

Are You Selling to the *Real* Decision Maker?

By: Michael Wolf, Global Partners Inc. Director

It may be a simple question, but in my more than 20 years of executive level sales management experience I have heard too many times how sales people answer this initially with a “yes”, only to change it to a “I guess not” after they have lost the sale. This especially amazes me in today’s business environment where winning every deal can be critical to the survival of a business.

Several years ago I was VP Sales for a company in the semiconductor equipment business. We had a very large opportunity at a new account in Asia, and the Regional Sales Manager (RSM) had been assuring me for the past several weeks that his Account Manager had things under control, that we were going to win this very competitive order worth well over \$5M, and that the order would be received by the end of the month, just a week from then. Having learned from experience, I never accepted these status updates as fact until the order was approved, signed off, and booked, and I never counted on the revenue until the equipment was delivered, installed, accepted, and paid for. But for some reason, this time I had a “bad feeling” that something was wrong, so I decided to call the Account Manager (AM) in Singapore directly, so I could ask him some questions about this opportunity.

By the time I reached him, his RSM had alerted him that I would be calling regarding this opportunity, so he was prepared for me. I asked him to tell me about the sale’s progress and current status, and to tell me whom he had been dealing with at the account. After listening to him for about 5 minutes, I became extremely concerned for the following reasons:

1. He had been dealing mostly with the Production Manager. Not very high up for a \$5M deal.
2. The Production Manager had introduced him to the Plant Manager who claimed to be the decision maker. When my AM had suggested that the Plant Manager introduce him to the Operations VP, the Plant Manager had said there was no need to meet the Operations VP, because he was “just a rubber stamp” once he, the Plant Manager had made the decision. My Account Manager had accepted that, and moved on.
3. We had already invested a lot into this sale, with a demo system installed and operating there, so I asked my AM what decision process the Plant Manager

would use to make his decision. He didn't know. He had not asked since he didn't want to upset the Plant Manager.

4. When I then asked the AM who had to sign off and approve this order he told me that it was the VP of Finance, the CFO, who reported to the President. None of us had ever met either person!

By this point I realized that we were at serious risk of losing this order because:

- the Account Manager was calling too low in the account;
- he had allowed the Production Manager to block him from going higher;
- he did not understand the decision process that would be used;
- he was assuming that the Plant Manager was the decision maker; and
- he did not know, for sure, who the real decision maker was, and had not even met with either of the two possible decision makers.

And, there was less than one week to correct all of this.

Unfortunately, this true story had a bad ending - we lost the order. It turned out, following our lost order analysis, that the Operations VP was the real Decision Maker; the CFO was a Gate Keeper in that the total purchase allocation was capped at \$5M, and because of the size of the order, the President had to approve it and sign off. We had never met the really important people: the Operations VP, the CFO or the President!

It's understandable but unacceptable

Most technical sales people today were first trained as engineers or scientists and later transitioned into sales. Although they may have received some formal sales training, it is often a combination of internal technical training from Product Marketing or Engineering groups, and external training from a professional sales training company. The professional training companies usually focus on developing the benefits from the features, building relationships and most recently Value Selling. These days the belief is that people buy the Value they perceive your company's products or services will deliver. But the problem is that while most Value Selling courses talk about Value Propositions and how to present them, too few actually cover identifying the **real** decision maker and gaining access to him or her.

In my example, the lost order could have been prevented had the Account Manager used a sales tool called **Organizational Decision Mapping (ODM)**

Organizational Decision Mapping (ODM); Who is the Real Decision Maker?

Every organization has a formal structure, typically depicted on an organization chart. The org chart shows the hierarchy of who reports to whom, who is in which department, etc. Though it may be clearly and neatly printed on paper, companies rarely work according to this formal structure. For example, while formal authority is depicted as flowing down the organization, real authority and influence can sometimes flow up and even across departmental lines.

Think about the people in your organization who may be at a low level according to the formal structure, yet have influence higher up in the organization and even in a different department. This **informal** organization can be considered more like an organizational decision map, with influencers and decision makers placed in various locations on the map. Understanding and navigating the map can be the most important factor in winning a sale.

ODM starts by identifying all of the people involved in a major purchasing decision and categorizing them using the labels described below.

Figure 2 shows the box used to identify individuals in the organization along with their relationships to others and to the sales decision.

Name, Title				
I	P	DR	RT	RE

Note that this is an abbreviated list of the definitions and assessment used in constructing an Organizational Decision Map.

