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“What makes you different from your competition?”

When speaking with prospects, many sales people try to convey the message that their offerings are better than those of the competition but do not listen to what the prospect needs. Trying to be the “super sales person” or disparaging the competition often creates a negative affect on the prospect resulting in the sales reps losing their credibility. The key to becoming the Trusted Advisor is listening carefully to what the prospect needs and responding to them on a timely basis.

“Your best customer is your competitor’s hottest prospect:”

While attending an IBM Business Seminar a few years ago, I heard a lecture given by a self-made woman who came to this country at the age of 17 with no money or connections. Despite this, she managed to build a very successful chain of beauty salons in California and now is a much sought after motivational speaker. Describing her background in the USA about building the chain of beauty salons, she attributed her successes to the relationships she developed with her customers and employees. After being a motivational speaker for a number of years, she was elected as the first female president of the motivational speakers association. Describing the Trusted Advisor’s role she said: “your best customer is your competitor’s hottest prospect.”

Having lunch recently with a close friend, he told me the following story: “a World Wide Carrier faced a serious dilemma when they realized that their major competitor was trying to acquire their client who was an International Software Company. Before having the decisive meeting with their client, the Carrier’s Management decided to show the cost justification presentation to a consultant they had hired, feeling they needed a second opinion in such a critical situation. After viewing the presentation the consultant said: “You created a beautiful presentation describing your offerings and services, but I don’t see you addressing your client’s needs. By not addressing your client’s needs as the core of the presentation, you become a commodity that will result in your client going with the lowest offering.” Hearing the consultant’s feedback, the presentation was changed whereby 90% of it addressed their client’s needs and 10% addressed the Carrier’s offering. This resulted in the Carrier retaining their client and keeping out the competition.

Building the Trusted Advisor relationship with your prospect:

Speaking with my prospects for the first time, I always ask them to describe their business requirements to me despite the fact that often I already have this information from the IBM rep that referred them or from the input the prospect provided when visiting my website. When I feel the prospect has unique business requirements that should be addressed prior to the demo, I engage my two counterparts at the software house I exclusively represent and set up a 3 way conference call to evaluate their business needs. This results in the mutual trust being developed and the prospect viewing us as their Trusted Advisor rather than another vendor who just sells software.



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Recently, we were referred to a 30 million dollar Manufacturing Company in the south that was bought by a Venture Capital Company in New York City. After speaking with the Venture Capital's COO my counterpart, who is based in the south, called me and said: "I spoke with the Venture Capital COO. He is a sharp guy but he will give us a hard time. Since he is based in New York City I think you should meet him." When talking with the COO on the phone he told me that he currently favors our competitor's software but would like to see a demo of our's on the upcoming Sunday since he needed to make up his mind within the next 2 weeks. Driving with the COO from New York to Long Island where the company headquarters I represent is located, the COO reminded me again that he favors our competitor's software over our's, expecting me to convince him to buy our solution while disparaging the competition. Instead, I told him that our competitor has excellent software but requires a high learning curve, a fact that is well known in the industry. Next I assured him that our software has the same features and functions our competitor has without its high learning curve.

At the demo, the COO kept telling the VP who was giving the presentation that our competitor's software had more features and functions than ours did and at a lower price. At a certain point I was wondering why my counterpart didn't "cut his losses" and terminate the demo early. Driving back to New York City for the next hour, the COO told me that he might consider buying our software despite the fact it has fewer features and functions than our competitor. Next, he proceeded to say that if he decided to buy our software, he would require a substantial discount. Instead of discussing the price issue, I told the COO that in my "other life" I was instrumental in helping a company grow from 6 to 45 million dollars in 7 years through acquisitions and a description of my computer integration was written up as a [case study in "3X400 Computer Magazine"](#). Based on my experience in the acquisitions world, I recommended to the COO that he buy an unlimited number of user licenses up front either from us or our competitor since his users will drastically increase when his warehouse and remote sales' locations get automated. Seeing his puzzled look, I explained to him that rather than buying the user licenses as they increased and paying for it 'a la carte,' he should buy the unlimited users licenses up front which would save him a substantial amount of money "down the road." This was a turning point in our relationship resulting in the COO viewing me as his Trusted Advisor.

Realizing that our competitor's software had a high learning curve so that his personnel might have a problem dealing with it, the COO tried to negotiate with us asking for unreasonable concessions. For the next 3 weeks the COO called me at odd hours of the morning and night with his unreasonable demands. At a certain point I told him that since we cannot meet his requests, we should part as friends, and he should buy our competitor's software. Realizing that he had gone too far, the COO dropped his unreasonable demands and bought our software, surprising everybody at the company I represent, all of whom had given up on him.



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Conclusion:

Being in the software industry for many years, I often see sales people focusing on presenting “features and functions” at the demo they give rather than addressing the prospect’s business requirements. This can result in the prospect feeling that the software does not meet their needs or is too complicated and would have too high a learning curve. At a high end networking meeting I belong to, the coordinator’s opening statement always is: “people are making the decisions to buy in the first 30 seconds of the meeting. Often they get turned off as the conversion continues and change their mind about buying. Many deals are lost at the last minute when the sales rep doesn’t respond to the prospects promptly. This results in the prospect feeling that if the service is poor during the sale’s cycle, what kind of support will they get after they buy the software.”

About the author:

Since 1980, Dan Kaplan has worked with corporate executives to improve purchasing, increase warehouse and distribution efficiencies, and implement [software solutions](#) that result in substantial savings and productivity improvements. His previous articles can be found on his website <http://www.smcdata.com/articles.html>