FOREWORD BY NEIL RACKHAM
bestselling author of *SPIN Selling*

SELLING TO THE C-SUITE

WHAT EVERY EXECUTIVE WANTS YOU TO KNOW ABOUT SUCCESSFULLY SELLING TO THE TOP

NICHOLAS A.C. READ
DR. STEPHEN J. BISTRITZ

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Foreword

Neil Rackham

Sales has grown up a lot in the last 10 years, and this book is a good example of just how far selling has come. When the manuscript first landed on my desk, I looked at the title, *Selling to the C-Suite,* and I couldn't suppress a groan. "Another collection of impractical advice about how to get in front of any key executive without even trying," I thought. And you can't blame me for being skeptical. Almost without exception, books on how to get access to "The Man," "VITO," "the fox," or a dozen other names for the top dog whose signature can change your life, have been mediocre and unrealistic. So, I must admit, I started reading with very low expectations.

By the time I reached the end of the first chapter, all that had changed. Three things were immediately evident:

- There is a refreshing realism about the authors' advice. No gimmicks, no tricks, no smoke and mirrors. Selling successfully at C-level is hard, thoughtful, and strategic, and the book offers none of the usual unrealistic silver bullets.

- The ideas are based on research, not on anecdotes. The authors interviewed hundreds of senior executives to learn about their buying practices and, for this alone, the book is worth its weight in commission checks.
- It is one of the few books that actually demonstrates an understanding of selling in a global business environment. There are cases and examples from—among other places—China, Europe, and Australia. Everybody says we must think globally. Nic Read and Stephen Bistritz have been doing it. They have been working all over the world, and they really understand global business because they live it every day.

Selling to the C-Suite comes at the right moment. Nic Read and Stephen Bistritz have been developing this material for 10 years, and they couldn't have timed their publication better. There are three intersecting factors that put the book at the center of a perfect storm that is changing selling in fundamental ways.

THE ECONOMY IN CRISIS

These are unprecedented times when even the super-confident economic gurus readily confess that they don't know what's going on or how long it will be before that comforting word "normal" can be safely used again. Prediction is rapidly going out of style. Yet I'll venture one confident prediction based on the history of every economic downturn for the past century. When the economy goes down, the decisions go up. A purchasing decision that is made in good times at a middle management level requires active participation from the top when company survival is at stake. Selling cycles take longer, and customers become risk averse. In this environment, the ability to sell effectively at C-level has never been so important. The advice in this book can make all the difference. Here's just one example. From their research, Read and Bistritz identify where in the sales cycle C-level executives get involved, why they get involved, and what this means for an effective sales strategy. Very few of the salespeople I work with understand the dynamics of top management involvement, and this book will certainly help them.

THE NEW CEO ROLE

In the good old days, CEOs could succeed by looking for improvement inside the company. By cutting away fat and by introducing systems, processes, TQM, and the like, their organizations became lean, mean, and competitive. Today, with a few endangered exceptions in the much vilified financial and pharmaceutical industries, the fat is gone, and the company runs like clockwork. So how does a CEO make an impact? The fashionable answer has been acquisition. Grow the company by buying your competition. But, in today's environment, raising the capital for acquisition has become next to impossible. What's more, the track record of acquisitions has proved spotty and questionable. With the traditional growth strategies unavailable or discredited, CEOs are now turning outward. The new role of the CEO is to create value at the organization's boundaries, to radically change relationships with suppliers, customers, and alliance partners. This creates significant opportunities for the few salespeople who can relate at an enterprise level with their customers. The authors worked closely with Hewlett-Packard and saw, firsthand, how the top hundred HP accounts brought in upwards of $13 billion in 2005. To generate this kind of revenue, the account executives for each of these accounts not only had to work at C-level in order to understand the customer's strategies and politics but they also had to use extraordinary creativity to help their customers find new value from their collaboration. I detect much of their experience in the pages of *Selling to the C-Suite.*

THE VALUE CREATION IMPERATIVE

The final factor that makes this such a timely book is a trend that has been gathering pace for several years. The old role of sales—to show customers why your products and services are better than those of your competitors—is no longer viable. It's too expensive, and customers don't want it. Salespeople who still cling to this traditional role (I call them "talking brochures," while the authors here use the curiously similar term "walking brochures"— take your pick) are failing everywhere. In their place, the new salespeople are highly skilled value creators, who live by ingeniously solving customer problems. The measure of these new salespeople is the value they create and, to create maximum value, they must understand the issues and concerns of their C-suite customers. This book is timely and essential reading for them.

