How to Avoid Being Relegated to Procurement Agents or Other Pretending Buyers

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**Blog entry**

Do you know that nearly 2,500 left-handed people die every year as a result of using products meant for right-handed people?

If you’re right-handed, maybe you’ve never paid attention to this little detail of life on planet Earth, but I mention it because even more boutique consulting firms kill their bottom lines every year by trying to grow it using the wrong tactics. Instead of making connections with real buyers at boardroom level, they make connections at procurement level.

Or even if they get into the boardroom, they do something that triggers decision-makers to relegate them to the purchasing department.

And what’s going to happen there?

They get told...

> “If you want to play the game, you have to march to the beat of our drum.”

At this point, everything is lost. Sellers can never again connect with real buyers; they can communicate only with the purchasing department.

And we know that anyone who deals with the purchasing department is regarded as a fungible vendor. Sort of proverbial bastard child.

Have you considered that lawyers and accountants don’t do business with purchasing departments? Their names and numbers are on top executives’ speed dials not on some sticky notes being tossed around in the purchasing department.

But then how come so many consulting firms with brilliant offers get referred to procurement, basically consigned to oblivion.

Procurement is one of the dumping grounds of companies.

As HR is a dumping ground and a bottomless pit for jobseekers, the purchasing department is a dumping ground and a bottomless pit for vendors, suppliers and other not-too-highly-respected professionals.

And that raises the question...

**So, Why Do So Many Consulting Firms End Up In Procurement Hellholes?**

Actually, I’ve heard many consulting partners say...

> “It’s cheaper and easier for us to aim low, get in at procurement level and then try to climb up into the boardroom up later on.”

Of course, many partners are brave enough to say this because they are not involved in client acquisition.

In many consulting firms, relationship building, well, client acquisition, is dumped on non-
partner senior consultants, so they have to fight their ways from the purchasing department to the boardroom.

And if they fail for some reason, partners will reprimand them and maybe even threaten them with firing.

We live an age when most partners are baby-boomers who learnt selling from old-timer peddlers who had their heydays in the 70s and the 80s, selling pots and pans and similar undifferentiated commodities to the unwashed masses, and now they travel the world teaching people the very methods they used half a century ago.

Well, we’re in a different time. In the post-internet age buyers don’t want to meet sellers until the very last moment.

Buyers are much more sophisticated at dodging sellers than they were 50 years ago.

And products and services have become much more complex than they used to be.

In 1970, Mack Hannan wrote his book on consultative selling and even then he reported that...

"Even at the time of this book's first edition in 1970, creeping commoditization was already in hot pursuit of proprietary brands. Sales representatives were already sounding alike, on the way to becoming commodities themselves. Price lists were already bargaining chips. Customers were already looking for help from their suppliers to make their businesses more competitive, but not many of their suppliers were listening; they were preoccupied with protesting to customers why each supplier was better than the others. Venting had become nine-tenths of vending."

Today the situation is even worse, but many consulting firms still haven’t learnt the lesson. They keep vending to purchasing departments and then keep venting that purchasing agents viciously beat them up on price and squeeze the last few pennies of profits out of their operations.

According to Forrester Research, buyers are 66-90% through their buying processes when they reach out to meet sellers. That’s when buyers craft RFPs and start hunting for the lowest bidders.

The good news is that, according to IDG Enterprise, on average, buyers review nine pieces of content before contacting sellers.

And this is where sellers can influence buyers.

Those pieces of content connect buyers and sellers via the boardroom not the procurement department.

Those nine pieces, if properly crafted, can seriously influence buyers and the buying process.

But if you join the buying process too late, you’re more than likely to be relegated to purchasing agents and subject matter line managers, never to see the inside of a boardroom where strategies and budgets are discussed.

But you have a problem. Your line manager negotiation partner is not a decision-maker. For decisions, he has to go to purchasing.

And now you’re back in the jaws of the same ol’ procurement steel trap with almost zero hope of
escape.
So, today’s amazing literary torment is all about looking at seven way consultants can avoid being kicked out of the boardroom and kicked down to lower level departments.

**Focus On Business Benefits Not Subject Matter Benefits**

Consultants love their own subject matter areas, so they tend to think that’s the most important thing.

