Why salespeople find it difficult to sell solutions

"Salespeople can have a tendency to sell first. In a solution sell, the key is to ask questions and listen."

Ten reasons

Introduction

Many telecommunications and technology companies make repeated attempts to move from a product sell to selling solutions.

The reasons for the move appear compelling:

- Offset ongoing price erosion (commoditisation) of existing products or services

- Achieve higher margins by avoiding direct product price comparisons

- Brand identification and product differentiation

- New revenue streams from overlying services and solutions

- Lower costs through bundling products and services

- Improved customer relationship and a reduction in customer churn

So there is a good rationale for selling solutions

In fact most product companies do sell solutions but as one off customer projects. By taking this expertise and making it available for all customers they can achieve the above benefits whilst spreading the solution development cost across multiple customers. However, many salespeople don't find it easy to sell solutions.

Why are salespeople unsuccessful in selling solutions?

There are 10 reasons why salespeople may be unsuccessful in selling solutions:

1. Price focus

Salespeople are used to selling products where in every sale price is seen as a key factor. When selling solutions, price is not a primary selling point and will only be a significant factor during the final negotiation.

A solution sale has a longer sales cycle; sales and sales management must acknowledge this.

2. Selling rather than problem solving

Salespeople must understand their prospect's reason for considering a solution. Some salespeople have a tendency to sell first, but in a solution sell, the key is to ask questions and listen; understand the problem before suggesting a solution. The following list suggests typical buying criteria when considering telecoms solutions. Salespeople must keep in mind that this is a solution sale, and determine which criteria are key for each customer:

- Refocusing on their core business

- Attracting scarce expertise

- Minimising their investment exposure and risk

- Comprehensive, integrated and highly scalable solutions, not piecemeal systems

- Growth of the global enterprise and virtual workforce creating the need for reliable communications for small and large companies to compete

- Industry convergence and integration trends increasing the need for flexible solutions

- A desire to find a competent service provider that will act more as a partner than a product or service vendor

3. Team sale

A solution sale is a team sale; the determined nature of many salespeople often causes them to go it alone (without the right answers at the right time). The reality is that not all salespeople will be able to adapt.

4. Partnerships

Solution delivery often requires external partners. The vendor must have the ability to develop relationships with key partners. The salesperson must be able to address and manage these relationships.

5. High level sell

Solutions are sold at a higher level in the organisation. This may be an environment in which the salesperson may be uncomfortable or where they are unaware of how to sell effectively. The solution sale will often be made at the CIO, not the operations level.

6. Demonstrate value

Customers expect the vendor's sales team to demonstrate why the solution, provided at a higher price, will give them better service and features they can't duplicate internally. Salespeople need to present customer business cases and understand the ROI.

7. Risk

Cost is always a criterion. But with solutions, the key criterion is usually risk aversion. Sales must be able to sell the vendor's stability, capabilities, methodologies, and the success the vendor has delivered in this environment.

8. Comfort zone

Salespeople sell what they know, and tend to stick to their comfort zone. Training is required; technology is only a small part of this training.

9. Sales cycle

A solution sale has a longer sales cycle; sales and sales management must acknowledge this. Vendors must build relationships. A solution sale will ideally be one that is not tendered, or at least one in which the solution vendor has assisted in writing the specification.

10. Compensation

Measurement drives performance. The carrier must ensure that the sales compensation addresses the unique nature of solution sales.

This article was prompted by a Gartner article "Top 10 Reasons Carrier Salespeople Don't Sell Managed Services" by Elroy Jopling, focusing on the reasons Carrier salespeople don't sell Managed Solutions. We acknowledge that source for some of the issues discussed, in a more generic context, in this article.