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Technology Buyer Insight Study: Executives' Preferred Forms Of Sales Contact

by Scott Santucci
for Technology Sales Enablement Professionals

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Engaging With Executives Is More About What To Say Than How To Say It

by Scott Santucci
with Eric G. Brown and Robert Muhlhausen

EXECUTIVE SUMMARY

Growing the size and health of the pipeline is a major focus at most technology vendors. For the majority of sales leaders, prospecting remains the most reliable form of creating opportunity. Executive buyers still prefer traditional communication methods like phone or email. Instead of treating prospecting as a numbers game and finding more ways to generate more phone calls or larger batches of emails, as sales enablement professionals you should focus more energy on hot topics of the specific target executives and develop short but compelling examples of how your firm has helped others in those specific situations.

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NOTES & RESOURCES

Forrester surveyed 166 North American enterprise business and IT decision-makers who are involved in purchasing technology products or services and work in companies with annual revenues of at least $500 million. Forrester also conducted 40 confidential interviews with executive-level buyers in finance, HR, marketing, sales, and IT departments and 40 quota-carrying salespeople from a cross-section of technology product and services vendors in North America and Europe.

Related Research Documents

"Technology Buyer Insight Study: Executive Involvement In The Buying Process"
February 18, 2010

"Technology Buyer Insight Study: The Expanding Role Of Procurement In The Buying Process"
February 17, 2010

"Technology Buyer Insight Study: Preferred Or Exclusive Vendor Relationships"
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HOW DO EXECUTIVES PREFER TO ENGAGE WITH VENDOR SALES PROFESSIONALS?

Understanding why executives will take a meeting is important for sales enablement professionals to properly equip their sales teams to be more effective in pipeline development activities. Forrester surveyed 166 North American enterprise business and IT decision-makers and found that:

- **Email is the most preferred contact method among executives.** Of all of the communication forms available to salespeople, 42% of business executives and 52% of IT leaders, regardless of company size, prefer email as their initial form of contact with salespeople (see Figure 1 and see Figure 2).

- **Referrals are an extremely effective way to secure a meeting.** In general, references from others are an extremely effective method of securing a meeting with a targeted executive, but who gives the referral makes a big difference. Suggestions to meet with a salesperson coming from an executive's superior represent far and away the most effective tactic, regardless of company size (see Figure 3 and see Figure 4). Interestingly, IT leaders are more likely than business executives to cite a referral as a key reason to take a meeting with a salesperson (see Figure 5).

- **Executives have specific reasons they will take a meeting.** Not surprisingly business and IT decision-makers gave very specific reasons as to why they'd take time out of their busy schedules to meet with a salesperson. Seventy-two percent are willing because they are actively looking for a product that the vendor sells, while 69% believe that the vendor will address a business problem that they have.

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Figure 1 Email Is Executives' Preferred Method Of Contact

"How likely are you to respond to each method of being contacted by a vendor salesperson?"

		Business leaders (N = 91)	IT leaders (N = 75)	Overall
Phone	Never	23%	25%	24%
	Occasionally	49%	37%	44%
	Often	25%	37%	31%
	Don't know/not applicable	2%	0%	1%
Voicemail	Never	30%	33%	31%
	Occasionally	53%	40%	47%
	Often	15%	27%	20%
	Don't know/not applicable	2%	0%	1%
Email	Never	9%	11%	10%
	Occasionally	47%	37%	43%
	Often	42%	52%	46%
	Don't know/not applicable	2%	0%	1%
Fax	Never	73%	72%	72%
	Occasionally	23%	20%	22%
	Often	1%	7%	4%
	Don't know/not applicable	3%	1%	2%
Letter/mail	Never	25%	25%	25%
	Occasionally	59%	52%	56%
	Often	13%	23%	17%
	Don't know/not applicable	2%	0%	1%

Base: North American enterprise business and IT decision-makers
(percentages may not total 100 because of rounding)

Source: Q1 2009 North American Buyer Expectations Of Sales Interactions Online Survey

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Figure 2 Regardless Of Company Size, Email Is The Preferred Method

"How likely are you to respond to each method of being contacted by a vendor salesperson?"

