PART I

THE PROBLEM

Causes and Consequences of Revenue Dysfunction

CHAPTER 1

It's the Buyer, Stupid

In 1992, political consultant James Carville cleared the path to Bill Clinton's election as President with one simple phrase: "It's the economy, stupid." There were plenty of other issues upon which Clinton could have built a campaign at that time. But his singular focus on the economy gave his campaign such clarity that it not only won him the election; it entered popular culture as an enduring meme.

The fundamental idea behind reinventing revenue is just as clear and simple: "It's the buyer, stupid." Revenue-generating organizations can worry all they want about tactics like trade show booths, targeted e-mail blasts, the number of cold calls made each day, expert negotiating skills, and whether SPIN Selling or Target Account Selling is really the best way to the money. But none of that really matters in the end. By the time that your prospective buyers see your trade show booth, read your e-mail, answer the phone, or tell you about their budget, they have already made up their minds.

In fact, your target buyers started making up their minds before you even knew they existed. This occurred when they visited your website and poked around in almost complete anonymity. Did they like what they found? Did they encounter current, relevant, and helpful information that educated them about why they should buy from you and not from your competitor? They probably asked their Facebook or LinkedIn friends and connections about whom to choose and whom to avoid. Did any advocates for your brand or product speak up? Do you even know who your advocates are? Sadly, most organizations today are likely to answer *no*.

Once a prospective buyer began to interact with your website, or your fan page, or clicked on one of your expensive Google AdWords, did you capture his or her attention and interest? Did you start to build a relationship? Maybe, or maybe not. All too often, a click on one online ad just leads to another irrelevant ad. Or a visit to a fan page leads to a fun experience, but not a relevant one for the buyer.

Sometimes, though, you get lucky; the prospect likes what you have to say and consents to give you his or her name, e-mail address, and maybe even a phone number. You have a lead. Quick! Get that lead in the hands of a salesperson. There's a live one on the line!

Oops! Not so fast. In a scene that's repeated over and over and over, the first call to that live one goes nowhere. It doesn't matter whether you're selling software, accounting services, a home equity loan, a wonderful new plastic polymer, or any other good or service. The story is the same: Your prospect doesn't even answer the phone. And if they do, they say something like, "No thanks. I was just doing some research."

This scenario is worse than simply being inefficient and frustrating for both the buyer and seller. It's also at the root of one of the most persistent dysfunctions of revenue organizations everywhere.

Here's how it usually goes: The marketing team hooks the live one on the web or through some other marketing program. It goes over the wall to sales, where the "no thanks" call happens. This scenario doesn't need to repeat itself too many times before sales decides that those live ones coming over the wall are really just old tires snagged on the end of the fishing line. So, no more frustrating, inefficient calls ever get made. Why bother, they figure. The leads from marketing are worthless.

The situation is just as hopeless on the other side of the wall. Marketing knows their website is current and compelling, that its AdWords were exactly targeted, and that the target buyer clicked (and yes, Google collected their fee for it). Yet nothing came of it because sales never made the call. That's demoralizing at best, and at worst, a recipe for a budget cut in marketing.

There is a common theme running through both sides of the story: In each case, the revenue professionals in marketing or sales acted as though *they* were in control of the situation, executing their carefully devised plan, making a cold call, sending an e-mail, or pouncing on the live one. Unfortunately, no one clued the buyer in to these grand plans. The buyer was simply conducting his or her own process, following his or her own plan and schedule. They'll talk to you if and when they want to, but not necessarily when *you* want to talk to them. The buyer is in control of the entire experience.

This is a new notion for many organizations. It wasn't very long ago that buyers were at the mercy of the salesperson for even the most basic information. There was almost no other way to learn about a product or service in enough detail to make a quality buying decision. However, the web and social media have changed all of this.

THE NEW SHOWROOM FLOOR

The way people buy cars today provides a vivid illustration of just how fast and completely the Internet has changed the buying process. Less than a generation ago, new car buyers had only a handful of independent information resources to help them make a decision about what make or model to purchase. Beyond automakers' mass advertising and reading reviews in popular car magazines, buyers were essentially forced to trek from one dealer showroom to another to get a feel for their choices and start to make a decision. And the dealer's sales staff remained firmly in charge of the interaction at each car lot, so much so that the image of a high-pressure car salesman has grown to almost iconic proportions in our popular culture.

Fast-forward to the current day, and all of this has been turned upside down. According to a 2007 Yahoo!-Polk study, fully 88 percent of all car shoppers started their process with online research before ever walking into a dealership. The web is now teeming with resources, such as the remarkable 3-D interactive buying tools hosted by most major auto brands. Competitive pricing information is readily available on the web; look it up on a web buyer's guide, or ask your Facebook friends what they paid.

As a result, most auto buyers never visit a dealer until they have already made up their mind about the specific made and model they intend to buy. In fact, one recent CarsOnline poll revealed that

44 percent of new car buyers would never visit a traditional auto dealer *at all* if given the option; they'd instead choose to complete the entire process online. The buyer is literally in the driver's seat, and in total control.

It's the buyer, stupid.

Ultimately, the transformative opportunity described in this book leads back to one simple idea: Power has shifted from seller to buyer in a profound and permanent way. Just as Bill Clinton's first presidential campaign relentlessly zeroed in on the economy, it is essential that companies take an equally sharp focus on their buyers instead of on their own tactics. Yet marketing and sales teams in countless organizations have failed to fully acknowledge this development; they continue to cling to the old ways and resist change. This is not sustainable, especially since change is already here. And the first step to embracing it is to understand what you're changing *from*. As such, the following chapters will explore where most organizations are today in the arts and crafts of marketing and sales.

KEY POINTS

- Keeping a laser-like focus on the buyer, instead of on a company's own internal politics and business processes, is essential for effective revenue performance.
- Prospective buyers typically do a lot of research into a company and its products before the company even knows they exist.
- The marketing department's traditional practice of handing off leads to sales is both mutually frustrating and unrealistic in today's marketplace.
- It is today's buyer—not the supplier's sales or marketing people—who controls the process leading toward a sale.