



Executive Buyer Insight Study: Defining The Gap Between Buyers And Sellers

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WHY READ THIS REPORT

The gap is striking between the sales messages vendors create, how they prepare salespeople to deliver them, and the value executive buyers perceive from those conversations. Forrester's global survey of 495 executives, coupled with 100 interviews, reveal a schism between buyers and sellers on such topics as what makes a meeting valuable and the agenda of reps in a sales conversation. These findings highlight how the sales support activities that vendors fund remain inwardly focused and provide sales enablement professionals a clarion call to action to develop materials and prepare reps with a buyer-centric perspective.

MARKET FORCES ARE PULLING VENDORS AND BUYERS IN OPPOSITE DIRECTIONS

The current economic climate is forcing business leaders to transform their business models and processes across many different industries. One consequence of these changes is a major disruption in traditional buyer-seller relationships. Why? The "do more with less" driving force is affecting all departments (i.e., human resources, marketing, finance, sales, manufacturing, distribution) within both vendor and buyer organizations. And because there is no sales support system or process to manage the resulting change-driven complexity, it rears its head in the form of inefficiencies at the point of sale (see Figure 1).¹

Taking the perspective that its sales force is inefficient, the executive management of many organizations are looking to retool its sales organization from a more product-centric approach to one in which its businesses become the "trusted advisor" to customers' executive-level decision-makers. Unbeknownst to most vendors, however, buying organizations are working to reduce the number of suppliers they work with and are stratifying their suppliers into strategic and nonstrategic categories.² Thus, most technology executives are investing resources to retool their sales organizations at the same time that procurement organizations are growing their influence and actively purging the number of suppliers with whom they work. The result is a major mismatch in resource allocations between buyers and sellers, which creates an unbalanced ecosystem.

To help their businesses navigate these turbulent waters, sales enablement professionals must look beyond their organizations to better understand the expectations of executive-level buyers. For Forrester's Q4 2011 Global Executive Buyer Expectations Of Sales Interactions Online Survey, we surveyed 495 global executives who make purchasing decisions in both business and IT roles at the end of 2011 as well as interviewed 100 executives throughout the course 2012 to capture both objective and subjective perspectives of decision-makers to help sales enablement professionals do just that.



Figure 1 The Gap Between Executive Buyers And Sellers Is Caused By A Difference In Perspectives

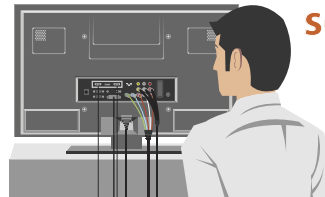
The gap separating executive buyers and sellers is cut by

misaligned perspectives

Executives want results



Salespeople want to sell products



The gap manifests as

unproductive conversations

Only 21%

of executives think salespeople focus on what's important in meetings their problems or goals.



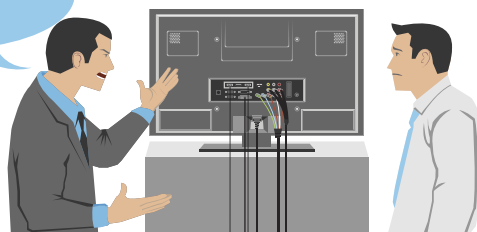
While 51%

of executives think salespeople focus on promoting products in meetings.

Which inevitably lead to

unhappy results

NO, that's not what I need!



Only 36%

of executives believe their interactions with salespeople live up to their expectations.

Only A Buyer Can Determine What Is Valuable

Inside large enterprises, procurement managers and others have developed spend-management processes that are designed to add more rigor and oversight to purchasing decisions. These trends only moderately affect the decision-making process of senior leaders, but these processes, and the categorization of vendors they apply, are helping business executives more clearly understand what types of vendors they will invest time and resources in, and which ones they will relegate to the procurement organization:

