



# Thriving in a Hostile Environment

## Beachgrass Consulting

### From information broker to businessperson

In the past, the B2B sales person's role consisted primarily of providing prospects and customers with good technical information, of negotiating purchase prices with customers' purchasing department and of ensuring some follow-up on the deliveries. We could say that in those remote times, a sales person was a **product-information broker**.

Since then two major new conditions have disturbed this picture:

1. The **increase of international competition** that induced the following consequences:
  - The multiplication of sources, caused in part by the emergence of international standards
  - An increased pressure on production costs and, upstream, on acquisition costs as well. Companies have reacted to this increased pressure on acquisition costs (purchase prices, transportation costs, stocking costs, tracking costs, etc.) by reducing their number of suppliers as well as their inventory levels, thereby putting their supply chains at greater risk of rupture. In order to avoid a break in the supply chain, that could have disastrous effects, industrial companies have been obliged to expend significant resources in analyzing and optimizing their supply chains.
2. **The Web** providing free, immediate access to clear, up-to-date and accurate information. This allows any purchasing department to make accurate comparisons, to track orders in real time, to effect purchases on line, to launch online auctions, etc.

### What consequences for the sales person's role?

The sales person's previous role as a "broker" is now reduced to almost nothing. Industrial customers now expect tailor-made proposals that will enable them to

reduce their acquisition costs, especially transportation, stocking, packaging costs, etc.

Recent studies indicate there is a profound mismatch between what B2B customers expect from salespeople and what vendors think they expect and recruit as salespeople. Customers expect that salespeople have **deep knowledge of the subject matter and solid solution expertise**. Vendors rank this aspect of the salespeople they recruit much lower.

The sales person's role no longer consists of convincing customers of the quality and benefits of his/her products or of offering aggressive prices, it is to convince customers of his/her (supplying) company's capabilities as a reliable, cost-effective supplier. In short, the sales person must change from being an information-broker to being a **businessman/businesswoman**, able to design and propose new supply processes that include financing, and to convince his/her customers of the reliability and cost-competitiveness of these processes..

To be a businessperson implies an in-depth change in the sales person's mindset. Understanding the customer's challenges in financial and human terms is essential.

Moreover, to be able to design and propose cost-effective supply chains or financial arrangements, a network of business partners (logistic companies, financial institutions, engineering firms, etc.) has to be put in place. The sales person should acquire a good knowledge of these partners and develop working relationships so that she or he can assemble efficiently a team to design and price proposals.