HR consultants can have long and exciting chats with other HR experts.

IT consultants can have the same with other IT experts. Or logistics experts with other logistics experts.

But these are low-level tactical questions. They can come later, but first you have to ask high-level strategic questions.

It’s like driving somewhere.

Yes, you use the speedometer and odometer to measure progress, but before you worry about them, you have to program your GPS to make sure that your direction is correct.

If you mess up the direction, then making progress in terms of speed and distance are as useless as an ashtray on a motorbike.

There are many support functions in a business that are non-core functions per se, but they must be done in order for the company to be able to do its core work.

Take a large bakery. For that bakery, IT or HR are support functions, but the bakery’s success stands or falls on them.

HR makes sure that the company has high-quality, engaged employees, and IT makes sure the bakery machinery is properly controlled and the quality of bread, rolls and other baked goodies are consistent.

So, even if you represent an IT company, don’t talk about IT. Talk about the relationship between the quality of goodies and brand reputation and market leadership. With this message, you can enter the boardroom.

Remember, GPS first, speedometer and odometer later otherwise you may end up like a high society dame whom Winston Churchill allegedly asked if she’d sleep with him for a million pounds...

> “Well,” she blushed, “that is indeed a great deal of money.” – She said.
> “Then how about for 100 pounds, then?” Churchill asked.
> She got outraged “Sir Winston, what do you take me for??!”
> Then Churchill said: “We’ve already determined that; we’re just haggling about the price.”

What insignificant your subject matter may seem, it’s used in your buyer’s business because it contributes to the buyer’s company’s bottom line. Then it can’t be a trivial issue.
Keep Your Subject Matter Experts In The Background

No buyer ponders over subject matter issues like hiring a professional organiser to re-organise document-handling in the office.

But once the company loses a big opportunity because some relevant documents have got misfiled and some key information wasn’t sent out on time, now we’re talking about a boardroom-calibre problem.

This disorganisation affects the bottom line and that draws attention.

So, now the Big Cheese is – almost always – secretly looking for ideas on the web to improve document management.

If she bumps into your white paper “7 Ways Medium-Sized Manufacturing Companies Can Improve Back Office Effectiveness”, she requests it and reads it.

And now you’re in direct contact with a real decision-maker.

Now you can offer various pieces of informative and valuable content that the Big Cheese can use to improve the situation.

But at one point she realises that, while she could get this done in-house, she has neither the spare manpower nor the expertise and experience to do it.

And now you’re the only choice in her eyes.

And since your content talks about business problems first and subject matter problems only second, you’re perceived as a provider of business solutions, not just another organiser.

You’re received in the boardroom not in the purchasing department.

But make sure that the meetings are facilitated by someone with business savvy, so they don’t get degraded to subject matter discussions.

So, now you’re in the position of diagnosing the buyer’s situation, after all, respected experts start questioning the validity of their buyers’ self-prescribed solutions.

At this moment you’re a consultant, not just another office organiser contractor.

After you’ve clarified the high-level business issues, you can let your subject matter experts look into the matter from an organisational perspective.

Remember, the GPS first and the speedometer later.

Don’t Try To Close Sale

Sometimes in the 70s McKinsey & Co. Had a mantra that has become pretty famous...

“If you can’t measure it, you can’t manage it.”

It hit the world as unexpectedly as falling roof shingles from the clear blue sky.

And the world of commerce ate up this myth hook, line and sinker, and it started the era of metrics-obsessed commerce.

After all, it had come from McKinsey, the world-class hyper-prestigious consulting firm, so it
must be the proverbial gospel.  
It wasn’t gospel. It was more like pleb-blinding dictum to impress the unwashed masses the wide, wild world.  
The phrase originates from W. Edwards Deming, and in its entirety it is...  

“It is wrong to suppose that if you can’t measure it, you can’t manage it - a costly myth.”

