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# WHEN TARGETING LARGE ENTERPRISE ACCOUNTS

## TOP 5 BLIND SPOTS

WHITE PAPER – SEPTEMBER 2014





## A. OBJECTIVES OF THIS STUDY

Our objective for this report was to find out what is the intelligence that VPs of sales in technology companies really needed to better support sales teams grow revenues in large Enterprise accounts when either:

1. Up selling/cross-selling into existing customers to take more of the addressable spend
2. Looking to build new business in virgin territory accounts (e.g. new logos or acquisition accounts)

For this study, we carried out 50 x interviews with Heads of Sales across EMEA, and asked them a series of questions to find out what are the key issues and challenges their sales teams are facing and what is it they really need to know to plug information gaps to help shorten sales cycles and reduce time to revenue.

It is not always the case, but it is common knowledge that many technology vendors get 80% of revenues from around 20% of customers.

Many a strategy is based on prioritizing resources into not only protecting that revenue but also increasing “share of wallet” through up-selling and cross-selling new products and services into the existing customer base to grow overall revenues.

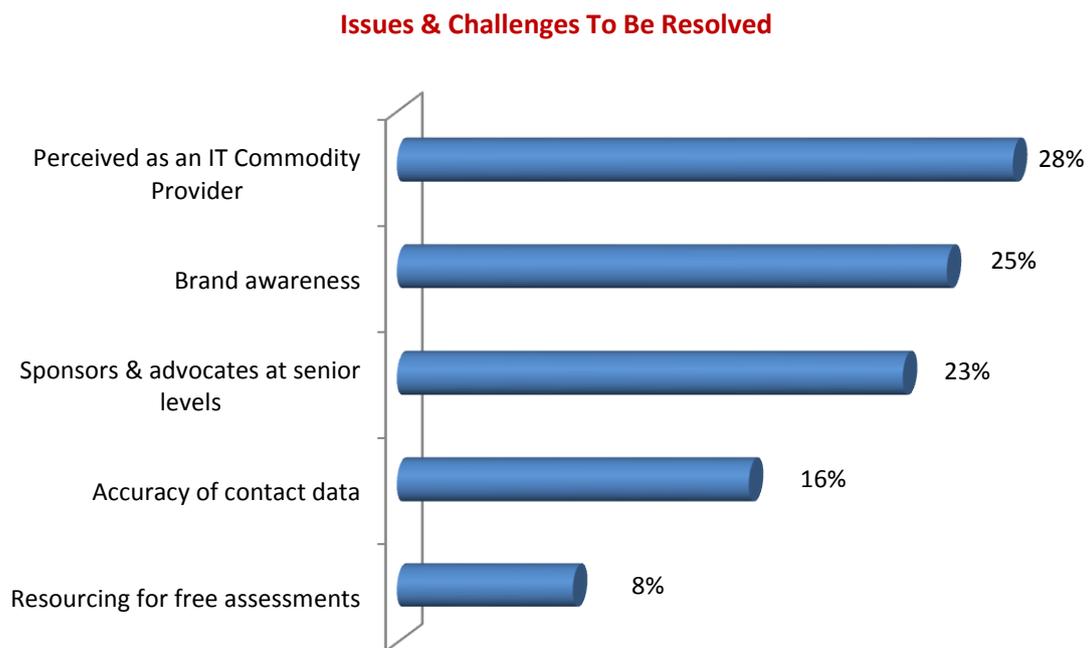
The sales and marketing costs, however, of acquiring new customers can often be up to 5 times more than the cost to service and grow revenues with existing customers, and the time and effort it takes to firstly identify the business



opportunity, and then commit to RFPs and RFTs, before getting that first deal is often a very difficult, costly, and resource intensive thing to do, so good quality intelligence and insight is usually all the more important in the initial stages of developing these acquisition accounts.

Acquiring new customers we all know is of paramount importance to building the business and growing market share, as there is only so much of the addressable spend of existing customers you will be able to win.

## B. TOP ISSUES & CHALLENGES





## **1. Commodity Provider Perception**

One of the main challenges appears to be the IT commodity perception many customers have of technology providers.

You may argue your organisation is not perceived as a commodity provider of technology solutions – that might be the case, but the fact is your customer probably has a limited perception of your capabilities, and wants to “put you in a certain box”.

The fact remains that many technology providers are facing the same issue, which is how to change the perception of offering “me-too” solutions, and differentiate when engaging against competitors.

Either way, one of the overriding challenges is to constantly look to change customer perceptions to be able to fully exploit all relevant business opportunities and not be excluded from projects the customer believes you are not capable of delivering on.

## **2. Brand Awareness**

Limited brand awareness together with misplaced customer perceptions can really limit what the customer believes you are capable of providing.

