



Enterprise Selling in the 21st Century



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Art Waskey is a speaker who truly delivers. In addition to a 45 year career in sales and marketing, Art is the author of multiple books on selling and a monthly column *The Art of Sales*. He shares these insights as an in demand event and conference speaker as well as leadership coach.

Adjusting to change

Information technology is at the root of why so much has changed in the way we do business, both internally and externally.

I was reminded of the importance of staying current on software trends during a workshop I recently attended. The software developer hosting the event specializes in providing independent gas distributors with customized, integrated ERP software solutions. Their products help streamline the many internal processes essential to running a gas distribution business. Attendees represented the owners of progressive companies and IT personnel charged with implementing software systems.

I was impressed with the care taken by the developers to study this

distribution group in order to create software applications that met their specific needs. The workshop brought to light the importance of being able to adjust to change. The internal innovations provided by the software developers are indicative of how distributors must also be ready to make changes to their outside sales process.

A brief history of sales

Sales techniques have always adjusted to economic and business trends. The industrial revolution made products available in large volumes for the first time and a network of distributors was developed to stock inventory locally. This represented a big change in distribution and a company's approach to sales.

Corporate sales cycles were introduced



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in the '60s and '70s by companies like IBM, General Electric, and General Motors. These commercial giants wanted goods sold on their timeline. Purchasing agents found this type of selling formulaically abusive and started resisting in the '90s. This ushered in the advent of relationship selling, working deals based on promoting higher levels of trust between sales and purchasing. In the 21st century, solution and consult-based selling techniques were introduced. Most significantly, digitization allowed online selling to become widespread.

Sales Channels Shift

The impact of online sales to the distributor channel is being felt. In their February 23, 2021, podcast, the Distribution Strategy Group predicted a 5-year revenue channel shift in commercial sales. The group sees distributor revenues potentially dropping an additional 14%, from 66% to 52% of all commercial sales. Manufacturers direct sales, on the other hand, are expected to rise by 7%, moving from 22% of the total to 29%. Gains in other channel sales are also projected to be up 7%, rising from 12% to 19% of total sales. This analysis serves as a wakeup call for distributors. Like the innovative software solutions necessary to handle internal affairs in the digital age, distributors must realign outside salesforce practices to meet the challenge of shifting sales channels created by digitization.

SWOT Analysis

A simple **SWOT** (Strength, Weakness, Opportunity, Threat) analysis yields insight to

the changes needed in the distributor sales force network. The **Strength** of the distributor is its local connection to the customer, which allows for better communication and options for delivery from nearby warehouses and facilities. The largest **Weakness** for the independent distributor is its relatively small eCommerce presence, which can lead to the loss of market share. The bright spot is the **Opportunity** distributors have to offer significant and unique solutions to their customer's needs as a result of their local relationship. The **Threat** of market share loss can be mitigated with a rapid sales process adjustment.

Enterprise Selling

I call the new sales process needed in the distribution channel **Enterprise Selling**. By definition, *enterprise* is a project or undertaking that is difficult or requires effort. It is also defined as a business or company. Enterprise Selling is the business of capturing sales in today's fast paced digital economy and it requires renewed effort.

Building on progressive insights, such as the writings of Roy Chitwood in *World Class Selling* and Matthew Dixon and Brent Adams in *The Challenger Sales, Taking Control of the Customer Conversation*, the next generation sales process must occur with collaborative partnerships. To recapture revenue lost to alternate channels and retain existing sales, a relationship among key influencers must be developed.



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Enterprise Selling occurs when you demonstrate where customer needs meet your company's innovative capabilities.

According to Mark Dancer, "B2B companies should work more closely with partners *not to specify* how they work, but to *understand* how they work. By comparing methods across multiple partners, new insights may be gained that can lead to unexpected innovation opportunities."

Spend time getting to know your customer's business.

Analyze that business in terms of your capabilities. A salesperson's priority is to understand where each player fits in terms of the customer's and the distributor's business objectives. Build customer relationships with key executives in sales, marketing, operations, and administration. Question each on their specific needs.

Enhance the Value Chain

Enterprise Selling involves the use of new sales tools. Be sure to make your customers aware of their value. Like the need to train staff on updated software programs internally, the customer needs to be led through new external sales processes. For example, once a distributor makes the transition to eCommerce, he must teach the customer how to use it to their benefit.

As new ideas gain traction, intentional mindfulness is needed to stay aware of how value is created for customers. The goal of Enterprise Selling is to implement changes that enhance the traditional role of the distributor's value chain partnership.

5 KEY TAKEAWAYS

1. Distributors must be ready to make changes to their outside sales process.
2. Distributor revenues as a % of all commercial sales may drop by 14% in the next 5 years.
3. Distributors can offer unique customer solutions as a result of their local relationship.
4. Know your customer and analyze his business in terms of your capabilities.
5. The goal of Enterprise Selling is to implement changes that enhance the traditional role of the distributor's value chain partnership and stop market share loss.