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Reverse Thinking

Strategies for a successful reverse supply chain

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Pictured: Steve Manning, VP and general manager, Solectron Global Services

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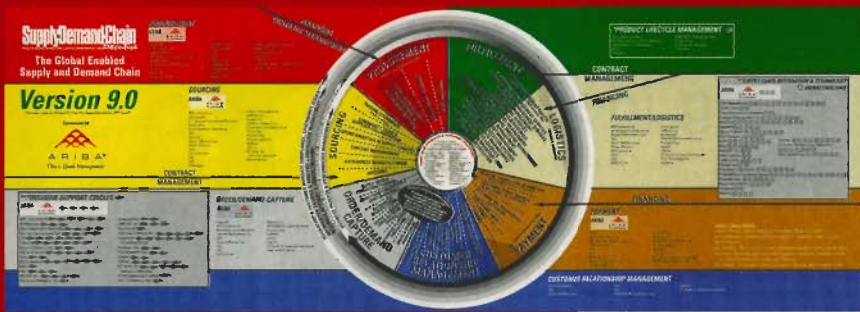
The Analyst Corner: Procurement

It's communications 101. Gain corporate buy-in for your procurement projects with these easy-to-implement tips.

By Susan A. Hahn

As a purchasing professional, have you ever noticed how your colleagues know more about the new product kick-off party than the $10 million dollar cost-cutting project your team successfully implemented? Why are kick-off parties and free t-shirts more exciting than a hefty fiscal contribution to the company's coffers? One word: *communication*. Salespeople, marketers and consultants sell success through effective communication. They use communication to set expectations, generate project excitement and pre-build the internal support necessary for projects to succeed.

Unfortunately for purchasing professionals, sales professionals receive copious hours of sales training and practice their skills daily. How are you to compete against that? This article explains the basics of "selling success." Designed specifically for procurement professionals, it will explore how to successfully compete for a company's limited resources, generate cross-functional project excitement, and increase colleagues' awareness of the purchasing function's corporate contribution.

Hurdles to Selling an Idea

The two most devastating hurdles preventing buyers from successfully selling project ideas to senior decision makers are the lack of formal planning and the lack of clarity.

Formal Planning: Successful salespeople plan for success. They research the market, identify potential clients, analyze the clients' needs and then design a sales approach that communicates product benefits clearly and convincingly to the client.

Most procurement professionals, however, feel that they don't have the time or need to create a formal sales strategy. The project should "sell itself," and "anybody" should be able to understand and support the project. Unfortunately, the project isn't being offered to just "anybody": It's being presented to individuals who are accustomed to tailored sales pitches. To successfully sell the project and win corporate resources, therefore, the purchasing professional must create a formal communication plan, complete with client analysis and product benefits.

Clarity: It's only logical that senior executives won't buy what they can't understand. Irrelevant, misunderstood and inconsistent messages, content and language confuse decision makers. At best, it will delay their decision to support your project; at worst, resources will be assigned elsewhere. Remove industry-specific language and instead describe the benefits of your efforts in terms that match your CEO's corporate objectives.

Overcoming the Hurdles: Selling the Project

IDENTIFY THE PROJECT AND ITS BENEFITS
Let's say that you've done your homework, scouring the industry, and have come across a unique opportunity that allows your

company to change cell phone carriers and reduce annual costs by 15 percent. The new carrier is well-respected, with sound financial resources. It has converted other companies to a national contract, and it has been able to implement all enterprise-wide changes within four weeks. It agrees to return the value of the full cost savings within the first fiscal quarter so that the purchasing department can meet its annual cost savings goals. What's not to love?

Amazingly, not a lot; procurement projects, by definition, require change, and few people truly embrace change. Personal preferences create amazing loyalties, regardless of the product. Therefore, the purchasing department must sell its project based on its beneficiaries' criteria – in terms they value and desire. For example, many cell phone users care more about service and calling plan flexibility than they do corporate cost savings, eliminating the ability to sell the project based on its 15 percent cost saving attribute.

First, identify an exhaustive list of potential beneficiaries and decision makers. The goal is to tailor the project proposal to meet the needs of critical decision makers and beneficiaries, as well as to consider the impact the project will have on the company as a whole.

- *Target Client(s)*: Who will benefit most from the project? Realize that the project cannot succeed if the target client doesn't value and desire the end results. The target client must be excited in order to support it.
- *Senior decision makers*: Senior decision makers ultimately decide what projects the company can and will support. Your boss and your senior management are easy to identify, but to whom do they listen? What annual and long-term corporate projects are they supporting? Who or what department needs the results of your project?
- *Colleagues*: A colleague is any individual or division seeking company resources at the same time as you. List those people that manage projects that might benefit from your project. First, if you can create a coalition and combine your project with another, you'll be seen as cooperative and a team player, increasing your chances for success. Second, do not ignore seemingly unrelated projects; understand and speak intelligently about them in order to compare and contrast the benefits of your project with those of others.
- *End-users*: What this group lacks in formal decision-making authority they compensate for with vocal commentary. End-users often wield great informal influence with decision makers. If sidelined from the project, end-users can quickly bad-mouth the project to its death. Identify them, and realize that the success of the project

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CORPORATE PROFILES

IQNavigator

COMPANY DESCRIPTION

IQNavigator is the leading global provider of services procurement and optimization solutions that enable Fortune 500 companies to increase profitability by reducing and controlling costs for all types of outside services spending worldwide. By leveraging the IQNavigator solution to source, procure and manage outside services spending, organizations quickly achieve significant cost reductions, gain process efficiencies and ensure compliance with both internal policies and government regulations.

