SELLING THE DREAM AND LIVING THE NIGHTMARE – OR HOW NOT TO.

WHITE PAPER

SEPTEMBER 2010

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Selling The Dream and Living The Nightmare - or How Not To.

This is a phrase that was used by one of my clients and really struck me as a buyer. How often does this phrase become a reality? Well, probably more often than either a buyer or a seller would professionally like to admit. So why does this happen? Some of the reasons are discussed here.

1) **Resources** – More often than not there will be questions pertaining to the ability to resource the contract both during implementation and for the duration of the contract. Implementation teams are often made out to be larger than they actually are and the ability to cope with the new client's requirements, in addition to other commitments, in reality involves a good degree of finger crossing behind the scenes. Dedicated resources during the contract will not genuinely be "dedicated" to a particular client as they will be used on other contracts as well – this will obviously depend on the size of the contract, the turnover generated from it and therefore how strategic the contract is, but in the main the delivery team will not be 'dedicated'.

2) **Contract Value / Volume of Business** – Where the contract value is low or the volume of business is small, variable or not guaranteed at all (in the case of framework agreements) then the commitment to delivering against that contract can be lacking because the contract is considered not to be 'high profile' enough. When you are considering tendering or bidding for these contracts always be prepared to put in as much effort as you would for higher value contracts should you be awarded the contract. If you can demonstrate that you can consistently deliver a high quality service on time every time on the business that does come your way then potentially the opportunities can increase, the volume of business can grow and turnover can increase. It sounds obvious doesn't it, but so often the types of contracts mentioned at the top of this point are seen as nuisance factors and the opportunity to turn these tactical supply opportunities into strategic / long term opportunities are missed.

3) **"Buying" The Contract** – Price is something that needs to be very carefully considered when bidding and tendering. Yes, it may secure you the contract and help you to achieve your targets, earn your bonus etc. as a sales person, but it has to be something that you are able to live with during the contract. If you believe that the price is in the long run going to be unsustainable then don't put it forward. Price as far as a buyer is concerned is **ONE** element of the total package and even in these economically challenging days the buyer will be looking for the best value solution, which does not always equate to the cheapest! Even if the potential client has been on the top of your 'most wanted' list and by having them as one of your clients may indicate that your company must be good, never lose sight of what you will be expected to do for that client in terms of delivering against the contract. Always be aware, as well, that if you do go in at a low price – and word leaks out to the outside world – what that may do to the perception of your products, services and where you have positioned yourselves within the market. To underline this point, a multi-national company were expected by many in their industry to be the favourites to win a number of packages,

each worth millions of pounds, being tendered by one of the key players within their operating markets. Once the prospective client had established that all other requirements had been met, only a small number of companies were left in the tender process and price was the only element left to finalise. One of the competitors was a relatively new entrant into the market and the way that they were funded enabled them to put forward an attractive price and continually lower it throughout the tendering process. The prospective client tried to use these moves as leverage on the remaining competitors. After a few rounds, the company who had started out as favourites to win the packages decided to walk away from the opportunity. They decided that it had got to the point that it would have damaged the market's perception of their organisation had they continued to reduce their price. At the same time given the fact that there may have been a large rollout programme it would not have been economically viable. Sanity won over vanity, and that should be your objective as a seller when considering the contract in its entirety.

4) **Strengths and Weaknesses of your offering** – It is only natural when you are in a bid or tender to promote the strengths of your offering and not discuss the weaknesses. Maybe the questions in the tender don't ask what the weaknesses or disadvantages are, but by presenting only the strengths or advantages within your company you are providing the buyer with half the story. From the buyer's perspective, the weaknesses are where the nightmares begin and therefore **more** important to find out and address than the strengths. Be honest, and state what the weaknesses are, explain how you would overcome them or at least show that you have thought about how you will minimise their impact. By doing so both you and the buyer can have sweeter dreams.

By selling the dream and not looking at what the nightmare could be, your company and also that of the buyer could end up living the nightmare that may ensue. The above are only some of the ways to avoid giving yourself and the buyer nightmares.