

The Knowledge that Ensures a New Product's Success

By Jill Konrath

The "hand-off" of a new product from Marketing to Sales is crucial to the success of a new product in the marketplace, according to Jill Konrath, President of Selling to Big Companies (White Bear Lake, MN).

"I've worked with a lot of different companies and have seen one problem that is common to almost all of them - from high-tech companies to insurance companies," she states. "That problem is in the hand-off of new products from Marketing to Sales."

In a Nutshell: The marketing department provides the sales department with a lot of technical detail on products in the form of features and benefits - what the product does - plus information on the competition, order processing, customer training, and so on.

"The problem is, the sales force still doesn't have any specific information on how to sell the product," Konrath notes.

A Different Focus

The source of the difficulty is that the marketing department tends to be more product focused than sales focused.

"Marketing does know what customer needs are and how the products can best be sold," Konrath emphasizes. "The problem is that marketing personnel become so enamored with the product and what it can do that they forget to explain the sales strategies to the sales department. They know what the customer problems are and they know why the product was developed. It's just that they fail to share this information with the sales force in a manner that a salesperson can use."

Case in Point: "At one company, I was given a one-foot-high stack of papers on some new software that explained all its technical capabilities," she recalls. "There were detailed breakdowns of every feature."

After highlighting everything she could find in the reports, Konrath was still unable to determine what kinds of problems customers might be having that would warrant their spending \$50,000 for the system.

"No one thought to explain what problems customers might have that would necessitate this product," she states. "There was no data at all on how much time and money the system would save customers."

Customer Responses

Research suggests that salespeople talk "features and benefits" 30 percent more often when presenting new products to customers than existing ones. When they do, one of two things usually happens:

Customers ask, "What does it cost?" At this point, salespeople lose control of the sales call. "When they tell customers how much it costs, the customers say they're not interested," Konrath explains. Their common response is: "We don't need the product that badly!"

The Obstacle: The salesperson hasn't identified what problems the customer is having, how much these problems are costing the customer's company, and how the new product can successfully address them.

Customers ask, "Does the product have this particular capability or feature?" At this point, the discussion begins to get stuck on features objections. "The product gets ruled out because it doesn't have a specific capability or feature that the customer thinks might be important," explains Konrath.

This kind of situation is particularly frustrating for salespeople because, ultimately, the capability or feature in contention may not even be relevant to the customer's needs once their situation is understood in greater depth.

Bottom Line: "When salespeople get backed into a corner by customers arguing price or features, they get frustrated with the marketing department," Konrath observes. "Then they stop selling the product." Marketing's response is to be expected also: "The sales force is the problem!" Result: stalemate - and the potential for another newproduct failure.

Three Way Partnership

There is a better way, according to Konrath. Her advice: Create a partnership among Sales, Marketing, and Training (if available). These groups should work together to identify and discuss the best ways to sell the product to customers. Konrath suggests four strategies:

1. Design tools for the sales force that highlight:

- Customers' current situations and potential needs.
- The sales process, including questions the salesperson can use to uncover and develop needs.
- Appropriate strategies and tactics to use during sales calls to justify the purchase and differentiate your product from the competition's.

2. Develop a kickoff plan that focuses on customers and how the new product addresses their critical needs.

3. Create a training program that goes beyond product capabilities (features and benefits), and instead focuses on how to sell the product. After this training salespeople should be able to say:

- I understand the product.
- I know who to sell it to.
- I know what their needs are.
- I know how this product addresses their needs.
- I know the sales process to follow in order to uncover and develop these needs.
- I know my competitors, their strengths and weaknesses, and how to differentiate our product.

4. Develop implementation processes that ensure your sales management's:

- Knowledge of how to sell the new product.
- Support of the selling effort through appropriate coaching and feedback.

This is essential, since you need to make sure sellers don't focus on features-their natural tendency with long-awaited new products.

New Product Scenario

Konrath cites an example of how to get to the heart of customer needs and sell a product. Let's say you are marketing a new software that automatically backs up programs every evening. To effectively sell this product, salespeople need to know how customers currently handle their back-up. In most cases it will be one of two ways: 1) Someone backs up everyone else's computer system each evening or 2) Each person is responsible for backing up his or her own system.

Next, the salespeople need to know what problems are inherent in these two approaches:

- Most likely the person designated to do backup is a highly paid system administrator whose time is better spent doing higher-level tasks.
- Individual employees back up their systems if, and only if, they have spare time and happen to think about it. Therefore, it may not always get done. If the system crashes, employees spend hours recreating their work.

"With knowledge of the customer's current methods, the salesperson and the customer together can quantify the actual cost of the existing process," Konrath says. These costs could include the following:

Direct labor cost of doing backup.

- Indirect costs of lost data to the organization such as the costs of retrieving archived information or recreating it (if it's even possible).
- Opportunity costs-what personnel could do with their time that is more beneficial to the organization or what costs are associated with delaying these activities.

"Finally, with this information, you can get to the issue of how to sell the product," states Konrath. "At this point, salespeople know how a system like this helps their customers. Then they can plan questions to ask the customer to help them understand the cost of the problem - and the value of your solution."

Jill Konrath, author of *Selling to Big Companies*, helps sellers get their foot in the door of large corporations, create demand and win profitable contracts. Get a free *Sales Call Planning Guide* (\$19.95 value) when you sign up for the Selling to Big Companies e-newsletter. Just send an email with "subscribe" in the subject line to jill@sellingtobigcompanies.com . For more info, visit <http://www.SellingtoBigCompanies.com> .