(Respondents who replied "Often")

	Company revenue		
	$500M to $999.9M (N = 28)*	**$1B to $4.9B** (N = 56)	**$5B+** (N = 82)
Email	50%	43%	48%
Phone	36%	30%	29%
Voicemail	21%	21%	20%
Letter/mail	25%	13%	18%
Fax	7%	2%	4%

Base: North American enterprise business and IT decision-makers

Source: Q1 2009 North American Buyer Expectations Of Sales Interactions Online Survey
*Note: Percentages shown for the $500M to $999.9M category are directional indicators only, due to a small sample size.

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Figure 3 Referrals Are More Popular With IT Leaders Than Business Executives

"How often do you initiate a meeting after the following types of referrals?"

		Business leaders (N = 91)	IT leaders (N = 75)	Overall
Colleague in the company	Never	3%	0%	2%
	Occasionally	44%	53%	48%
	Often or usually	51%	47%	49%
	Don't know/not applicable	2%	0%	1%
Colleague outside of the company	Never	9%	8%	8%
	Occasionally	66%	72%	69%
	Often or usually	21%	20%	20%
	Don't know/not applicable	4%	0%	2%
Referral from a subordinate	Never	5%	5%	5%
	Occasionally	65%	63%	64%
	Often or usually	26%	31%	28%
	Don't know/not applicable	3%	1%	2%
Referral from a superior	Never	1%	0%	1%
	Occasionally	20%	17%	19%
	Often or usually	75%	81%	78%
	Don't know/not applicable	4%	1%	3%

Base: North American enterprise business and IT decision-makers
(percentages may not total 100 because of rounding)

Source: Q1 2009 North American Buyer Expectations Of Sales Interactions Online Survey

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Figure 4 Company Size Has Little Effect On Referral Preference

"How often do you initiate a meeting after the following types of referrals?"
(Respondents who answered, "Often or usually")

	Company revenue		
	$500M to $999.9M (N = 28)*	**$1B to $4.9B** (N = 56)	**$5B+** (N = 82)
Referral from a superior	82%	66%	84%
Colleague in the company	61%	52%	43%
Referral from a subordinate	29%	29%	28%
Colleague outside of the company	11%	30%	17%

Base: North American enterprise business and IT decision-makers

Source: Q1 2009 North American Buyer Expectations Of Sales Interactions Online Survey
*Note: Percentages shown for the $500M to $999.9M category are directional indicators only, due to a small sample size.

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Figure 5 Executives Engage Because They Were In The Market Or Had A Specific Problem

"For what reasons do you take an appointment?"

	Business leaders (N = 91)	**IT leaders** (N = 75)	**Overall**
I was already actively looking for the product the vendor sells	71%	73%	72%
The vendor addressed a business problem that I currently have	67%	71%	69%
The appointment was made through a referral from a trusted colleague	51%	37%	45%
I have met with this vendor in the past	41%	48%	44%
The vendor addressed an IT problem that I currently have	26%	57%	40%
The timing worked out well	21%	27%	23%
I had a compelling conversation with the vendor salesperson	22%	17%	20%
Other	2%	0%	1%

Base: North American enterprise business and IT decision-makers
(multiple responses accepted)

Source: Q1 2009 North American Buyer Expectations Of Sales Interactions Online Survey

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QUALITATIVE FEEDBACK SHEDS LIGHT ON THE STORY

Forrester also interviewed 40 business and technology buyers to get more background information from these executives and collect qualitative comments on the survey results. We learned that:

- **It's not the form; it's what is communicated that counts.** With so many blast solicitations hitting your inbox, it is probably surprising to you that email is the most likely method for an executive to respond to your salespeople. It actually makes a lot of sense. One CIO told us that he loves email, because they can quickly scan topics that match to issues they are struggling with and route them to the right people. This doesn't mean "let the spamming begin." The executives we interviewed told us that it's very unlikely that they are going to even read an email that wasn't personalized or that looks like a generic email blast.

- **Referrals are powerful when you're bringing along others' experiences.** Several business executives, when taking a call based on a referral from someone outside the company, wanted to hear about how other companies like theirs were solving business problems. People who took meetings based on suggestions from others inside their own company generally are looking to better understand what's going on inside their organization. For example, a business unit leader in a large shipping and logistics company shared with us that his CEO was expecting more integration across internal lines of business. He found talking with salespeople who were working with the other businesses an extremely valuable way to collect key information about what his challenges might be and what to expect.

