



Reading Your Customer's Mind? By Mark Norato

Imagine the power of being able to read your prospect's mind. Knowing how they will make decisions, what criteria they will use in evaluating your solution, what value proposition they will be seeking. Would this ability be helpful in the sales process? Would you be able to sell more effectively and efficiently? Most would probably respond with a resounding YES!

The ability to read your prospect's mind is not as far-fetched as it sounds and top-performing sales reps from every industry sector are probably doing it on a daily basis. Understanding your prospect to such a deep level that you're actually able to think and react as they would is a learnable skill that can be developed with a moderate degree of practice.

The key to thinking like your customer is understanding their organization on a multi-dimensional level. Understanding their business model, competitive advantage and environment will provide you with tremendous insight into how decisions will be made and how best to position your strengths for maximum effectiveness.

Business Model

Strategically, how does the prospect serve its customers while generating revenue and profits? Understanding the business model will provide valuable insight into how customers are selected and segmented, what products are offered and at what price points, and how the prospect positions itself in the marketplace.

The basic questions to address are:

1. How will your solution add value to the prospect's business model?
2. How will it help them compete more effectively in the marketplace?
3. How will it help them generate additional revenue or profits?

For example, Dell utilizes a direct model believing that it is the most efficient path to the customer. The organization is divided around specific customer segments with each computer system sold being customized by the end-user. Dell holds virtually no inventory, operates an extremely efficient manufacturing process, collects its cash in advance and generates profits through significant volume.

In positioning a solution to Dell the focus should be on how you can optimize any of the components noted above and this should be clearly stated in your presentation delivery.

Competitive Advantage

How does the prospect differentiate its products/services in the marketplace to create value?

Generally speaking there are two basic categories of competitive advantage:

1. Cost leadership: being able to deliver the same value as other competitors but at a lower cost or
2. Differentiation: being able to deliver benefits that exceed those of competitors and usually at a higher cost.

Would you position your solution differently if you were selling to Wal-Mart vs. Saks? How about Kia vs. BMW? Obviously these are vastly different organizations with completely different competitive advantages. Positioning your solution so that it complements the prospect's competitive advantage will greatly enhance your perceived value and shorten the sales cycle. Positioning counter to the prospect's competitive advantage will get you eliminated from consideration very quickly.

Competitive Environment

What forces are shaping the prospect's industry and how are they responding? Is their corporate DNA that of a leader, charging ahead with bold decisive innovations or do they prefer to wait and see what others are doing before deciding upon a course of action? Understanding how they react to industry dynamics will provide insight into how you might position your solution to add additional value.

Obtaining insight into a prospect's business model, competitive advantage and environment is not as challenging as it once was. For both publicly traded and private organizations there is a wealth of information available via the internet. This of course should be verified with the prospect during the discovery process.

The above components should not be view in isolation, but rather as part of a total understanding of the prospect's organization. If you thoroughly understand their business model, competitive advantage and environment then you will possess deep insight into how your solution will be evaluated. Better yet, you will know exactly how to position your solution so that it creates and sustains competitive advantage throughout the sales cycle.