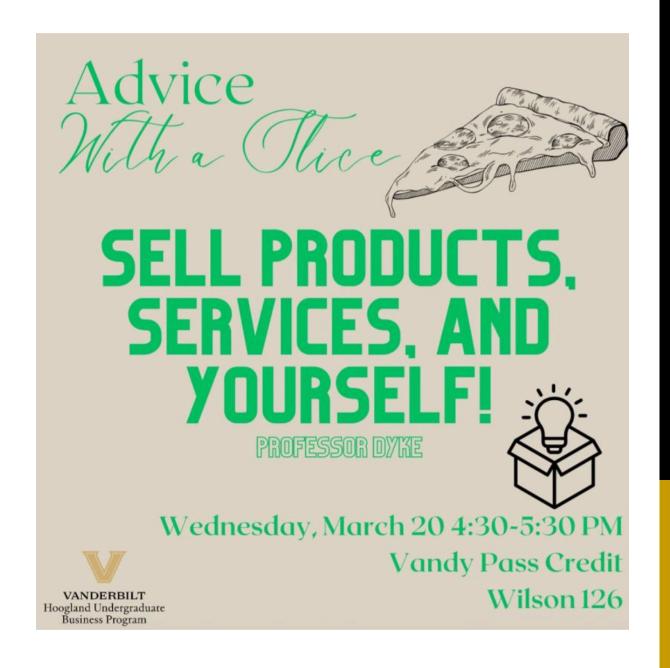
Introduction to Business Development (Sales)

March 20, 2024



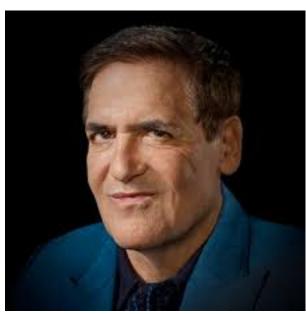
A Game to Begin

Who are these people and what do these people have in common?











A Game to Begin - Answers

Who are these people and what do these people have in common?



Howard Schultz
Former CEO of Starbucks
Sold: Xerox products

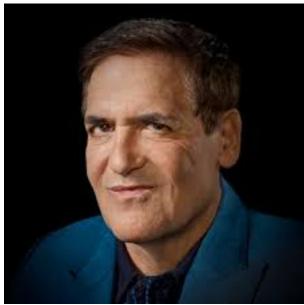




Daymond John
CEO, SharkGroup
Sold: personalized pencils in 5th grade,
then clothing



Sara Blakely
Founder of Spanx
Sold: door to door fax machines



Mark Cuban Owner of the Dallas Mavericks, Investor Sold: software

Plan for our Session

4:30 - 4:45: Introduction: What is sales anyway?

4:45 - 5:00: The Basics: Is sales really marketing?

5:00 - 5:15: Applications: When will I need to sell?

5:15 - 6:30: Open Discussion // Questions



Introduction

- 1. Why do I need to worry about sales? I'm going to be a _____
 - Engineer
 - Consultant
 - Lawyer
 - Banker
 - Teacher
 - Professional Athlete
 - Professor?



Group Exercise

Task: Pitch yourself to your neighbor - 3 minutes or less

- what you are strengths?
- what do you want to do after college?
- what do you need to improve and how will you improve?
- what do you do for fun?
- are you a good listener?
- You are interested in sales because _____



What is "sales" anyway?

A transaction that includes an exchange of services or goods for a certain amount of money is known as a sale. In other words, any activity that involves transferring the ownership of a good or commodity to the buyer in exchange for a monetary price is known as a sale.

"Business Development" and "Sales" can be interchangeable

depending on the industry.





History of Sales

- 1. EK Strong Stanford Professor; started in our neighborhood
- 2. Developed the "Strong Interest Inventory" Career Assessment
- 3. Book on Selling, 1925: "The Psychology of Selling and Advertising"
- 4. Frustrated with sales outcomes "80/20 rule"
- 5. Focus on process and simplification

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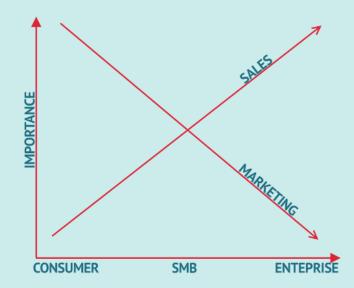
Marketing vs. Sales

Marketing vs. Sales

The more you move from consumers to enterprise clients, the more you'll need a sales force able to manage complex sales. As a rule of thumb, a more expensive product, in B2B or Enterprise, will require an organizational structure around sales. An inexpensive product to be offered to consumers will leverage on marketing.