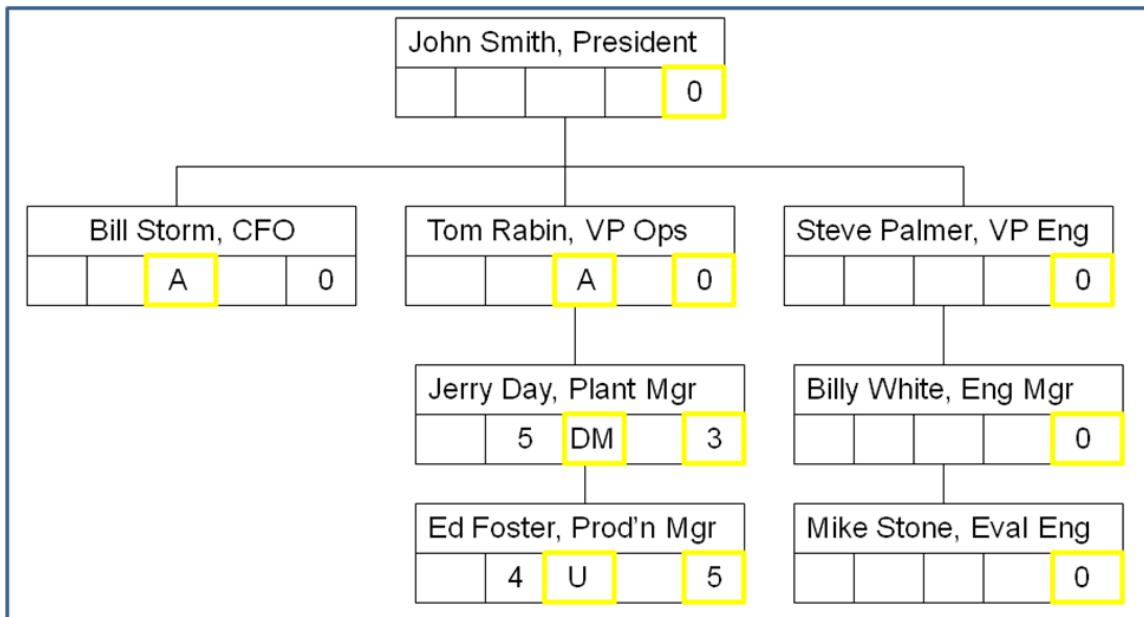
- **I** = Influence: How influential is this person for this decision?
- **P** = Preference: How favorable is this person to our company, product or service?
- **DR** = Decision Making Role: What is this person's role in this decision? Is he/she:
 - **Decision Maker**. The person who ultimately makes the final decision
 - **Gate Keepers**. People who block or limit access of suppliers to the Decision Maker
 - **Approvers**. People from whom the Decision Maker will seek approval of the supplier and/or the proposal

- **Users.** The people and/or function that will be responsible for implementing the decision or at least will have to work with the results.
 - **Coach.** The person who favors an individual supplier and is willing to help that supplier win the business.
- **RT** = Risk Tolerance, the amount of risk that the Decision Maker will accept with the decision
 - **RE** = Relationship. How strong is our relationship with him/her? Assessed on a scale from 0 to 5:
 - 0 = no relationship, i.e. won't take your call
 - 3 = moderate relationship, i.e. recognizes your name and will take your call
 - 5 = strong relationship, i.e. will take your call and see you within a few days

Mapping the Decision Process and Interpreting the Results

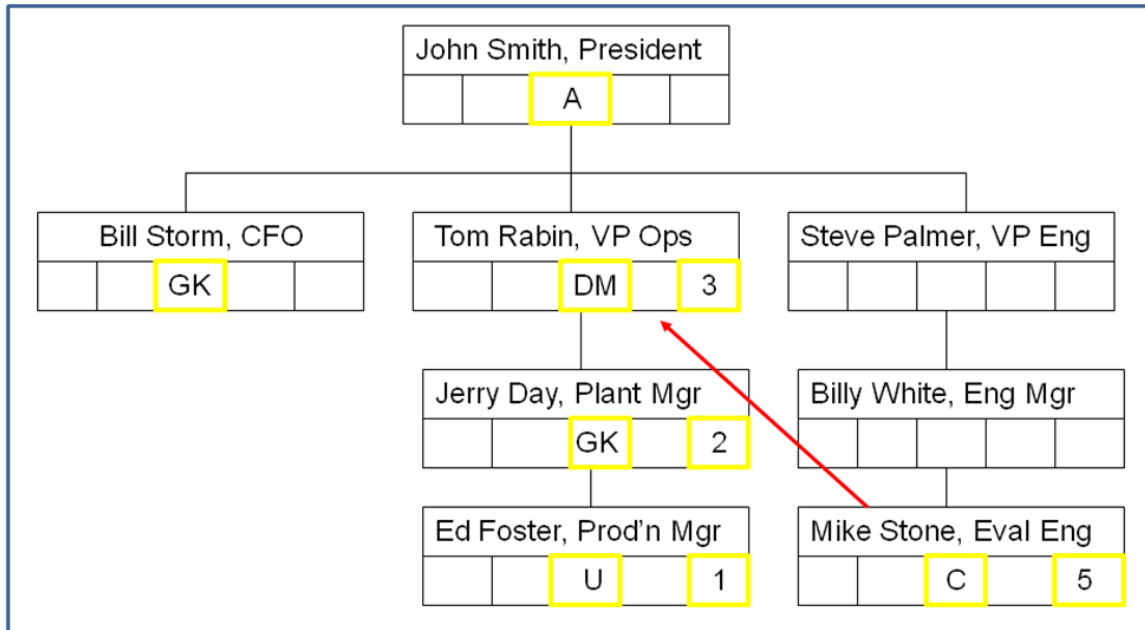
To return to my story, we decided that it would be valuable, even though we had lost the deal, to compare what we thought was the Decision Map to what the winning competitor thought was the decision map. In this way, we could determine how we needed to change our strategy for dealing with this account, so that we could be sure that we didn't lose any more deals.

