



SMART
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Top Tips for March

How to Sell to Procurement

Our first round of top tips to give Sales Professionals confidence when selling to procurement teams. Remember you want to create a value proposition in your discussions which presses all the right buttons for the procurement professionals.

Understand the procurement approach being used. Is the approach **transactional** - mainly focussed on developing appropriate contracts and delivering a processed order, with some snap negotiation possible.

Or do you see a **tactical** approach, where the procurement team gets involved in requirements late, and have some opportunity to identify the best supplier and negotiate professionally, but often have restricted time to deliver.

Strategic procurement starts to look at a whole business outcome, working across the business to reach the most appropriate outcome for that area of spend; this often delivers dramatic changes, reduces numbers of suppliers and specifications, and provides longer term views on risk and direction of travel for the business as a whole.

The first two can mean business as usual approaches from sales: however, **Strategic procurement** needs the sales team to identify and anticipate elements of the direction to make sure both that the offer being made fits the direction of travel, but also to ensure that the most is made of an opportunity that can be

dramatically different than the one which might be expected, with increased scope and duration available.

Understand and Clarify your USP

Procurement teams are spending time trying to understand what really makes products and services being offered stand out from each other. This allows them to see behind any window dressing, and really challenge which USP's are of most benefit to them. As a consequence, the USP being offered needs to have both depth and legs, and also be explained in a way that is transparent, relevant and understandable. Without that, the USP will disappear in an avalanche of other offers. If it is really there, the Procurement team will appreciate being helped to understand it properly. If it isn't, don't waste time by trying to make something from nothing.

Get to know the team

The best procurement approaches will be using a broadly based team from relevant parts of their business to develop and apply the 'sourcing strategy'. Understanding their team will help you both understand their approach and also understand the needs and wants of that team. The membership should give an indication of the spread of activity being undertaken. Multi country representation gives an idea of the ambition of the program; senior finance or strategy representation suggests that the outcomes could be more far reaching than high usually be expected. Equally, if it appears just to be a single country buyer, then it may just be a price focussed activity so there is less to worry about.

Understand Market Positioning The Procurement team will be exploring the marketplace, to understand the position of current and potential suppliers within it, but also to understand the fundamental market dynamics within it. They will try to understand capacity, consolidation, M&A activity, cost drivers and macro economic influences, the likelihood of new entrants and the likely style of competition in the marketplace. If their current approach makes no sense in the market place (for example they may have been tied in to one supplier for a number of years) there is more chance that they will make a move. As such, understanding your own market position accurately will become far more important as the discussion is engaged. There is nothing worse than having the Procurement team lecture you on the market composition and movements.

Be Smart

Contact us to discover how you can get right inside the thought process of your most challenging prospects, and convert them into long term customers.

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