When it comes to marketing vs. sales, it is critical to start the assessment from your target customer. In general, there are three kinds of customers:

- Consumer
- Small and medium business
- Enterprise



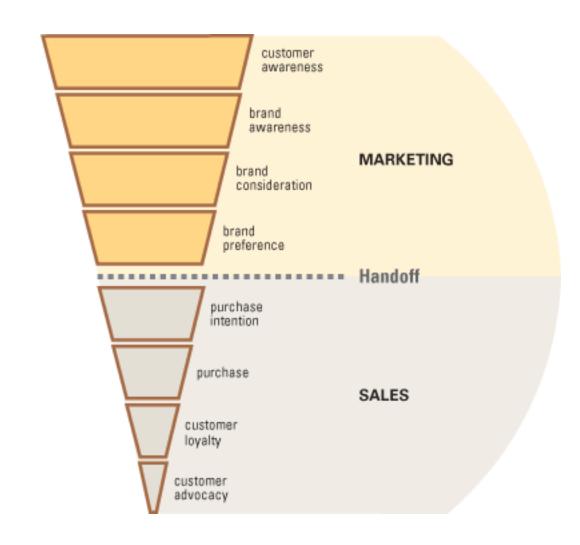
With a less expensive product that is targeting consumers, marketing will be a critical aspect.

With a more expensive and complex product, which targets small and medium businesses and enterprise clients, sales will become the most relevant aspect of your business.



Marketing and Sales: Working Together

- 1. Aligned communication
- 2. Aligned incentives/ rewards
- 3. Aligned leadership chief commercial officer





Sales Methodologies - SPIN and MEDDIC



Situation

Situation questions help you understand the buyer's current situation. The goal is to gather information, such as:

- What do the client's current processes look like?
- · What tools are they already using?
- · How often do they use them?



Problem

Problem questions help illustrate the different problems your product solves for your client. Some examples are:

- · Do you feel that inter-team communication is as good as it can
- How does this impact stakeholder buv-in?



Implication

Implication questions hone in on the problems you've discovered, showing the client why they need to be solved.

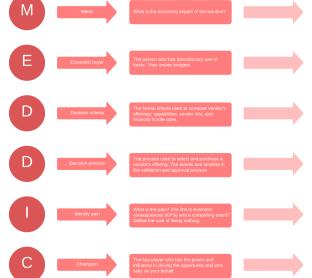
- How much time is wasted on inefficient communication each week?
- How much more could your teams achieve each week without those time sinks?
- Have communication problems ever delayed product rollout?



Need-payoff

Rather than just telling your client how your product or service can address their pain points, need-payoff questions lead your customer to those conclusions on their

- Would a comprehensive product management tool increase stakeholder buy-in?
- · Would that be valuable for your team?



Find out what the customer hopes to gain from your solution. These gains should Find our what are customer hopes or gent horizontal solution. These gents should be quantifiable. For example, the company may want to increase their output factor by four, they might want to get products to market in half the time, or they may want to save at least 20% on production costs.

Once you know what metric the customer cares about, you can prove how your

solution provides a good return on investment (ROI).

You need to know who functions as the company's economic buyer, or who is the person who actually has the power to make decisions and authorize spending. If possible, talk directly to the economic buyer or learn from your contact about their expectations, personal metrics, and decision-making process.

You need to understand what criteria the company use in making decisions. Companies are often presented with multiple solutions from different sources, forcing them to compare and make a choice. If you understand how they make this choice, you can better tailor your messaging. Criteria vary, but often companies use factors like simplicity of use, integration, budget constraints, and potential ROI to make their decisions.

While the decision criteria tell you what goes into a company's decision, the decision process tells you how that decision is actually made and followed through on. A decision process will include the person who makes a decision, the timeline they operate on, and any formal approval processes in place.