Neil Rackham
Author of SPIN Selling
Visiting Professor of Sales and Marketing,
Portsmouth Business School
Visiting Professor of Sales Strategy,
Cranfield University

Chapter 4

How to Gain Access to the Executive Level

about. Executives love to be challenged and solve problems when salespeople serve as peers instead of hucksters.

In asking salespeople who call on small, medium, and large companies how they reach executives, we found that, while tales like the ones just given provide some anecdotal value, they are not as valuable as hearing from C-level executives themselves.

The executives we talked to in our research projects complained about receiving too many calls from "people who think I ought to be involved in every purchase. It's a real aggravation because they are selling above where they need to be, and they clearly don't understand or care about how our process operates." Calling on the wrong executive not only wastes the time and resources of salespeople, but also damages their credibility and their chances of a future relationship with that executive.

IDENTIFYING THE RELEVANT EXECUTIVE

Competitive salespeople don't waste people's time, least of all their own. They identify the *relevant executive* for each sales opportunity, and they take time to understand the dynamics of their customer's organization to uncover where influence, power, and control over a particular project reside. "It doesn't have to be the CEO of a corporation," said one respondent. "It could be someone who has great influence with very little formal rank." We are reminded of Barbara the receptionist.

To determine the right person to target, executives suggest that salespeople ask two questions.

"Who Will Really Evaluate, Decide, or Approve the Decision?"

An executive who initiates a project often reserves the decision-maker or approver role before she hands down the role of evaluating vendors to others. By way of definition, a *decision maker* is the person who analyzes the results of a formal team of evaluators, listens to recommendations, and then makes the final commitment to a vendor or to a certain course of action. There is usually one decision maker who makes that commitment.

On the other hand, an *approver* is usually a more senior person who reserves the right to review and approve or veto the decisions made by the decision maker. If the decision maker owns the budget and is trusted to make choices that are in the company's interests, the approver serves to offer objectivity but typically rubber-stamps what the decision maker wants to do. If the decision maker is new, under scrutiny, or about to leave the company, the approver's role becomes more active to safeguard the right decision.

As a rule, the executive who holds the highest rank and greatest influence regarding a particular project is the person you should always be sure to spend time with. This is the *relevant executive* associated with the sales opportunity. Another way to determine the relevant executive is to find the highest ranking executive who stands to gain the most or lose the most as a result of the project or application associated with the sales opportunity. Anyone above this person who is not involved in the project or is not affected by it is not an appropriate contact. Anyone below this person does not have a broad enough view of the project, can give you bad or misleading information, and through ignorance of the issues can even extend the sales cycle unnecessarily.

"Who Has the Highest Rank and Greatest Influence?"

Every company has the formal structure of leaders and followers, ranks and reporting lines. You see the structure and ranks printed in annual reports and on people's business cards. It's the legitimate chain of command that companies need in order to preserve order and divide labor, and it is easy to identify. Some people obsess about climbing that hierarchy as a means of securing wealth, power, and control. But if rank works as a constant, do eight vice presidents in the same company all exert identical levels of influence? Rarely. Influence is the informal, political power that people wield. It rarely maps along the lines of a formal hierarchy, which makes it difficult to see. In reality, it operates exactly like a personal currency in that it rises and falls with how much of it is *created, stored, borrowed, consolidated, exchanged*, or *spent*. It is also affected by the relative influence of others in the community.

THE DYNAMICS OF ORGANIZATIONAL INFLUENCE

People *gain influence* and control from their level of involvement in and value to a discussion or project (*created*), by past contributions that still confer a level of credibility and respect (*stored*), by powerful people or brands they are associated with or anointed by (*borrowed*), and by how popular a person or idea becomes, and the level of support and number of people who back it (*consolidated*).

People *lose influence* and control when the people or more influential brands that they were associated with go away or fall from grace, whereupon the influence that was borrowed or consolidated reverts to the amount of influence a person holds on his own (*exchanged*). People also lose influence by making mistakes, making enemies, or simply becoming has-beens whose stored supply of influence is depleted (*spent*).

