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Technology Sales and Sales Management

Introduction
“Divers Delight”

Lou Shipley
Dennis Hoffman
Kirk Arnold
About Lou

- Senior Lecturer at MIT
- CEO, Black Duck Software
  - Open Source Logistics Software
- CEO, VMTurbo.com
  - Intelligent Workload Management for Cloud and Virtualized Environments
- Experienced Operating Executive
  - Citrix
  - Reflectent (acquired by Citrix)
  - WebLine Communications
  - Avid Technology
- B.A. from Trinity College and M.B.A. from HBS
About Dennis

- SVP, Strategic Planning, EMC Corporation
  - Diversified Information Technology
- CEO, Storigen Systems (acquired by EMC)
  - Distributed Storage Networking
- Previous Roles
  - Entrepreneur in Residence, Bessemer Ventures
  - Product Management and Marketing, Avid Technology
  - Strategy Consultant, Marakon Associates
  - Engineer, Polaroid Corporation
- BSEE from Union College and MBA from Harvard
- Married, four children, two dogs
- [http://www.linkedin.com/in/dennishoffman/](http://www.linkedin.com/in/dennishoffman/)
About Kirk

- Lecturer at MIT
- CEO, Data Intensity
  - Cloud based services provider of Oracle application and data management
- Experienced General Manager
  - COO, Avid (Audio/Video tech; public, global)
  - CEO, Keane (Systems Integrator and Outsourcer, public)
  - CEO and Founder, NerveWire (Consulting and SI; venture)
  - Sales and sales management, IBM
- B.A. Dartmouth; Chair, Mass Tech Leadership Council; Board member, Cramer Digital Marketing
Meet Jake Q. Snow

- How old is he?
- What is his background?
- What’s on his desk?
- What conferences/Industry associations?
- What’s his motivation?
What’s his motivation?

- Head
- Heart
- Wallet
HEAD
(What are the technical qualities?)

• Technical features
  • Zipper
  • Cuffs
  • Seams
• Comfort
• Alternative approaches
  • Wearing a hood
• Warranty
• Funding levels

Image is in the public domain.
Source: Double-M on Flickr.
Heart
(How do I feel about my supplier?)

Characteristics of “heart”:
• Trust
• Relationship
• Partnership
• Support
• Working together
• Building a business
• Brand
Examples of “wallet” items:
• Cost
• Margin
• Volume
• Other?
Assume Head, Heart, Wallet Are Equally Important...

Then....
Introduction to Sales and Sales Force Management

What Will You Learn?

- Product Knowledge
- Forecasting
- Ethics
- Tactics vs. Strategy
- Automation
- Time & Territory Management
- Budgets
- 7 Step Sales Process
- Hiring & Firing
- Handling Objections
Selling is NOT ...

- An art, it is a **Process**.
- A "**Low-Life**" profession.
- Done solely on relationships.
- Throwing out the latest features.
- A price game.
What is Selling!

Definition:

“Selling is the transfer of products or services from one person to another through an exchange mechanism called money.”
Fears All Buyers Have!

- **Fear** of losing self-esteem.
- **Fear** of the unknown.
- **Fear** of losing control.
- **Fear** that a wrong decision could mean disaster for the company.
- **Fear** that a wrong decision could ruin their career.
- **Fear** of buyer’s remorse.
- **Fear** of a wrong choice could diminish respect & esteem of others.

*Source: David Sandler*
Selling Facts

- “PEOPLE BUY NEEDS SATISFACTION”
- Selling is the fastest way to wealth outside of an inheritance.
- “Sales success is a continuous journey towards the achievement of predetermined goals” (by: Tom Hopkins).
- 20% of your customers will generate 80% of your sales.
- Sales is a “Numbers Game.”
- Sales is a “Planned Process.”
Maslow’s Model

- **Physiological**
  (Water, food, shelter, sleep, sex)

- **Safety**
  (Order, need for security, no risk, stability)

- **Affiliation**
  (Love, affection, belongingness, acceptance)

- **Achievement and Esteem**
  (Self respect, esteem of others, need for achievement, prestige & status)

- **Self-Actualization**
  (Fulfillment of Individual Potentialities)
What People Buy...