For example, if you know that the economic buyer has okayed the decision but has not completed the follow-up process paperwork, you can specifically push to get that paperwork taken care of.

A customer must have a need before they pursue a solution, and it's vital to know what that need is or what is causing them pain.

Get as specific as possible about the customer's pain. For example, knowing the customer loses money because of slow production is important, but it's too vague

or abstract to be useful. On the other hand, if you know they lose \$300,000 each month because their production process is only half as fast as it needs to be, you can pitch your solution in a specific and compelling way.

Find a champion—someone on the inside who is invested in your success and

Your champion does not necessarily have to be in a managerial or other supervisory position, but they do need to be well-respected.

Inspired by https://www.salesmeddic.com/blog

"The best selling isn't at all about your products and what you can offer. It's very much about the customers and their need." -Neil Rackham



Sales Methodologies - Challenger

Top salespeople don't focus on building relationships (pleasing clients and being likeable).

They challenge clients using 3 main skills to create constructive tension.

WHY THE CHALLENGER APPROACH WORKS



Leveraging Constructive Tension with 3 Key Skills

Complex solutions usually require a **change** in client behavior.



Challengers give insights to reframe how clients think about their business.

C-level execs are no longer the sole decision-makers for big purchases; they go for consensus-buying.



Challengers tailor their pitch to specific stakeholders, allowing them to win over multiple stakeholders.

Clients **demand** customized solutions for the same (or lower) price.



Challengers stand firm and push back on client requests in a non-aggressive way.

Clients prefer a simple buying process to a complex diagnosis.



Challengers offer insights & hypotheses to address client risk-aversion and move them forward.



Sales Methodologies - JOLT

The JOLT method:

- (J)udging the indecision: While it's long been known that high performers qualify opportunities based on externally observable criteria (e.g., use case fit, industry attractiveness, company dynamics), our research reveals that they also qualify opportunities based on less observable but nonetheless critical criteria based on the customer's own ability to make decisions. Put another way, they qualify not just on ability to buy but also on ability to decide.
- (O)ffer your recommendation: The approach most salespeople take is to rely on needs diagnosis. High
 performers know that customers who are indecisive are looking for guidance, not more choice. Rather than
 asking confused customers what they want, they instead tell them what they should buy.
- (L)imiting the exploration: Where average performers see themselves as purveyors of information for customers indulging every request they have for more information, be that an additional white paper, another demo, or one more reference call high performers seem to know that no amount of additional information will ever satisfy the customer's desire for more and that it is ultimately impossible for customers to consume all of the information out there to inform a purchase decision. High performers limit the exploration by controlling the flow of information, anticipating needs and addressing unstated objections, and practicing radical candor when customers dig in and insist on superfluous amounts of information.
- (T)ake risk off the table: When faced with customers who start to fret about outcome uncertainty whether they will get the benefits they hope for our data shows that average performers tend to counter this concern by directing the customers' attention away from what they might lose by making the purchase and back toward what they stand to lose by not making the purchase. To overcome the customer's outcome uncertainty, high performers focus not on scaring the customer into buying but on coming up with creative solutions that limit downside risk (e.g., opt-outs, refund and change clauses, additional professional services support, contract carve-outs).



Technology Inside Companies - CRM

Figure 1. Magic Quadrant for Sales Force Automation





When will I need to sell?

- Consulting new and existing business
- Investment Banking buy/sell side
- Law Firms
- Technology SaaS Product management
- Early Stage Companies
- Non-profit Organizations

Where else are you selling?



Selling Yourself

- Build and manage your linkedIn profile everyday
- Manage your social media diligently
- Develop an "about you" pitch for networking; practice, practice, practice
- Create a plan for networking target Vandy alums in /geographies/ industries/companies of interest

What else can you do...?



Free Advice: What to do at your first job?

- Learn about sales in your organization who they are, their priorities, etc
- Make friends with sales people
- Talk to your manager about how you can support sales
- Explore job rotations through the sales organization



Questions

8

Thank You



Resources

https://blog.hubspot.com/sales/challenger-sale-summary

https://www.jolteffect.com/

https://hbr.org/2016/05/learn-to-love-networking