It’s the total opposite of McKinsey’s lunacy.  
But, unfortunately, in the world of commerce, McKinsey was (still is) regarded as a prophet, while Deming is regarded as an overzealous trickster.  
Why do you think Deming left the US and went to Japan to spread his views?  
With his speech, called Statistical Product Quality Administration, at the Hakone Convention Center in Tokyo, in August 1950, Japan’s quality revolution started and escalated to a post-war economic miracle, making Japan the second most powerful economy in the world in less than 10 years based on Deming’s ideas, help and support.  
If you do good diagnosis, at the end, it’s not you who asks for the sale, but the buyer who asks for the purchase.  
And then, instead of jumping on the opportunity, you can further slow down the buying process.  

“Thanks for the opportunity. Let’s sleep on it and re-connect tomorrow to discuss our decisions.”

There are four decisions to be made here:  
1. Whether or not the buyer has a valid business problem.  
2. Whether or not the buyer wants to solve that problem.  
3. Whether or not the buyer wants to solve that problem with your help.  
4. Whether or not you want to work with this particular buyer.  
This is where your perfect client profile comes into the equation.

No PowerPoint Slides, Please

Think about it. When you’re helping a friend with some tasks or your children with homework, do you show up with PowerPoint slides?  
No!  
Then don’t do it with buyers either.  
When you go to the doctor, he doesn’t show you PowerPoint slides. Neither does your attorney or accountant.  
And these are the people who don’t have credibility problems and price resistance.  
Then, it only makes sense to emulate them and show up at meetings PowerPointless.  
Why’s the difference.
Salespeople, representing fungible vendors, show up with presentations materials. They are prepared for a show. The problem is that the show rarely leads to dough. That is, making sale. Respected experts, representing sought-after authorities, show up with diagnostic materials. They are prepared for a diagnostic interaction with the buyer to discover the real causes of the buyer’s experienced symptoms and make a decision whether or not they want to work together to solve those problems. As the saying goes, and as buyers’ perception has been shaped over the years, as you sell, so you serve. The sales process is a good indication of what buyers can expect once they become clients. But there is another sinister side of PowerPoint presentations. Potential clients, that is, pretending buyers, love watching them hoping to learn something new that they can later implement either in-house or use to pressure their existing providers to reduce their fees. However, and overlooked fact is that real buyers don’t want to waste their time and energy on subject matter presentations. They want to have intelligent interactions with experts to solve business problems and seize business opportunities. You may be selling (subject matter solution) ultrasonic fly repelling devices, but, as a buyer, my problem is that my office staff’s performance is constantly declining (business problem) due to the large amount of flies in the office, that is located in the neighbourhood of a crappy slaughterhouse. As some flies get inside computers and other electronic units, they frequently short-circuit something that is a vital part of the company’s operation. As a CEO, my problem is not the absence of ultrasonic fly repelling devices but the presence of irritated and frustrated, thus underperforming office staff and equipment frequently breaking down. And no matter how good your presentation is about ultrasonic fly repelling devices (floor-level solution), my mind is preoccupied with declining performance and nose-diving profits (boardroom-level problem).

Ask Strategic (Big Picture) Questions

Asking vendorish questions, like, “What keeps you up at night?”, “How can I earn your business today?” achieves one thing: In the best case, you get kicked out of the boardroom and kicked down into the procurement department.

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1 I’d like to note here that good slaughterhouses don’t attract flies.
In the worst case, you get kicked right out of the building with a loud and clear message, “Lear off, buddy!”

So, ask strategic questions that make people think...

- **The R Question** from Dan Sullivan, The Strategic Coach: “If we met here five years from now, and you look back over those five years, what has to have happened for you to feel happy with your progress?”

- **The A-Z question** from Jeff Thull: “As you look at your entire revenue-generating process, starting with generating a high-quality sales lead, turning it into a new prospect, and moving that prospect through all the interactions, and finally ending up with a very profitable sale and a delighted and successful client with a high probability for repeat and referral business, if you had to pick one part of this process that concerns you the most, with all the success you’ve had in your business, what would you put in the top of your list of concerns?”

- When you look at your career as a means to an end, as fuel to give you more mileage in your life, as a tool to give you a bigger and brighter future, how do you see your business success support your personal success?

- What is the long-term strategic goal that this initiative is supposed to supports?

The good thing is that no one but top decision-makers can answer these questions, so you have less chance to get stuck with flunkies.