- **At the end of the day, you've got to be relevant.** Executives generally will meet with a vendor salesperson at two key periods in the problem solving life cycle: 1) early on in the process to learn about how other organizations are tackling the problem and 2) later, when they want a sense of what their world could look like if they invested in various vendor solutions. For example, one CFO was persuaded to meet with a software vendor to discuss the findings of a study the salesperson had shared with him and wanted to learn about how other finance executives were approaching those problems. In a different example, a CIO was entertaining a proposal from a vendor that would manage his company's ERP application but was sent an email by a competitor during the time he was considering the proposal. He ended up selecting the second provider.

WHAT SHOULD SALESPEOPLE SAY AFTER THEY SAY HELLO?

While sales enablement and marketing professionals continue to pursue various communication vehicles to connect with customers and prospects — search engine optimization, social media, personalized Web experiences, telesales teams, etc. — getting a response has less to do with the form of communication and much more to do with what is being communicated. Instead of focusing on the techniques to reach senior-level buyers, sales enablement professionals should spend a lot more

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time understanding their audience, where in the customer's problem-solving life cycle they wish to begin the sales campaign, and how to empower the salesperson tasked with the follow up to advance the dialog with that given individual. Consider that:

- **Your future clients want to hear about *how* you've helped your current ones.** While most people associate reference programs with pulling together a list of customers that a prospect can speak with during the closing stages of a proposal evaluation, many leading sales enablement professionals are taking a different approach. For example, one enterprise software firm has gathered common customer scenarios that salespeople encounter and created a database of real-world examples of how the customers have solved those issues and what their results were.

- **To be more relevant, you need to have purpose-built content.** Most salespeople are given a directive "call on the C-suite," with perhaps one day of training on how to do it. However, what to do to gain access to an executive is far different than what to say in the meeting. Generic messages like "reduce costs" or "improve IT/business alignment" don't resonate because they don't get at any specific issue. One professional services firm wanted to reach CIOs, but not one of its salespeople had yet secured a meeting. To demonstrate greater relevance, it built client-specific micro-Web sites targeted at those specific individuals and populated them with content created by both marketing and the sales team. Out of 100 sites that it initiated, the firm secured 68 executive-level meetings.

- **Determine how to engage after you can answer: who, why, and when.** As the selling world becomes more complex, expecting your sales force to go out and "just engage" with executives is a mistake. Defining different strategies to meet and follow up with different roles at different stages of a buying cycle is a critical success factor in helping your sales force to connect at higher levels. To execute its business strategy to capture more wallet share out of targeted accounts, one marketing database and services firm created a highly precise engagement model. The sales and marketing teams, working together, research the core issues, create an inventory of common challenges experienced by their customers, and reach out to selected accounts that meet their sweet spot. Each year, the company determines how many new accounts to open, identifies which companies and executives to target, and creates a cross-functional team to develop and polish the right messages for each segmented account. Salespeople then follow a standard approach, with stakeholder-specific messages, and reach out to their target list through all forms of communications (email, phone, letter, etc.) to make sure they can secure a meeting with that incredibly valuable contact. For the past three consecutive years, the company has been able to penetrate 80% of its targeted list and hit its new logo revenue growth at a margins rate of more than two times its previous average.

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WHAT IT MEANS

IMPLICATIONS TO VENDOR SALES STRATEGIES

It doesn't matter if your company provides servers or strategic consulting services, no sales process starts without a first contact. While many marketers are focused on expanding lead generation programs, many sales managers still advocate traditional prospecting as a form of pipeline development. In order to boost the efficiency of pipeline building programs, sales enablement professions should invest more time and energy understanding the discrete reasons their targeted buyers would invest time speaking with your salespeople — and then designing programs to meet those requirements.