The figure below shows what our Account manager *thought* was the Organization Decision Map, including the Decision Maker.



Our Account Manager perceived the Plant Manager to be the Decision Maker and the Production Manager as the ultimate user of our product. Although he understood that the CFO was in the loop for this decision (as the Approver), he saw the VP Operations as the rubber-stamp Approver of the deal.

But our Account Manager was selling to the wrong person! Here's what his *competitor* saw as the informal organizational structure.



Note that neither the Production Manager (Ed Foster) nor the Plant Manager (Jerry Day) had a particularly strong relationship with the competitor's Account Manager, as indicated by the "1" and "2" in the RE relationship boxes. Yet the competitor's Account Manager was able to understand the informal organizational structure, bypass the Plant Manager, and convince the Operations VP that his solution was a better value for the company. How? As we found out later, he had also been calling on Mike Stone, the Evaluation Engineer who was evaluating the on-site demos of both products. And who, it turned out, was a golf buddy of the Operations VP. Mike introduced our competitor's Account Manager to the Operations VP – the real Decision Maker. Note the red line indicating Influence direction.

Unfortunately, we not only lost the order, but also learned, too late a number of important facts:

- Clearly, the Operations VP was the real decision maker,
- The total purchase allocation was capped at \$5M, making the CFO a Gate Keeper, not an Approver, and

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- Because of the size of the order, the President had to approve it and sign off in order for it to be released.

We had never even met the really important people: the Operations VP, the CFO, or the President. Our Account Manager's perception of the organization as shown in the 'post mortem Decision Map was not just wrong, but catastrophically wrong.

Had my AM been a little more assertive, and found a way to insist (nicely) that he be introduced to the Operations VP, perhaps the ending would have been different.

Organizational Decision Mapping Costs Time and Money – But It Brings In the Big Win

In these unprecedented financial times, losing just one order can be a significant loss of revenue. For large, complex sales it makes sense to do the work and develop an ODM to ensure that you are selling to the real decision maker. But it does take time to develop an accurate map and not every opportunity will warrant such extensive analysis. Management must use their judgment to prioritize and determine which opportunities, based on the company's objectives and resources, deserve the investment of a carefully constructed ODM. In our unfortunate case, recounted here, the investment would have been well worth it.

Michael Wolf is the Director of Global Partners' High Value Selling Community of Practice. Michael has held global, senior level executive sales positions in global technology companies for more than 20 years. In addition, he is the founder of Strategic Selling Skill, a sales coaching, consulting and training company whose mission is to help global companies and individual sales professionals to improve their sales performance and results.

For further information or discussion on the topic of Organizational Decision Mapping, contact Michael at www.Globalpartnersinc.com

Organization Decision Mapping

A Future Focused Case Study from Global Partners Inc.

Note: This case Study Exercise is intended to be used in conjunction with the Global Partners White Paper: *Are you Selling to the Real Decision Maker?* By Michael Wolf

Scenario: You are the Senior Account Executive at Century Industries, responsible for selling your company's \$10M Turbotron to Centipede Industries, a large industrial company. Up to now, Centipede has been a very good account for you, but you have been selling into a different division from this one, and the value of the equipment has been much lower, so your decision maker has been at the Manager level and you have not yet met their senior management. About 5 months ago, this new division of Centipede approached your company requesting technical information on the Turbotron. Since then, your Technical Sales Engineering (TSE) team has already been to visit Centipede three times, and has re-confirmed that the Turbotron is a perfect technical fit for their needs. They have sent you the following Centipede report in preparation for your assignment.