"People buy for their reasons – Not yours"

Source: Selling & Sales Management
# Influence Types of a Sale

<table>
<thead>
<tr>
<th>Type</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>User</td>
<td>The person using the product.</td>
</tr>
<tr>
<td>Influencer</td>
<td>The person who helps influence the sale, such as a consultant.</td>
</tr>
<tr>
<td>Technical Decision Maker</td>
<td>The person who qualifies, technically, the product or service.</td>
</tr>
<tr>
<td>Economic Decision Maker</td>
<td>The person who has the authority to approve the purchase.</td>
</tr>
<tr>
<td>Buyer</td>
<td>The actual purchaser, usually a purchasing agent.</td>
</tr>
<tr>
<td>Enemy</td>
<td>The person who does not want your product sold to the company.</td>
</tr>
</tbody>
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## Psychological “needs” of Selling

<table>
<thead>
<tr>
<th>Psychological Needs</th>
<th>Decision Making Process</th>
<th>Sales Cycle Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power</td>
<td>Bold decisive decisions; Influences control of the sales process on others.</td>
<td>Fast</td>
</tr>
<tr>
<td>Achievement</td>
<td>Bold decisive decisions; The need to accomplish or see change; Results driven.</td>
<td>Fast</td>
</tr>
<tr>
<td>Recognition</td>
<td>Moderate decisions; Influences the sales process on others and must be recognized.</td>
<td>Moderate</td>
</tr>
<tr>
<td>Affiliation</td>
<td>Moderate decisions; Team or group driven; Influences the sales process with others.</td>
<td>Moderate</td>
</tr>
<tr>
<td>Control</td>
<td>Cautious decisions; Must have order, process or rules; Influences others sometimes.</td>
<td>Slow</td>
</tr>
<tr>
<td>Security</td>
<td>No real decisions; Avoids risk or change; No real influence on others in the sales process.</td>
<td>Slow</td>
</tr>
</tbody>
</table>

Source: Tom Hopkins & Tim Kraskey
Multi-Level Selling

When selling in large organizations, you will have different “Needs” satisfaction by various departments and individuals.
The Sales Effect to the Process

Corporate Input
- Marketing Strategy
- Marketing Mix
  - Product
  - Price
  - Promotion
  - Place

Sales Manager Controllables
- No. of Salespeople
- Staffing
- Training
- Procedures
- Tools
- Information
- Motivation
- Compensation
- Monitoring
- Feedback

Salesperson Input Variables
- No. of Calls
- Quality of Calls
  - Content
  - Communications
  - Service
- Allocation of Effort

Salesperson Output Variables
- Sales Volume
- Sales Mix
- Sales Costs

Salesperson Performance
- Contribution to Profits
- Return on Assets Managed
- Sales Cost Ratio

Corporate Performance
- ROI
- Growth
- Net Profit
- Market Share

Source: Henry Porter
Why Sales People Fail?

- Lack of planning.
- Lack of product knowledge.
- Poor work habits and time management.
- Lack of desire, ambition or drive.
- Lack of vision for opportunity.
- Inability to handle objections.
- No self-confidence and easily discouraged.
- Can’t close effectively.
- Poor presentation skills.
- Poor listener or communications skills.
What is Selling!

Definition:

“Selling is the transfer of products or services from one person to another through an exchange mechanism called money.”
What Are They?
The Selling Triangle

Product Knowledge

Selling Tactics & Strategies

Attitude, Enthusiasm & Goals

Source: Tom Hopkins
The 7 Step Sales Process

1) Plan
2) Meet
3) Qualify
4) Propose
5) Confirm
6) Close
7) Assure

Target Market Segments or Specific Prospects

Initial Contact
Get Needs
Presentation
Propose Solution
Confirm the Order

New Satisfied Client
Get Referral

Source: Be Your Own Sales Manager
Types of Selling

- Chip Maker (Industrial)
- System Maker (Manufacturing)
- Wholesaler (Distribution)
- Local Store (Retail)
what we will cover

- How to make a sales call
- Basic sales management
- Advanced sales management
- Startup sales toolkit
Readings

- Sales learning curve