Again this is obviously even more of an issue when targeting acquisition accounts but unless you can drive the right messages to the right people, the chances are you will be missing out on business opportunities to either cross-sell/up-



sell inside existing customers, or attract the attention of relevant contacts inside acquisition targets.

### **3. Sponsors & Advocates At Senior Levels**

The third most important issue appears to be the limited number of sponsors and advocates you have within your customer base.

This is going to obviously be more of an issue when targeting acquisition accounts, but even within existing Enterprise customers there is often a need to build the number of sponsors and advocates so that you can better leverage into other areas of the organization.

Many of your existing customers will be highly complex organisations and there are going to be areas of the business that you do not know intimately, so building relationship maps and growing brand awareness is all the more important in preventing competitors from sneaking in behind your back.

### **4. Accuracy of contact data**

A key issue and frustration is keeping track of who is joining or leaving the company, who has moved roles etc..

The problem is that large Enterprise customer contact data needs to be updated on a regular basis.

It is a fact that a customer database after 12 months will be 60% + inaccurate because of churn.



It is a collective responsibility however – so often we hear that sales execs do not consistently update company records when customer contacts change or that marketing departments do not have proper processes in place to monitor and track changes

## **5. Free Assessment Workshops**

Sales teams are typically monthly or quarterly driven which means they often do not have the time to spend building knowledge of their accounts.

Many executives mentioned that being able to offer free assessments through workshops with customers can help uncover new opportunities and insights.

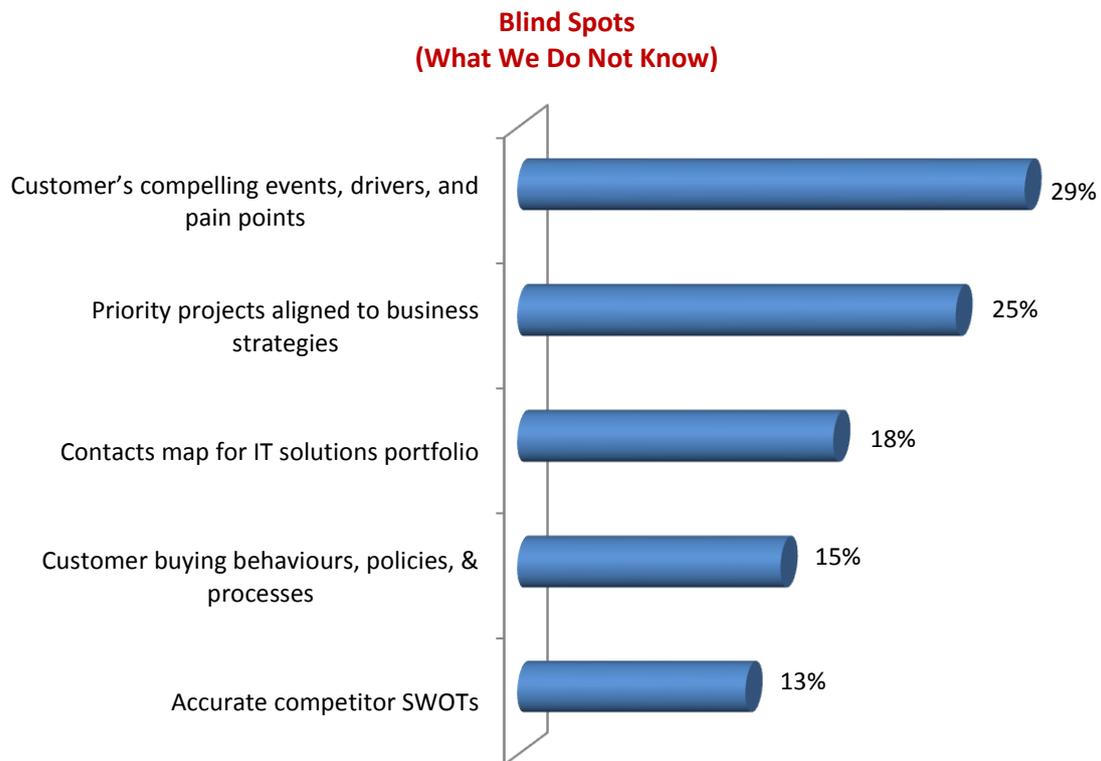
Assessments not only assist sales teams to propose the right solution for the problem at hand, but are great as working sessions to better understand the political landscape, key business issues, drivers, pain points and compelling events as well as finding out what the priority projects are aligned to key business objectives.

Having the opportunity to build a bigger picture of the account helps with relationship mapping, account planning and identifying future sales leads and pipeline, but the challenge is that whilst this can be seen as an opportunity cost, it can tie up resources.



