

A common error of ineffective salespeople is the mistake of leading with the product, instead of solving the prospect's business problem.

“They Loved the Demo... Why Won't They Buy?!”



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“I just got done with the demo and they (the prospect) think our software is the best thing since sliced bread...I’ve got this deal in the bag!”

Have you ever heard that statement?

Unfortunately, the reality is that when you fast-forward 90 days, the same prospect has mysteriously ‘gone dark.’ “What in the world is going on?” you ask.

This scenario is all-too-common in the business software world – especially among startups or established companies that are launching new products. And it has gotten worse with the dramatic growth in the Software-as-a-Service (SaaS) market where it is very easy to conduct product demonstrations via a web-based meeting – unfortunately making a product-focused sales approach even easier.

Frequently those involved in the initial selling efforts don’t have a background in sales. They tend to be domain experts or product managers – those who have been heavily involved in the designing and building of the software. So the ‘lead with the product’ strategy gets set early on and becomes a tough habit to break.

If you have an interesting product or service, there are plenty of people in most prospect organizations who will be happy to meet with you and give you feedback. They probably view the time investment as education – learning about the latest and greatest things on the market. Unfortunately these people rarely have the authority to make a purchase decision. At best they are recommenders. By definition, those in the prospect organization who are willing to sit through a demo independent of a formal project are not in senior management (i.e. those with the authority to make a buying decision). Corporate leaders don’t waste their time looking at things without the context of the problem being solved or the opportunity being unlocked.

I experienced this early in my sales career as an account executive at IBM. Egghead Software, in the early ‘90s a leading PC software retailer (yes, I am dating myself), was one of my accounts. I had developed the innovative idea of an IBM-created interactive kiosk that would be placed in each of their 200+ stores. The plan would be to enable a customer in the store to choose a software package, play with some of the features and functions, and then download and buy it right then. For Egghead Software, it would increase sales, save inventory carrying costs and improve the customer experience dramatically. For IBM it would be an opportunity to showcase its technological and retail point-of-sale leadership. I invested substantial time and used all sorts of IBM resources developing the opportunity, culminating in a highly customized demonstration for Egghead for which I flew in four IBMers from around the country. The only problem is that I had not qualified Egghead senior management about whether this would be a project in which they’d invest. To cut to the ending, the project never got off the ground and I took a hit to my

internal credibility and learned a valuable lesson.

Contrary to the actions of many in sales, the goal of the selling effort is not to get the prospect to believe you've got a great product. It is to show how *your* solution solves a compelling problem or unlocks a potential opportunity for that prospect.

In a sales situation, there are two processes occurring simultaneously: the buying/selling process and the product evaluation process. It is critical to understand that the former must drive the latter. Most often, a prospect who is seriously considering purchasing will perform a structured product evaluation in the context of a formalized project in which business, functional and technical requirements have been defined. This is why demos that are scheduled with random individuals are unsuccessful and a waste of time – they are happening out of sync within the formal buying/selling process.

The right way to start the sales process is to seek to understand whether there is a compelling pain point or new opportunity that your offering addresses. This diagnosis must be done with an eye toward creating business value for the prospect in the form of increasing sales, reducing cost, improving customer satisfaction or increasing employee productivity. These are the results that companies will pay money to enable. What your product actually does is only important in the context of these business outcomes. Focus on helping the prospect define the requirements that will enable the desired results.

The next time you hear a salesperson say: *“I just got done with the demo and they (the prospect) think our software is the best thing since sliced bread...”* ask *“What is the business problem or new opportunity that the prospect is going to address with our offering?”* The answer will tell you everything you need to know.