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Replacing a competitor requires research, stealth

Denver Business Journal - by [Garry Duncan](#)

"A rising sea floats all ships" is an accurate metaphor in growing markets. However, in mature, slow-growth or declining markets, growing sales requires taking business from competitors.

Vendors working to get in often consider incumbents to have the advantage because they already have a relationship and extensive knowledge of the prospect's business. Yet everyone has experienced the loss of a good customer, so that assumption isn't necessarily accurate. With extra work and time, flawless intelligence gathering and courage to ask tough questions, it's possible to gain an edge over the incumbent.

Here are some do's and don'ts to start your strategy.

- If you don't already have a contact at the right level of authority, find someone who can refer you into the account.

Being referred in brings a degree of immediate trust in your competence. For example, a distributor's representative who was unable to get an appointment in the largest potential account in his territory found a noncompeting, highly respected vendor who already was working the account. He gained the trust and respect of this vendor using testimonials, customer introductions, and investing personal effort to help the vendor achieve his goals. Four months later the distributor landed a large equipment order after a personal introduction.

Getting referred in is a giant advantage when trying to supplant an existing provider and helps compress your sales cycle.

- Develop relationships everywhere you can within the account by finding reasons to be there often. If your contacts can't or won't help you move up the food chain, make lateral contacts until you find someone who's respected and willing to help you.

You must have an inside sales person; an inside sales team is even better. Get an organization chart so you can determine others you need to know and the chain of command. Don't forget to contact influencers, end users and those who have close relationships with the incumbent. You might not change their position, but you can soften their resistance, making an override easier.

- Become an industry expert and resource for information and help.

Be about value, not pricing. Share industry trends, competitive activity and information about potential customers for your prospect. Become valuable outside of your product line. This means understanding your prospect's business as well as or better than they do -- not necessarily their technology, but their business position, values, goals and challenges. Create value by helping them see problems they didn't know they had or prevent problems they didn't see coming.

Intelligence is king. Today, wars are fought based on information, and success is dependent upon the quality of intelligence; you're more likely to win sales if you have good information and lots of it. Naturally, you'll want to find where your prospect is less than satisfied with its current supplier and identify the vulnerabilities. But you also need to know what they like about their vendor.

Most customers want to know they're going to get what they already like before fixing what they don't like. Assure them you can deliver what they like before promoting differences.

- If you get an unsolicited telephone call or request for proposal, make sure to qualify carefully.

Normally, understanding customer needs comes first, but asking what they know about your company and services is one way to assess their intent and seriousness about considering your offering. You don't want to invest a lot of time and energy building a solution or proposal to justify someone else's price.

Learn why they'd be willing to make a vendor change; the reasons have to be on things other than price. Price is the easy way out for the prospect, and if you're going to buy the business, you'll lose it just as quickly.

- Everyone knows it's risky bad-mouthing the competition. However, you can create doubt and uncertainty around weaknesses.

Do this by asking presumptive questions based on your knowledge and research. For example, if you know meeting deadlines is an issue, you could ask, "What have they told you about improving their project completion times that others also talk about?" Or you could ask, "What are other customers experiencing about their ability to meet deadlines? Have you asked them for references?"

Questions centered on third-party experiences help plant the seed of doubt. Backhanded strokes work well, too. "They are doing well in spite of their lack of innovation." Or, "They do good work, despite their limited presence in this industry."

- Above all, you must be about value. Keep the prospect focused on the total value of what you offer, not just the line-item cost.

If you make significant price concessions just to get in, you're making the prospect less desirable and putting yourself at greater risk of losing it in the future. Similarly, don't be tempted to give away a trial or a low-cost trial just to get the door open. It's better to sell a small piece at regular pricing than to low-ball a larger trial. Underpricing undervalues what you offer.

Finally, ask the tough question: "How will they deal with the relationship they currently have, if they change?"

Garry Duncan, principal of Denver-based Leadership Connections, a sales training company, can be reached at 303-462-1277 or garry@leadershipconnections.com.

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