Convergence: in search of the killer app

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If all the hype is to be believed, then networking will never be the same again!

It's doubtful whether we've heard so much FUD (fear, uncertainty and doubt) since the IBM mainframe versus PCs and 'downsizing' revolution of a decade ago.

In fact, the arguments themselves sound pretty familiar. On the one hand, organisations such as Cisco are promoting a 'do it now' strategy based on beating competitors to lower cost of ownership and gains in competitive edge from improved connectivity and flexibility within an open standards architecture. On the other, a whole range of voices are arguing for caution by drawing attention to the risk associated with moving from a tried and tested centralised processing system in the form of PBXs. Needless to say, there are plenty of vested interests at stake here.

Convergence solutions – integrating voice, data and video over a single network - have been commercially available for a while and the business community is now starting to take note. Installations, pilots and reference sites are increasing every month and industry analysts, IDC, are predicting a major upturn in the sales of IP telephony solutions this year.

But if convergence is starting to cause ripples in the IT status quo, this is nothing to the tidal wave of confusion it is creating within both the end-user and reseller communities.

So why reseller confusion?

In a data world that has become increasingly commoditised, many foresighted resellers quickly saw convergence as an opportunity to increase sales and profitability in a depressed market. And therein lies the root of the problem.

When times are good, how much attention do we really pay to sales skills and strategies? If mediocre skills are adequate to win enough business to meet targets, how motivated are we, as companies and individuals, to do more?

Whilst there are some excellent salespeople within the industry, they would appear to be outnumbered by those who lack the skills to win sales that are based on truly meeting business needs rather than winning the price war.

The causes of this are many but fundamental to the growing problem are:

- Too few salespeople are given real, quality sales training

- Sales managers are often under pressure to meet personal targets as well as manage a team. Where once they were 100% focused on managing, coaching and mentoring their team to achieve sales, now they have to divide their time and energy, often with little management training.

- As customers have become better informed and technology has become increasingly commoditised – with many resellers competing to sell the same products – so emphasis has shifted from adding true business value to winning on price.

Peter Howells, Managing Director of 5i Ltd, which partners with resellers to help them sell convergence solutions, explains the problem. "Forward thinking resellers have seen the potential of convergence and invested heavily in manufacturer accreditations. But many find that, contrary to their expectations, the pipeline doesn't start filling up with convergence opportunities. Their salesforce may be excellent at responding to customer requests but they have little or no experience in either creating a market or in identifying business needs and developing technology propositions to match. They simply don't know what questions to ask".

Mark Godfrey of Cisco's Voice Technology Group, agrees. "Companies that sell new technologies have to [continually] reconsider *how* they sell. Updating an old sales message simply will not do...the sales team must define how [the technology] delivers value into [the customer's] business".

So, what needs to change?

Firstly, getting back to basics. Asking questions. Salespeople need to develop the skills and confidence to ask – and to understand the implications of the answers to - questions about what their customers actually do, how they do it and what's happening within their marketplace.

They need to know how businesses work, to see and understand themes and trends and to be able to spot if and how convergence solutions can help their customers to meet the challenges of their business.

But it's not just a case of identifying the opportunity. It's about being able to qualify too. It's one thing to adopt a 'throw enough mud and some will stick' approach to feature – price sales but the resources required to win a convergence sale are considerably greater and the sales cycle longer.

As Peter Howells observes " Customers are interested in convergence but are frustrated that few of their suppliers can identify and articulate any business benefits. The "killer app" is not a feature or function; it's the benefit to each individual company derived from a single unified network. Salespeople need to be able to manage this complex sales proposition and to justify cost and business returns. Far too few people in the reseller community can identify the components of an ROI, let alone complete one".

Because the sale is more complex and lengthier, the salesperson needs to be constantly aware of where the customer is in their buying process – and to map their activities accordingly. When asked what they dislike in IT salespeople, customers often cite an inability to understand and work with the customer's timescales. One only has to consider all the forecasted opportunities that slip month on month, despite the salesperson's conviction that the order is about to be placed, to know how prevalent this is. Customers go through a process of identifying opportunites and challenges, exploring technology solutions that will address their needs, shortlisting solutions and suppliers and then undertaking a more rigorous and detailed assessment of these preferred options before placing an order. Salespeople who try to bypass these crucial middle stages and take the shortest route from identifying opportunity to close often find that it is the door that closes on them – and naively

convince themselves and their managers that the opportunity didn't really exist as the customer 'still hasn't done anything'.

But the individual salesperson can't be expected to do it all alone. The company needs to provide them with support in terms of business-aware pre-sales support, reference sites, good working relationships with manufacturers and partners, market intelligence, systems and sales cultures that support long sales cycles and, importantly, ongoing sales training.

Selling business benefits at senior and strategic level is nothing new but it is a declining art amongst network resellers.

Those that embrace the challenge – and several already have – will find sales success and stronger customer relationships amongst the early adopters leading to a bigger slice of the mass adoption pie. As Peter Howells warns "The alternative is declining margins from the product crumbs and a rapidly dwindling customer base".

Are you doing enough?

- Are you creating opportunities or fine tuning the customer's specification?
- Do you really understand the opportunities and pressures your customers' businesses are facing?
- Do you know how data, voice and video capabilities support their business – and will help them meet these challenges?
- What do you do to help your customers calculate and measure ROI?
- How do you build trust between your customers and your organisation?
- At what level within your customers' organisations are you talking? (Hint: if they can't answer the above questions you probably aren't talking at a strategic level!)