As Janet Jackson crooned on her third album (coincidentally titled *Control*), we should all ask ourselves, "What have you done for me lately?" and take stock of our personal currency with the various stakeholders we want to be involved with, inside and outside the business arena. This is because influence doesn't have much of a shelf life. It doesn't store well.

So how do you identify a relevant executive who (1) is involved in a buying decision, (2) has a personal interest in the outcome, (3) has adequate rank to affect the formal decision process, and (4) has sufficient influence to affect the informal decision process? Executives we interviewed told us that there are four things to look for:

- *What people have done* (their track record)
- *What people do now* (their value)
- *Whom people know* (their network)
- Their *ability to drive change* (their will)

Their Track Record

Psychologists will tell you that the most reliable indication of future performance is past performance. People who have influence have a track record of consistent success. This doesn't mean that they are *always* successful. It means that they are *consistently* successful. When you hear that someone is "on a roll" or enjoying "a lucky streak," or when her "stars are in alignment," watch closely and you'll see that "success begets success." Success has a muscle memory, so when people enjoy success in one area of their life, they leverage their value and their network of associates to exert their will on their surroundings across several fields. That's influence. When you are trying to identify the relevant executive, look for patterns of success or lack of success in an individual's personal or work history. People with no track record have no currency to invest in the influence game.

Their Value

People build their track record in a number of different ways, but the key to maintaining it over time is creating value for their company, its executives, their customers, their peers, their partners, and other stakeholders. That's what you get recognized for; that's where you gain a reputation. The value may be personal and qualitative, such as introducing someone to a new idea or a topical book or news article, introducing him to people in your network who can help him, or simply bringing him useful information. Or the value may be commercial and quantitative. But as stated earlier, the influence you gain from these moments of glory soon fades once time outweighs the impact of your past contribution.

Value is, therefore, an everyday pursuit. You need to keep the iron hot. When you are trying to identify the relevant executive, look for the people who understand and can articulate what value looks like to their company, who are also contributing to delivering that value—as validated by their name being linked to all the right projects and talked about in all the right circles. Look for the people who are regarded as movers and shakers. If they are perceived as creating value, have a decent track record, and are connected to the sale you hope to make, they're candidates for being the relevant executive.

Their Network

The next marker we look for is each person's network: her tribe, grapevine, posse, alma mater, or power base. People who build influence are always plugged in to an informal chain of command, serving as either the hub or one of the spokes. They recognize their own limitations and surround themselves with people who can compensate for those limitations and balance them out. For example, new staff members who understand how influence works will connect with the alpha dog to learn the ropes and gain protection or favor. Old-timers will always nurture their allies inside and outside of their organization to stay current. Just as in the adage "birds of a feather flock together," sometimes these networks are made up of people who went to college or an MBA course together, past colleagues in another company, or people who worked together on various projects in the same company. People tap into these networks for information, for advice, and for favors. All members of a network are bound by mutual advantage, what the Chinese call the rule of *guanxi*.

Easily understood as "I'll scratch your back, then you scratch mine," *guanxi* (pronounced *guan-shee*) is a fundamental tenet in Asian cultures whereby people become trusted as "insiders" through the mutual exchange of information, favors, or other forms of value. According to Luo Yadong's book *Guanxi and Business* (World Scientific Publishing Company, 2007), the Mandarin word *guan* originally meant "a door"; its extended meaning *xi* is "to close up," meaning that behind the embrace of the closed door, you may be "one of us," but outside the door, your existence is barely recognized.

People who are "inside the door" of a network know about events before they happen; they're connected. In Italy there is a phrase for this: *radio scarpa*. The literal translation means "shoe radio," and the colloquial etymology refers to people who know what's going on simply by walking around, as though their very shoes could decode signals from every office in the company via the floorboards. Understanding this, a shrewd salesperson will know that if she doesn't know who the relevant executive is, or cannot reach him, the best approach is to broadcast her value to people on the grapevine. Sooner or later her message will reach the relevant executive.

To identify these players, always look for the people whose names are linked to many projects and discussions; look for the people who attend meetings and say very little, but whose few questions demonstrate deep insight that's beyond what they've heard from you; look for the people whose opinions others defer to, regardless of their rank; look for the people who seldom act surprised when they hear breaking news.

Without support from an executive's allies, it can be difficult to gain access.

