

New Ways to Successfully Sell to the SMB Market

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What Do You Want from This Session?

How much more sales?
When do you want to hit that number?
How will you know that this session has been worth it?
What to expect...

2004 SMB Trends

US IT spending will increase 3.5 percent in 2004 and 45 percent of that will come from 6 million SMBs. Pat Collins, SVP Sales, Ingram Micro Channel spend in 2004 expected to be \$487 billion:
24% software
23% hardware
53% services
VAR Business

70% of SMB VARs expect increased revenues in next six months. 40% expect to hire more people. VAR Business.

How SMBs Buy

51% Through a reseller or distributor
42% Direct from manufacturer
7% Other.

Who Controls the Purse Strings

30% CEO/General Manager
9% CFO/Finance Manager
38% CIO/IT Manager
7% Network Manager
16% Other
0% External IT Consultant

*611 sites interviewed by Harte-Hanks from Feb-Mar 2003
<http://www.hartehanksmi.com/downloads/mbstudy.pdf>*

What They're Buying

63% Network Configuration
54% System Configuration
49% System Upgrades
45% Software Installations
41% IT Needs Assessment
41% Maintenance
28% Other
26% Training.

Percent Sites Outsourcing Function (CRN)

Marketing Behaviors that Block SMB Sales

Product not SMB friendly
Selling technology vs. business case
Sell pieces versus solutions
Direct channel strategy or weak channel strategy
Leading with price
Lack of commitment to SMB
*No SMB reference accounts
No technical support staff for SMB*

*Your company's identity:
Spoiled .com or hardworking SMB?*

How to Attract SMBs

Deliver industrial-strength solutions and modest customization

Action plan:

*Sell tactical solutions
Offer a specific solution to their specific problem
Include modest customization as part of the package.*

SMBs value relationships and partnerships
They want to do business the way they do business

Commitment from the Top

*Executive sponsorship drives the relationship
Makes sales calls to strategic customers
Contacts top customers regularly as part of the process
Visible at industry and association events
Visible in media releases.*

Creating Powerful Relationships

Illustrate your relationships – prove it!

*Case studies
Testimonials
Reference accounts
Co-exhibit at trade shows*

Discuss how you'll build the relationship

*Partnership creation process
SMB account plan with key partnership elements.*

Levels of Partnership

Types of Partnership

How SMB Managers Make Purchasing Decisions

Committee Decisions

*CEO, CFO, IT for purchases above \$10,000
(Harte-Hankes)*

Eighty Percent of SMB IT final purchase decisions

*will be made by C level executives.
SMBs with fewer than 100 employees probably don't have CIO*

CEO or CFO is probably the decision maker up to 500 employees

CEO and CFO rely on trusted advisors for help with decision making

The person who deals with the problem every day becomes your advocate.

What's Different About SMBs and How to Tailor Your Message to Get Their Attention

Typical Issues

*Customer-led demands
Legal compliance
Global marketing
Shrinking margins*

Selling

*It's not just a ROI model
Need specific, relevant proof of performance
Establish the business case
Create incentive to buy bigger, earlier.*

Who You Talk With Determines How You Sell

Understand Key Performance Indicators

Be relevant

Match their motivation.

How to Sell to CEOs

How to reach them

What they're concerned about

What they don't care about

How they make the decision.

How to Sell to CFOs

How to reach them

What they're concerned about

What they don't care about

How they make the decision.

How to Sell to IT Managers

How to reach them

What they're concerned about

What they don't care about

How they make the decision.

When You Talk With Them Determines How You Sell

The impression curve.

Buying Phases: Shifting Concerns

How to Accelerate the Sales Process

A reason to buy now balanced with value

Business case analysis

Building them

Lotus Executive Assessments

www.itpapers.com/search.aspx?kw=mktc2003

Delivering them

Product maps

Invest in training and certifications

Map your client.

What to Explore to Find the Opportunity

Organization

Structure

Decision strategy

Strategic roles

Tactical roles

Culture

Corporate identity

What's expected from employees

Politics and job security.

Customers

Who they are

How they buy

Next market to pursue

Competitors

Competitive pressures

Where the competitor wins

Where the competitor loses.

Competencies

Business

Technology

Industry

Customer service

Processes

Business processes

Executive tasks.

Metrics

Profit

Productivity

Benchmarks

Service level agreements

Software Applications

Today

Core computing

Middleware

Tomorrow

Leading edge.

Hardware Infrastructure

Servers

Networks

Security

Physical Plant

Locations

Quality

Future plans.

What Did You Get from This Session?

New ideas?

Challenge the way that you think now?

Make you uncomfortable?

Do you want more?

If you don't get help from me, where are you going to get it?

Your promise to me...

My promise to you... Mark.Smith@OCEinc.com

Download the worksheets and listen to a

playback of the presentation at

www.OCEinc.com/lotusphere2004.htm

Action Ideas