Report from Centipede Ind. to your TS team, dated May 3, 2009

Findings from our discussions with your TS team and reference checks with existing Turbotron customers are as follows:

- 1. All customers reported on-time delivery and machine installation went smoothly*
- 2. Everyone was satisfied with performance*
- 3. We would want Options 1, 5 and 6 as per your proposal so please include these in your quotation*
- 4. We want to make our final decision by the end of this month, so please allocate May, 11, 18 and 24 for meetings and final negotiations with us. We have one other potential supplier being considered in parallel, and final decision needs to be made no later than the 25th so our PO can be written and signed off by end of month in order to confirm the delivery slot requested. Your final pricing and terms will be our major concern, as our team believes that the Turbotron is an excellent solution for us, albeit the most expensive.*

Today is May 5th. Your TSE team told you yesterday that they confirmed your first meeting has been set up for next Thursday afternoon, May 11, and you have been advised that the following people will be attending:

- Susan Baker, the President of Centipede. No one has ever met her and she may or may not attend.
- John Collins, their CFO. No one has ever met him either.
- Bill Gomez, their Operations VP. Your TSE Team met him once, but he had to leave the meeting after 1 hour due to an emergency. He didn't say much, except for a few general questions including "what's the price?", "why does it cost so much?" and "you know, we do have alternatives to the Turbotron".
- Pete Simons, their Site Manager of this operation – they have two others in states close by
- Ed Doyle, the senior engineer assigned to look into competitive alternatives for this purchase, who came to us and initiated the study. Ed has been telling your TSEs that the Turbotron is the best solution he has seen for this job, but also the most expensive. He even called your TSE Manager the other night, at home, and told him who your competitors are for this deal and how the decision will be made – based on value (= performance/price), but even Ed doesn't know who the decision maker really is – he thinks it is a committee decision.
- Betty Pine, who is Bill's Executive Assistant. She took notes on what was discussed, and really stayed focused after Bill left the meeting. Betty was wearing a golf shirt, and had a great tan. She was overheard during a break talking to Pete about her regular golf game on Saturdays with Tom Byrd, their VP Sales& Marketing and John, their CFO - Tom's wife and John's wife are sisters. Betty was telling Pete that John and Tom are so competitive but they remain best friends despite always comparing scores.

First thing this morning your TSE Team Manager received a call from Ed, saying that their President, Susan, will definitely not attend next week. Ed also said that Susan never gets involved in these types of decisions, and neither does their CFO as long as the investment has an ROI of less than 1 year and is already in their Capital Expenditure (CAPEX) budget. Ed went on to say that Susan has to approve every CAPEX decision, but she relies entirely on Bill's assessment for these types of expenses, Ed also told him that the reason why they need the delivery slot in early August is that Tom made a commitment to their largest customer and in order to meet it they need to have the machine up and running by September 1st. Tom is a real "wheeler-dealer" and his credibility and reputation are riding on this. Ed also said that Bill is the exact opposite of Tom, very conservative and is also really concerned

about the short lead time. Upon hearing this news, you decide to call Ed, introduce yourself, thank him for arranging the meeting next week, and clarify a few things.

Your call with Ed goes well, and you learn that last year John refused to sign a purchase order because the amount was 20% over their budget, forcing Bill to buy a less expensive machine than what was initially selected. Apparently, even when Bill appealed to Susan, personally for his approval, John's decision held. When you ask Ed about Tom's role in the decision, he says that Tom is really on the line with their customer and needs the delivery to be on time. He also tells you that Tom and John worked together 10 years ago at a different company and that Tom helped recruit John to Centipede; John may be a typical conservative CFO, but he really respects Tom's capabilities, including his aggressive side, and has always supported him even putting himself at risk sometimes. When you ask him, Ed agrees to introduce you to Tom over a lunch tomorrow.

You thank Ed for his openness, and ask him if there is anything that you can do for him now. He then tells you that Bill thinks very highly of him, and trusts him with this important decision. Also, Pete has been telling Bill that the TurboTron is not a good fit for their application and that Century Ind is a very bad company to do business with. This is completely at odds with Ed's assessment and is not based on any based facts, just his opinion. Bill has reached his boiling point with Pete's incompetence, and is planning to fire him, and that Ed is up for the promotion and will replace Pete as long as this purchase decision works out well for Century, meaning that the equipment must come in on time and work well from day 1, or Bill and Tom will both be in hot water.

Your first meeting with Centipede is in 6 days from now, and you decide to lay out everything you know, share it with your TSE Manager, and decide how to proceed as an Account Team.

Exercise Instructions

1. Draw a Decision Map and assign the roles (Decision Maker, Gate Keeper, etc) and evaluate each role in terms of their current Relationship (0-5) and Preference (0-5) using the info you have now. Identify key information that you may be missing and think about how you might possibly get it.
2. Identify your top 3 concerns in winning this deal? Who are the people who can help you address your concerns and improve your position in each case?
3. What will you do to address each of your concerns?
4. Write down 5 specific questions will you ask Tom during the lunch to fill in missing information you need.
5. Based on what you know, how will you try to make a “connection” with Tom, such that he might become your Coach?
6. What are your next steps, following this lunch, to get prepared for your big meeting on May 11th?

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