**Speak Boardroom English NOT Subject Matter English**

If you had spent many years in practising your subject matter, there is a good chance you speak the lingo.

But you may speak the lingo at the wrong place too.

If you speak floor-level subject matter jargon with buyers, you’re hosed.

But if you speak boardroom-level jargon with buyers, you’re about to gain a big brownie point.

If you work with a grocery store, the person who works at the fruit section may well know that *Malus domestica* x *M. sylvestris* is the Latin name of Granny Smith apples, but may not know how the company tracks spoilage.

But in the boardroom, spoilage per sq ft is a tracked indicator.

So, if you talk about it, executives will pay attention to you.

This is why it’s important to have a specifically defined market.

The more engagingly you can talk about your market’s boardroom-level problems, the more buyers will pay attention to you.

**Sharpen Diagnostics Skills**

We’ve already discussed that presentations are useless. Doctors know that and for this reason, they don’t present; they diagnose.
Collaborative processes have higher perceived value than one-sided seminars (especially the some of the Internet marketing gurus’ multi-speaker seminars where each presenter presents for 45 minutes and spends the other 30-45 minutes selling.).
I’ve read somewhere that a seminar (also college lecture or presentation) is the shortest way of putting the presenter’s notes into the audience’s notepads carefully bypassing audience members’ brains.
This is why workshops and boot camps cost much more than seminars.
Buyers avoid sellers like the plague because they are worried about sellers’ time-wasting dog and pony presentations.
And they’re right.
A laser-sharp diagnosis from the half-drunk, half-stoned Dr. House is more valuable than the world’s slickest presentation from a guy with a quadruple MBA.
Of course, many clients don’t want diagnosis. They just tell you what they want and you have to build a solution based on their self-diagnosis.
And this is the moment when you have to decide whether you take on the risk of offering them a self-diagnosis-based solution or kick them out and move on to other clients.
If you give them what they want, later on they may sue you. That’s happened both to me and many other consultants.
Here in Canada, long-time smokers are suing the government and the tobacco companies because they have developed lung problems, including cancer. And now they want to shake down the government and the tobacco companies for some pretty hefty compensation, i.e. entitlement money.
The stupid bastards should have known that smoking was bad for them, but they ignored the facts. And now they demand their “entitlements”. Strange. And considering how more and more politically correct the world is becoming, tobacco companies are now on the hook for $27 billions of compensation to the idiots who had ignored the pretty bold warning signs on fag packs.
So, instead of giving buyers what they want (painkillers – cheap, easy, quick, comfortable and convenient), we have to give them what they really need (surgery – expensive, hard, takes time, uncomfortable and inconvenient).
So, when a buyer says...

“Revenues are down. Let’s hire some salespeople.”

Instead of helping to hire some salespeople, we have to look into what’s really caused the revenue downturn.
The absence of a certain number of salespeople is hardly the problem.
And if the buyer insists on the painkillers, based on his self-diagnosis, you’d better fire him.
As the saying goes...
Illegitimi non carborundum (Latin for Don’t let the bastards grind you down.)
A good diagnostics also process establishes the process of the collaboration, that is, active client participation from the very beginning and the quality of peer-to-peer relationship.
In a way it sets the ground rules for the whole project.

**Summary**

Over the years decision-makers have become pretty sceptical, and that’s a bit of an understatement.

And to a degree, their scepticism is understandable considering, that despite drastic changes in buying practices, there have been very little changes in sales practices.

Many consulting firms, while admitting in theory that they need to build trust with their buyers before they buy, they try to go from fist contact to signed contract in one fell swoop. Maybe two. But they try to speed up the buying process, and that’s a huge mistake.

In the buyer’s eyes, that kind of urgency is desperation, and desperation is pretty appalling.

The problem is that many consultants have learnt sales from obsolete celebrity peddlers who used to sell impulse items to the unwashed masses, but now only teach their methods that don’t even work anymore due to the Internet.

What I’ve observed over the years is that consulting has come from “Consultants sell whenever want to sell” to “Buyers buy whenever they want to buy”, and there is not a sausage consulting firms can do anything about it.

*With victory on high...*

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