Their Will

People with influence exert their will on the company; they set things in motion and change the status quo, and people follow them. But they seldom do it from their first day on the job. When a person joins a business, he learns how things work within the culture—how decisions are made, how ideas are discussed, even how people generally dress and speak. The way it works in business is the same way it works in college: you assimilate and work within a culture, or you get branded as an outsider. People build influence by first acclimating to the pervading belief system of how things should work (the company's *philosophy*) and working within the rules (the company's *policies*).

A former executive of Telecom New Zealand who was given the task of driving business transformation in a company that was resistant to change recalls:

> You can't afford to scare the horses, or they'll bolt and you'll never catch them. Even though you're the only white horse in the herd, you must throw on a blanket that makes you look like a brown horse, and get close to all the other brown horses so that they get to know you. Over time, you can let the blanket drop until they see that you're a white horse. But by then you've eaten the same hay and galloped in the same fields long enough that the horses have learned to trust you as one of their own. And of course, when the right horses neigh in your favor, the rest of the herd follows.

He first operated within the philosophy and policies of his company, created value, built a track record, and developed his network with various stakeholders so that he could drive change that would be supported.

This is how people with influence exert their will. When they have enough support from the right people, they can begin to interpret company policies as soft guidelines instead of hard rules, and find ways to change those policies for the benefit of the business. When a person reaches this level of influence, her personal philosophies start to be manifested in official ways, regardless of her official rank.

HOW DO EXECUTIVES SCREEN AND TEST SALESPEOPLE?

The first gauntlet you run when you're trying to meet any executive is the system of roadblocks that are put in place to preserve her calendar or diary. You must find a path through these screens and filters, and then introduce yourself in a way that will cause the executive to give you a meeting.

Roadblocks don't exist just to make life difficult for salespeople. Most of the time they're a legitimate mechanism that has been put in place to help the executive focus on important tasks rather than distractions.

Why Do Roadblocks Exist?

In some companies, getting calendar time with a senior executive may happen only if you contact the executive assistant or the executive's secretary. You simply can't get on the executive's calendar by contacting him directly. In that case, you may have to either use a sponsor or treat the assistant as a resource to help you schedule a meeting with the executive.

The chief causes of roadblocks are the following:

1. Executives delegate meetings of this type.
2. It's the formal process used in this organization.
3. The executive is too busy to schedule meetings with external suppliers.
4. The executive's previous experience with salespeople suggests that they should be seen by lower-level executives first.

Figure 4.3 Causes of Roadblocks

Getting Past the Roadblocks

We've provided a worksheet in Appendix 2 for planning how to bypass the roadblocks you face. The techniques that can be used to address them include the following:

- When there's an organizational change in your company, suggest having a meeting to explain the new structure.
- Suggest a meeting with an equivalent-level executive from your organization (like-rank selling).
- Accept redirections to meet other executives or people of lower rank, but always ask the executive to make an introduction and request a follow-up meeting to review the outcomes.
- Schedule a meeting with an executive to communicate past value delivered or to confirm your ongoing value.
- Contact the executive when there's any significant event in the customer's market, even if it's unrelated to the current sales campaign. Executives like to know that you're thinking about them, even if there's nothing for you to sell.

The stakes are high if you cannot access the relevant executive. Some of the latest data from companies whose sales cycles are nine months or more indicate that it may cost more than $200,000 to pursue an opportunity, whether you win or not. That's a significant sum to bet on selling to low-level managers. If you don't have the chance to get past the gatekeepers and meet the relevant executive, it may be prudent to walk away and save the cost of sale.

There's one other word of caution that bears mentioning at this point: don't attempt to circumvent the gatekeeper unless you have a high degree of confidence that you can obtain the meeting with the executive. As one savvy salesperson put it: "Hell hath no fury like a gatekeeper scorned!" Once she is around a roadblock, a salesperson will be quickly tested. CXOs told us that salespeople who get past their roadblocks on a cold call get five minutes to show that they can add value. Here are some tips:

- Speak from a business perspective and don't get caught up in the "bells and whistles" of product features.
- Raise relevant questions and share business perspectives that are new to the executive.
- If you're an incumbent, point out the potential limitations of your products in light of changing demands and provide ideas for making improvements, thus enhancing your credibility.

CHOOSING A PATH

After you've evaluated whether it's more advisable to work with the gatekeepers or to go around them, you'll need to decide how to navigate that path to the executive. How do you go from where you are today to gaining an audience? Most salespeople know at least four approaches for achieving access to senior executives (see Figure 4.4). As Figure 4.2 showed earlier, some of these approaches are more successful than others.

