

<http://www.stuff.co.nz/business/opinion-analysis/4971154/Great-technology-still-needs-sales-push>

## 'Great technology still needs sales push'

By OWEN SCOTT

**OPINION:** A star is touring New Zealand this week. He's not quite Justin Beiber or Elton John, but Professor Ken Morse is still something of a luminary in the world of hi-tech business success. Morse is running seminars for hi-tech entrepreneurs in Auckland and Christchurch, sharing some of the secrets of his success as co-founder of six hi-tech American companies.

Five successfully progressed to IPO or acquisition and one was a "disaster".

Helping technology entrepreneurs with the most important skill any of them could master - selling into big organisations - was a focus of his sessions.

The seminars are not for the fainthearted. Morse paints a scary, but realistic picture of the challenges of selling to multinational companies. It is as complex and demanding as coming up with technological innovation in the first place.

Technologists sometimes look at salespeople with disdain. They are the slippery, shiny-shoed types who are a necessary evil when it comes to getting their inventions to the market.

In business-to-business selling, the real skill is not so much about persuasion, about the gift of the gab, but about being an expert at understanding a prospective customer.

Great enterprise salespeople build a clear picture of their target customers, and understand and refine the problem they are wanting to solve, and the value to them of doing so.

Christchurch company Tait Electronics has talked about becoming a more strategic selling organisation, where their salespeople moved from being pushers of a product to gatherers of information about customer problems that are bought back to the company so the experts can develop solutions.

For example, Morse talks in his seminars about the critical importance of finding who "Dr No" is in the organisations you are targeting.

This is the person who controls the finances and typically doesn't want to spend on new technology unless he or she can be persuaded by a very strong case.

Overcoming Dr No and the rest of the sales puzzle would be at top of any technology entrepreneur's list of main business issues.

The annual Market Measures study of technology sales and marketing highlights this. In 2010, it identified four types of selling approaches used by New Zealand technology exporters.

First was the "build it and they will come" method. Driven by the owner's belief that the product is so good it will attract buyers with little or no sales and marketing activity.

This is not common among technology exporters, with most firms more realistic about what is required to succeed.

Second was the "hanging up the shingle" style of selling. Companies undertake some promotion - for example, a website - but do little in the way of active sales efforts.

They hope hanging out the shingle will be enough to attract buyers. A minority of companies were using this approach, but it was still apparent.

Most prevalent was the "door-to-door salesmen" approach. Companies arm their sales people with brochures and other collateral and send them out to "walk the street" in offshore markets.

The salesperson is left to do everything - from introducing the company and overcoming objections to closing the sale.

Companies using this method typically experienced a high cost of sales and long lead times, which stay relatively constant.

They are very reliant on quality of sales staff and find it difficult to engage distributors. Revenue is lumpy and unpredictable, and they find that their growth is restricted by the size of their direct sales resource, so it is hard to achieve scale.

So what was the highest-performing sales approach for technology exporters? It was the "moving the herd" method.

This involves telling a compelling and unique story through promotional tactics to help move a tightly defined target market en masse through the sales cycle.

Through this promotion (for example, social media, PR, advertising), prospects become aware of the product, understand the value it provides and become attracted to it all before a salesperson arrives.

"Moving the herd" companies typically notice that sales activity starts to build over time and average cost of sales drops.

They have a broader company involvement in "selling" activity, and it is not just left to the sales force.

Distributor engagement is better, and growth increases as the salesperson becomes less involved in all stages of the buying process.

These companies can build scale without building a big sales force.

To achieve success offshore, technology entrepreneurs must take a lesson from their farming colleagues and build a real sales process that moves their herd of prospects towards the "pen of purchase".

The alternative, as Morse himself says, is stark: "Sales results are clear, digital and brutal. They are easy to measure.

There are no shades of grey. Either the sale was made and the customer paid - or not."

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