1. **Evaluate your lead generation and prospecting focus.** If your demand generation or telesales programs are focused solely on the volume of leads you are generating and don't factor in quality, you could become very misaligned with the business objectives of the sales team. For example, an account executive looking to cross-sell a variety of products or services will place a significantly higher value on efforts to reach executives than more manager-level leads. Sales enablement professionals must perform more robust cost-benefit analysis to determine which scenarios warrant a focus on more volume and which require a greater emphasis on quality.
2. **Define engagement points along the buying life cycle.** A simple way to think about engaging along a life cycle is to look at two distinct phases: 1) a client is trying to figure out how to get their arms around a challenge they are having and 2) determining which suppliers to engage after they have funded an initiative and created their own approach. Many of the new go-to-market efforts promoted by vendors require a more customer-intimate way to engage executives, but few have examined the details of their engagement model. Sales enablement professions should document core interactions along the journey a customer will take to solve a problem and create a construct to help sales determine how to appropriately engage along the time dimension.
3. **Determine who is involved and what's required.** At each milestone, different stakeholders will be involved in evaluating the role that your organization can play in helping them with a given issue. To help your sales teams navigate the needs of these various stakeholders and understand how to engage with them, sales enablement professionals should identify the most common stakeholders involved at each milestone and what they require to move forward. This helps salespeople not only engage in context, but also identify the core theme that brings the various constituents together and allows them to communicate what's in it for each of the stakeholders involved in the decision-making process.
4. **Be very clear and deliberate about the business impact you provide to your customer.** Marketing and sales support professionals invest very little time polishing the material and field-validating the messages salespeople need to communicate with their targeted

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audiences. Many have the following excuse: We don't have time. We need to get this program out to sales right now. Regardless of the program — demand generation, targeted account program, call blitz, prospecting training, etc. — without field-tested messages that reflect the reality of the individual those messages are targeted for, those efforts are doomed to yield low returns. Instead of increasing the volume of low-yield programs, sales enablement professionals should concentrate on improving sales-messaging quality and field test the content and programs before rolling them out to the extended sales force.

SUPPLEMENTAL MATERIAL

Methodology

We conceived Forrester's Technology Buyer Insight Study based on two major trends: 1) that business and technology buyer roles were blending and 2) that there is a growing difference in perspective between these buyers and the technology vendors that serve them. To get both quantitative and qualitative feedback, we designed and implemented a four-stage research project: design, survey, buyer interviews, and salesperson interviews.

Design phase. Between November 2008 and January 2009, Forrester conducted 20 interviews with executives in buyer organizations and asked a series of open-ended questions about their opinions of technology suppliers to determine the right set of questions to ask our audience. From these results and our ongoing conversations with sales and marketing executives within technology vendor organizations, we developed an online survey instrument to collect buyer attitudes about sales engagement across four key milestones: gaining access, having successful meetings, creating a shared vision of success, and creating a business case.[1]

Survey phase. Forrester fielded its Q1 2009 North American Buyer Expectations Of Sales Interactions Online Survey to 166 senior level-executives who are involved in purchasing technology products or services who work in companies with annual revenues of at least $500 million. Our sample consisted of 55% buyers who worked on the business side (56% C- or VP-level) and 45% (68% C- or VP-level) in an IT role. The panel consists of volunteers who join on the basis of interest and familiarity buying products and services from technology vendors. For quality assurance, panelists are required to provide contact information and answer basic questions about their firms' revenue and budgets. All respondents were screened for significant involvement in IT decision-making as well as IT purchasing processes and authorization. e-Rewards fielded this survey online from February to March 2009 on behalf of Forrester and motivated respondents with a small monetary incentive. Panels are not guaranteed to be representative of the population. Unless otherwise noted, statistical data is intended to be used for descriptive and not inferential purposes.

Buyer interview phase. After analyzing the data, Forrester conducted 40 confidential interviews with executive-level buyers in finance, HR, marketing, sales, and IT departments to share with them some of the survey findings and elicit qualitative feedback. These interviews were conducted in

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June and August 2009 and included participants in North America, Europe, and Asia Pacific. The majority of companies interviewed had revenues in excess of $10 billion.

Salesperson interview phase. In order to collect insight about the various actions and tactics that salespeople deploy, Forrester interviewed 40 quota-carrying salespeople from a cross section of technology product and services vendors in North America and Europe. Participants were asked open-ended questions about the kinds of investments and level of effectiveness of those investments in helping them gain access, have successful meetings, create a shared vision of success, or develop a business case. We agreed to keep the identity of the individuals and names of the companies strictly confidential. This phase was completed between August and October 2009.

ENDNOTES

[1] For additional information on these four key milestones (gaining access, having successful meetings, creating a shared vision of success, and creating a business case), see the July 17, 2009, "Optimize Performance By Driving Enterprise Sales Outcomes" report.

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