## C. TOP 5 BLIND SPOTS

Having better understood the issues and challenges faced, we then asked executives what they considered to be the main blind spots - i.e. the key intelligence they needed to have that would make the biggest difference in helping to shorten sales cycles and reduce time to revenue.



### 1. Compelling Events, Business Issues, Drivers & Pain Points,

The primary blind spot is not knowing key business drivers and pain points of some customers.

These typically give rise to compelling events that will drive change or disruption which provides business opportunities for technology vendors to support new business outcomes.



Knowing what keeps senior management awake at night can really help to get a better understanding of the real business issues, and what strategies are being considered to resolve the issues moving forward.

Having this insight can help you predict compelling events and position the sales team at the start of future change projects which will put you in a better position to influence and shape future technology requirements.

## **2. Priority Projects Aligned To Business Strategies**

Another blind spot is around not knowing the main business projects at the corporate senior management level or at the BU levels inside large Enterprise accounts.

Understanding real business issues should naturally lead to knowing what the priority projects will be that are aligned to resolving business issues.

As already mentioned, understanding senior management business issues and priority projects will help you get involved in the early stages with project sponsors, and you will have a better chance of influencing any relevant IT investments needed to underpin or drive the success of that project.

All too often we are told by sales teams they were late arrivals to the party and found themselves invited to tender late in the day when there was usually less chance to influence the outcome and instead they found themselves pitching against incumbent competitors which often became a battle based on price.



### **3. Contact Maps For Solutions**

This can be a time consuming thing to do, especially in large complex organisations.

Making sure the right solutions and conversations are being had with the right people is key for up-selling and cross-selling into existing customers or finding the way into new business opportunities with prospective new customers.

Keeping this contact data up to date is also cited as a key challenge, and many executives want to see a more effective contact monitoring and update process set up in-house.

### **4. Customer Buying Behaviours, Policies & Processes**

Executives are telling us they need to understand more about the barriers to entry – for instance what is the customers preferred supplier policy and criteria, the process undertaken to review and assess new suppliers, and what the compelling drivers and events are that would have the customer make a decision to go with a new supplier.

Understanding how this works can help to shape propositions and differentiators when pitching for new business.

### **5. Accurate Competitor SWOT**

Probably the most challenging data to gather as customers are often reluctant to give you a lot of detail on their true perception of your competitors, and competitors are hardly going to admit to any weaknesses and challenges they have!



Having an in-depth understanding of your competitor's shortcomings, their growth strategies, and how they perceive you and where they believe they differentiate against you, can go a long way to assisting with developing your differentiators when presenting to customers, or when communicating your value proposition to the wider market.

Also, having a more detailed understanding of the contracts that competitors have within your target accounts, and when those contracts are up for renewal was also cited as a key piece of intelligence that is often needed.

#### **D. CONCLUSIONS**

The common theme running through this report is that there is a significant need for up to date and on-going quality intelligence and insight.

The issue at hand however is that the most business critical intelligence cannot be gathered from the internet – the only way to get it is by talking to people in the know.

You could argue it is the sales executive's job to do this, and to a certain degree that is true, but it takes an awful lot of time, effort and energy to build new relation maps, understand the real business issues, and build the organization charts and structures, before you can even start engaging with the right contacts, especially in accounts where you have no history.

Sales executives are under pressure to achieve revenue targets, and many will look for "low hanging fruit" – i.e. cultivate and nurture existing relationships for deals to achieve OTE.



Cross-selling, up-selling, and going after new business takes time and is often therefore perceived as a secondary priority and results in “feast or famine” because it takes a lot of time and will not always be the easiest thing to do.

There is however an opportunity cost associated with outsourcing the intelligence gathering to a credible and professional third party like TREND who has considerable experience of using tried, tested, and robust methodologies to gain the intelligence required by Heads of Sales as outlined in this report.

Firstly, the cost of gathering the intelligence is usually a fraction of what it would cost using expensive direct sales executives to do it, especially in large accounts where little is known of the organisation.

Secondly, from the feedback we get from sales executives, we know our field activity saves them typically 3-6 months if they had to do it themselves (considering all the other activities they are involved with).

Thirdly, if you use a professional agency like TREND, you not only get the intelligence you need, but also the insights and assistance on how best to use the information to differentiate, build a more compelling value proposition, and develop the right engagement strategy

TREND is a market insight agency with a difference – you get the intelligence you need, but you also get great customer insight, access to the people you need to speak to, the doors open to those people, as well as support on how best to



interpret and use that intelligence to your advantage so that you can better differentiate in the eyes of the customer.

If you are looking to develop your business in specific market segments and customers, then please get in touch.

We look forward to exploring some ideas on how we can help you accelerate business development, shorten sales cycles, and reduce time to revenue in large Enterprise accounts.

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