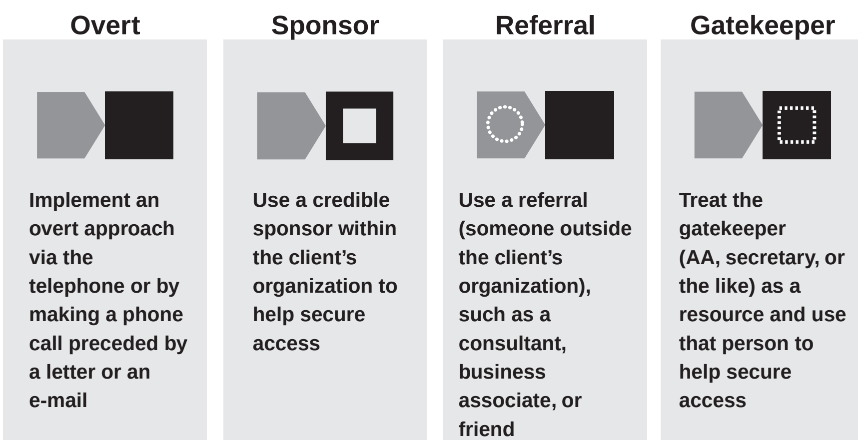

Figure 4.4 Tactics to Gain Access to Executives

Overt

An overt approach is one in which you contact the executive directly. This type of approach can be accomplished by a direct telephone call, or by a telephone call preceded by a letter or an e-mail. However, don't be surprised if the overt approach leads to your being sent down to lower levels. Our research revealed that 44 percent of executives would *never* respond to this approach, and only 36 percent said that they would respond *occasionally*.

Sponsor

With this approach, someone inside the client's organization helps you gain access. It's absolutely critical that the sponsor have credibility with the executive. In our research, executives said that this was the most effective way to secure access to them. In fact, 68 percent said that they *usually* grant an audience to salespeople sponsored by a credible person within their own organization, and 16 percent said that they *always* do so.

Referral

With a referral approach, someone outside the client's organization (such as a business associate, consultant, or friend of the executive) helps you secure access to the executive. In most cases, this is an effective way to reach the executive. As with a sponsor, the referral's credibility with the executive is critical to success.

Gatekeeper

Try treating gatekeepers as though they were the executive. Explain your proposition and ask their opinions. The best executive assistants will be conversant with their boss's key business issues and will immediately see your value. The poor ones won't understand the discussion but may pass you forward because you *sound* like you belong. If you are successful in obtaining a gatekeeper's support, keep him in the loop.

INITIAL CONTACT WITH THE EXECUTIVE

In Appendix 2, there is a template for an initial telephone call to the executive. You can use this template to help you prepare to contact the executive for the first time. It contains five simple steps:

1. Preparing Your Approach

Simply put, you want the executive to perceive you as being prepared, succinct, and confident. This call should not last more than three or four minutes. If you can determine an executive's personal agenda and address it while also addressing her business agenda, you will have easily developed competitive differentiation.

2. Introduction

Begin with a brief introduction that clearly states who you are and why you're contacting the executive. Explain your connection to your sponsor or referrer, if appropriate. You have only one opportunity to make a first good impression! This is particularly important if this is your first meeting with the executive. You want to make certain the executive understands that you did some level of preparation prior to the meeting.

3. Purpose

Explain the purpose of the call. You'll have to explain to the executive why you're calling him. This could be to arrange a meeting to discuss a specific business issue that you understand to be compelling to the executive. Paraphrasing what hundreds of senior executives told us consistently: "One of the single best ways for a salesperson to gain credibility at my level is to listen before proposing a solution. This is the number one trait I look for in salespeople I would consider as candidates to be one of my Trusted Advisors."

4. Credibility

Explain the homework you've done on the executive's organization, or perhaps cite the past value you've delivered to the organization if this call is to an executive in an existing client organization. Another option is to describe how you've helped other companies address similar challenges.

5. Commitment to Action

Propose a clear and specific action or next step, such as a meeting. Executives like to be told what you expect them to do. Have a set of next steps ready to request at the meeting with the executive, and be willing to be held accountable for accomplishing them.

