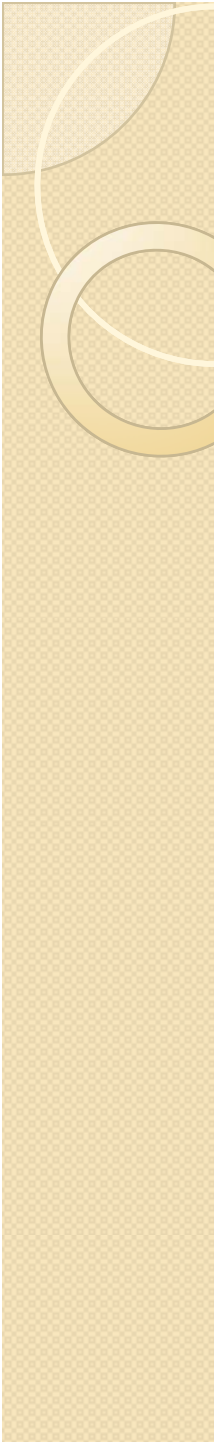
#4 -- Understand and navigate the new realities of getting a project funded





The new realities of funding

- New processes designed to slow everything down
 - Your sponsors really don't understand them
- Nobody really has any budget
 - Even if they tell you they do
- Everything gets approved at a much higher level
 - Seems like everything requires C-level approvals
- More “executive committees”
- Lots more “buy-in’s” necessary



Prepare your sponsor for “The Approval Committee” Coach and role play – insist on it

- When the economic buyer asks “why would we invest in this now?” how will you respond?
 - Make sure they really understand the ROI
- Can your sponsor answer the following questions:
 - **Who has seen this?**
 - **Do they (the business unit) like it and are they bought into it?**
 - **What company goals does it help us accomplish?**
 - **What tactically does it help us with (time savings)**
 - **Who else did you look at?**
 - **Why is “your solution” better than the other less expensive options?**
 - **Has IT seen this and they are ok with this?**
 - **Why do this now?**



Final random observations

- Incumbent vendors have even more of an advantage in hard times
 - Less perceived risk
 - Easier internal approvals
- Consider raising list prices
 - If you're still under the radar
 - Milk the ideal deals
 - Add-on business
 - Those deals that seem like a perfect fit