

## **Selling ROI: Beyond the Numbers**

If you are in marketing or sales, chances are it isn't because you aced linear systems in college. Truth is, math intimidates many of us, and so the attention around ROI can be daunting.

ROI is dominating modern marketing's methods and means. Sales and marketing professionals are now asked to determine payback periods and present values. While not a problem for most pros, let's just say grinding out spreadsheets isn't as fun as a round of golf. Sales and marketing have changed - permanently.

What gets lost in the math phobia is that selling ROI does in fact require very human, very relationship-driven, qualitative skills. These skills are far more important than the financial formulas that are so alien to most of us.

### **Credibility adds up**

Credibility, not math, is the most important factor when your marketing and selling leverages ROI. Causal relationships between your offering and the results you claim it generates still require a bit of faith on the part of the prospect.

You may know how your offering pays back, but typically you have to demonstrate it. That requires way more than a simple spreadsheet.

In fact, it requires three key elements:

1. Articulating the customer's true need in a way that benefits the customer more than you
2. Establishing a causal relationship between your offering and a positive financial impact for your prospect
3. Helping to resolve the prospect's need, even if it's not met by your solution

See, no math.

To really start marketing and selling ROI internally or externally, spend the first few minutes learning everything you can about the current condition you seek to improve.

Then, document two things:

1. How your customer sees his current situation
2. Your customer's goals—or, more simply, what they'd like to see improved in the future

When you document the current environment from the prospect's point of view, you build credibility. Ask yourself whom you are selling or marketing to.

Too many companies are selling to themselves—speaking to their own concerns regarding their offering—in an attempt to preemptively manage objections. Internal issues, derived from too much intimacy with the offering, drive a lot of bad pitches.

Often prospects don't care about your competitive position or even your features and benefits. Research indicates that buyers are typically alienated by choice.

People have needs—which must be acknowledged, documented, and then filled. Your prospects have critical operational issues that must be resolved. They need affirmation that they are not being robbed and are executing the right solution for their problem. A solution that will promote them personally within the company, rather than get them fired.

ROI-driven business cases help customers know that they are making sound business decisions. They help reduce the risk and fear associated with expending precious corporate and personal resources. Still, fear is an emotion that must be managed using traditional people skills.

ROI makes everyone a bit uncomfortable—both you and your prospect. Your people skills are the best way to get people to feel better about the risk that they are assessing.

### **Relationships—not spreadsheets—build business cases**

But you still need a business case, and, yes, that requires some math, but more importantly, it requires...

- Proof that you've been successful helping clients in similar situations
- Proof that you understand your prospect's relevant business processes
- Proof that you understand the business implications of your proposal

If you want to improve your sales results... try doing less work. Avoid premature elaboration (you know: "show up and throw up"). Postpone the PowerPoint. Delay the demo. Contain the collateral.

Use these important tools *after* you've documented that you understand what the prospect is trying to accomplish. Do this by gaining the prospect's agreement that what you've documented is an accurate review of his/her condition.

Agreement on your documentation is the key to gaining the trust that will make prospects open up and become comfortable with your proposition.

Your business case means little if you can't gain agreement with your prospect on it. Your customer must agree to the financial impact your offering will have, or all that fancy math will be in vain. You must genuinely understand your prospect's business.

Now that you've demonstrated a clear understanding of your prospect's business, you can get accurate information around very delicate issues such as...

- What are your prospect's revenue drivers?
- What are the cost centers?
- What is the prospect's vision for success?

Once you've built credibility by demonstrating that you understand the prospect's business, only now should you begin to "sell." Only by demonstrating sensitivities specific to your prospect's business can you have the credibility required to get meaningful answers to questions such as...

- What would an X% lift in revenue mean to the bottom line?
- What would \$X savings mean?
- What is the prospect doing now?
- What is the prospect losing financially by doing nothing?

These are indeed quantitative issues requiring a fundamental competency in finance. The good news is that you can get help to build the models that easily and effectively calculate business impact. Once that work is done, it's done. You can repurpose the calculations again and again.

More important than the math is the relationship -- only a salesperson with legitimate and credible rapport can get answers to questions that yield credible business models. A credible business case happens only by getting accurate answers to delicate financial questions.

### **Theirs are the numbers that count**

You cannot have a credible business case without using your prospect's numbers. Too many people come to a sales opportunity with *their* numbers, not the prospect's. Failure is certain when the prospect's number is not used.

Even if you have hundreds of customers, chances are that your prospects see themselves as very different from anyone else you've sold or marketed to. You can more effectively demonstrate value and credibility by embracing what the prospect sees as unique about his/her business.

That is not to say that your historic performance measures don't matter—they're critical to building credible case structure and range variables. You need to track all your customers' performances so you can demonstrate a real, historical ROI.

Do that by using the client to articulate his financial expectations from the beginning of the sales cycle. Build a library of financial casework to help refine your ROI modeling process. Confirmation of value will help you prospect for new customers and grow share of wallet as your set of offerings matures.