If the executive refers you to someone at a lower level in the organization, this may not be the result you wanted, but it isn't a train wreck either. The executive may simply be referring you to someone in her network of advisors who is better suited to evaluate the discussion. It always helps to do three things:

1. Ask the executive for an introduction to the person, because this is far better than your having to call him cold. You can leverage the fact that his boss sent you to talk.
2. Ask her what she hopes you will achieve with her subordinate, and what additional people are suited to have the discussion with you. Turn it into a networking opportunity.
3. Ask to reconnect with the executive to review how what you hear from her subordinates compares to the level of readiness in other companies for which you've solved the same problem. Executives typically like to know how their company benchmarks, so use the occasion to demonstrate your value as someone with insight beyond the executive's silo walls.

Here's what one sales professional shared about this topic:

> My customer went through a management reorganization, which eroded some of my support base. I had a good relationship with the engineering manager who was promoted to COO when the former COO was promoted to CEO. I wanted to get close to the new CEO, so I called my contact for advice. The COO confirmed my ideas about the issues that were of most importance to the CEO, and agreed to support my solution if I was successful in getting it positioned.
>
> I then contacted the CEO and asked to meet with him. After explaining the ways I felt we could add value, he said it didn't make sense for us to meet unless I first had the support of a mid-level manager whom I'd never met and didn't know existed. I could have perceived this to be a negative outcome. But it was clear that this person's opinion mattered to the CEO: she was in his personal network. I did a thorough discovery of the firm's

key business drivers, and after the meeting she sent an e-mail to the CEO suggesting that it was a good idea to discuss future opportunities in more detail.

This is a clear example of how being referred down can grant you credibility with other key players, and in return enhance your credibility with the executive who sent you there in the first place.

With these tips, you're on your way to securing a first meeting with the executive even when you're making a cold call, albeit a well-researched one! However, if your company provides air support in the form of marketing campaigns designed to trouble the executive about business problems he faces that your company can solve, your chances of success are greatly magnified because the executive is already warmed up to recognize that he has the problem, and he already knows that your company plays in the space.

Whatever the approach, you're now ready to meet face to face, where the first item on your agenda is to establish your credentials and your credibility.

Chapter Summary

Let's summarize what we've discussed in this chapter about the second question in our research: "How do salespeople gain access to executives?" Let's break it down to the top three messages:

1. *Identify the relevant executive.*
   There is one person who most feels the pain and has skin in the game. If a project to find a supplier is already underway, the relevant executive is the person who first identified the need and had the credibility to turn it into a formal project backed by resources. If you're trying to create a project by tapping into a problem that the customer needs to solve, the relevant executive will be the person who has the most to gain or the most to lose. Many stakeholders will need to be met and developed as supporters. But at the center of the web is the executive who is most relevant to this decision. She may not always be at the very top of the company, so sell only as high as you need to. But a general rule of thumb is: *the bigger the pain, the higher the game*.
2. *Get close to the influencers.*
   Every decision to buy from a supplier involves several evaluators, one decision maker, and possibly several approvers. This is the formal decision process. Outside of that, there are other people who get involved who have influence disproportionate to their role. Some of these may not even be in the customer's organization. Finding the *power behind the throne* and aligning your sale with his agenda is critical. If you win the formal vendor

evaluation but you don't have political support, you might lose the deal. If you lose the formal vendor evaluation but you have powerful influencers on your side, the formal criteria will change to justify your winning. Nobody says this is fair, but it's how every large investment decision is made, even in government contracts. Learn and master these rules; they're the only ones that really matter.

3. *Navigate the roadblocks*.

Executives test salespeople to see if they're worthy of an audience. Sometimes this is for sport, but most times it's to protect their calendar from time wasters. Their organization will include project leaders, executive assistants, and others who will tell you to deal solely with them, tell you to go away, or leave you hanging while you wait for them to return your call. There are several options you can choose for getting past the roadblocks, or even for converting the blockers into allies. When you choose to go around someone or over her head, you need to weigh the pros and cons of doing so based on the situation at hand. Research shows that using the telephone to cold-call an executive is the least effective method, with an 80 percent failure rate. Gaining a referral from someone the executive trusts is the most effective, with an 84 percent success rate. If you have strong marketing support that regularly troubles the executive about the problems he is facing, the referral to meet you will usually come from the executive himself.