PRODUCTS

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CUSTOMER BENEFITS

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◢ *Gain Compliance:*
- Enforce approvals for all services spending
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- Ensure supplier performance
- Apply with corporate policies

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- Manage to services performance metrics
- Continually improve quality and results

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- Fast implementation for quick time to benefits
- Software-as-a-service means no technology investments and automatic upgrades

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Year Founded: 1999

often lies with the support of this group.

- *Implementers*: The project's long-term success depends on a smooth implementation. Include people and divisions responsible for project implementation from the very beginning. They are best at identifying activities and attributes necessary for timely project implementation, effectively reducing cost and time commitments while increasing the project's return on investment.

CLEARLY QUANTIFY BENEFITS IN THE MOST DESIRED CRITERIA
The proposed cell phone carrier relies on a unique set of relay towers strategically placed around the United States, as well as its ability to rent tower time from other carriers. The resultant network, according to the carrier, will provide your company with complete cell phone coverage across the United States.

This means little to a salesperson who has all of her contact information and daily schedule already programmed into her phone; she's only concerned with how your decisions affect her. Will she have to manually enter all of this information into the new phone? Will she loose three-way teleconferencing abilities?

The easiest way to manage such expectations is to create individual "client" cards for each identified beneficiary. Each card describes a beneficiary and analyzes his or her support and dissent to the project. Why will the person support or oppose the project? What criteria does the person use to make decisions? How involved in the project does the person want to be? How should information regarding the project be disseminated? What (if any) technical language should be used? Open-ended questions should be used if the information is not known.

Feedback from beneficiaries will quickly illuminate the company's interpretation of the project, and you'll understand how to better position and sell the idea. Likewise, it will become clear with whom to communicate about the project and what attributes should be emphasized – beneficiary insight is the foundation of the project's communication plan.

CREATE A COMMUNICATION PLAN
Project plans outline activities and decisions vital to successful project implementation. However, if you incorporate the project plan and the communication plan into one master document it will illuminate communication events in chronological order, allowing you to more efficiently plan for future communication events. It will become clear who to invite to updates, include in meetings and copy on meeting minutes. The master document will also prevent

forgetting a potential end-user or beneficiary.

Using the project plan, identify critical decision points vital for the project's success. Work backward on the calendar and answer such questions as to who has the authority to make final decisions, how long the decisions will take and what method of communication is most effective (preferred).

Place the beneficiary and the form of communication (i.e. senior management meeting, presentation, weekly update, conference call) on the calendar. Combine as many beneficiaries into one communication as possible to save time, taking into consideration that they all have different motivations and concerns that must be addressed.

Creating a master plan also allows you to identify and manage vocal, non-strategic groups. Change is hard for most people, and it is easier for most to negatively critique a project than it is to understand and support it. By carefully managing communications with non-critical groups, it is possible to glean insight without derailing or grossly delaying the project. In order to do this, create special meetings to specifically address the needs of this group rather than allow them the opportunity to pontificate during cross-functional communication events. Incorporate their valid concerns into the project plan. Identify and politely refute or dismiss biased opinion.

COMMUNICATE

Poor communication is the No. 1 barrier to selling any project. Therefore, you must create a compelling message. It is necessary to communicate meaningful results in a convincing language that motivates colleagues to support the project. How can the purchasing department efficiently organize its thoughts and data into a meaningful message for the decision makers and beneficiaries?

One such method is called the *AIDA Model of Selling.* Used by many salespeople, the four-step AIDA model generates project enthusiasm and secures resource support. This is how it works:

- *Attention*: Ask a question or present an idea aimed at a specific benefit that the customer wants or a special need that the product can fulfill. Answer the listener's question, "Why should I listen to you?"
- *Interest*: Arouse interest by explaining how the project or idea can improve the work or position of the listener. Answer the listener's question, "How will this affect me?"
- *Desire*: Explain benefits the listener will enjoy from supporting and contributing to the project. Answer the listener's question, "What's in it for me?"
- *Action*: Ask for definite support and resource commitment. Answer the listener's question, "How can I contribute?"

Another method deals with creating *brand identity*. Ever notice how marketing always titles new product ideas? They create a unique brand identity for their projects by assigning them a project name and slogan. Brand identity is a communication tool that allows others to quickly recall and easily remember a project. It gives the project personality and differentiates it from other projects. A project name should be short but memorable, and the slogan is like a one-sentence sales pitch for the project. In the case of the cell phone project, a name and slogan to use could be, "Dial Tone: Creating Better Connections."

To successfully build brand identity for the project name and slogan, the message must be consistent; inconsistent messages confuse people. Therefore, align project names and slogans to reflect project goals and outcomes. Also remember to keep your project's name and slogan as short as possible to make it easy to recall and incorporate into communications. Finally, the name and slogan should be included in all written and verbal communication — repetition is a powerful tool.

TEASERS: TAKING ADVANTAGE OF TIME AND PLACE
The most underutilized communication opportunities are the 15 to 30 second chance meetings that may occur with senior management when least expected. An elevator ride or a chance meeting at the water cooler are great opportunities to reinforce project interest.

Turning a brief encounter into a successful sales pitch takes practice. Create several 15 and 30 second teasers for the project, and write them down. Make sure that they conform to the AIDA model, and practice them until they flow naturally. The next time you're face-to-face with a communication opportunity, you'll be prepared to take full advantage of it.

By using resources at your disposal, you can create and implement a strategic communication plan to generate corporate enthusiasm and secure resource support for any project you propose. By preparing for and utilizing formal and informal communication events, you provide ample opportunities to sell project ideas. The result of selling success is that purchasing professionals can increase awareness regarding their significant corporate contribution. **SDC**

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