- **Vendors that understand an executive's business top the list of strategic attributes.** Understanding their company and focusing on driving a business result are by far and away the two most common attributes executives associate with vendors they believe are strategic. We facilitated a conversation between two such executives from different companies (one from a sales function in the pharmaceutical industry; the other, the CTO of a transportation industry). Although they both agreed on those attributes, the importance was very different to them. The sales executive said that he valued vendors that are knowledgeable about his business because of all of the nuances he has to navigate. He could only relate to other people equally familiar with the business situations for which he's responsible. The CTO articulated that to support his business, he's got to make sure many different technologies work together and that he needs to get out of the assembler role. He said that he prefers to work more with vendors that understand how they can add value within a very dynamic environment.
- **Executives will invest more with vendors who they consider strategic.** Although the sales executive and CTO above had different perspectives on what made a vendor strategic, they both enthusiastically agreed that they would invest significantly more resources with suppliers that fit their view of a value-added partner. In our survey, 74% of executives indicated that they would spend significantly or moderately more with a vendor exhibiting attributes of a strategic supplier.
- **Executives value sales interactions that focus on solving their problems.** To establish a buyer-centric definition of what makes a sales call valuable, we asked executives to share with us what sets a salesperson apart from his or her peers. The overwhelming majority (63%) of executives surveyed agreed that a salesperson who understood their business problems and offered a clear path to solving them was valuable; only 36% reported that they believe that the sales calls they sit on live up to these expectations. We asked a CTO of a large energy company if he'd seen improvement over the last few years because we've seen vendors invest a lot of resources into solution marketing and selling activities. His response? "Their squirrel is just a rat in pretty clothes." He went on to comment that just because a salesperson can talk about how his or her products and service can be used together, he or she still doesn't understand the challenges he's facing. Consequently, the burden to drive results for his business still rests on his shoulders.

THE GAP IS WIDENING BECAUSE OF DIFFERENT PERSPECTIVES

Selling is no different from other forms of interpersonal communications in that all of the parties involved bring different perspectives to an issue. To determine how big the gap is between the perspective of sellers and the point of view of executive buyers, Forrester asked executives what they felt was the primary agenda of most salespeople they encountered. The results reveal that there is a giant chasm between the perspectives of vendor salespeople and those of their executive targets:

- **“Enough about me, let’s talk about you . . . what do you think of me?”** This famous quote from the movie “Beaches” best captures the perspective that executives have of most vendor salespersons’ agendas. While only 23% of executives reported that they believe the only goal of sellers is to promote the products and services of the vendor, 28% said that they believe the focus is to listen for a keyword or phrase to then launch into a prepared pitch. The latter finding resonated strongly with a CFO of a large hotel chain who said that salespeople who lead him to believe they will engage in a business conversation are more frustrating than their product-led peers. He continued, “At least the feature-function salespeople are honest — the ones who try to fool you waste my time and make me question the integrity of their firms.”
- **What’s valuable isn’t on the agenda.** The traits in a salesperson that executives find valuable and strategic, namely focusing on solving a problem (13%) and on driving an end result for them (8%), were the least common traits perceived by buyers in the survey. One VP of applications of an international shipping company lamented how rapidly his industry was changing on many different levels. He openly wondered when vendors would not step up to help him navigate this course because he’s not sure how he’s going to meet the demands of the business without their help.
- **The canyon separating vendors and executives is cut from misaligned perspectives.** When plotting out executive perception of salespeople’s agendas on a continuum from most inwardly focused on one extreme and externally focused on the other, the breadth of the perception gap is very clear. Almost 51% of executives perceive salespeople’s motives to be inwardly focused while only 21% of executives said that they believe the sales agenda is to focus on them. While these figures are eye-opening, they should not come as a surprise to sales enablement professionals. When we examine the materials marketers develop or review the curriculum of training programs, most vendors overwhelmingly provide product-specific information to equip or train their sales force, yet they expect somehow those same salespeople will be able to engage with executives as trusted advisors

WHAT IT MEANS

IMPLICATIONS TO SALES ENABLEMENT PROFESSIONALS

The trend among most businesses is to develop overall business strategies that focus on capturing more revenue from existing customers. A core attribute to successfully executing this strategy is to develop more customer-intimate business models, whereby a growing number of products

and services can be configured to customer requirements. To fully execute this, most executive teams realize that they need to transform their sales force to gain higher levels of access and thereby cross-sell more of the portfolio. However, few changes are made to the resourcing model and a tremendous amount of random acts are generated by well-intentioned people in different organizations, but whose efforts tend to be more inwardly focused.

Sales enablement leaders are more closely being looked at by the executive committee inside their companies to crack the code of what's required to properly equip the sales force to sell at higher levels inside their client base. To stop the inside-out focus and begin minimizing the random acts of sales support that overwhelm the sales organization, sales enablement leaders must raise awareness of how big the perception gap is between buyers and sellers and help the rest of the organization see how endemic that inside-out lens is within their organization.

SUPPLEMENTAL MATERIAL

Methodology

We conceived Forrester's Executive 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 October 2011 and January 2012, Forrester conducted 100 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. Based on the results of our initial survey, and further discussions with sales and marketing executives in 2011, we made some minor adjustments to the survey for this third fielding.

Survey phase. Forrester fielded its Q4 2011 Global Executive Buyer Expectations Of Sales Interactions Online Survey to 495 senior-level executives from 11 countries who are involved in purchasing technology products or services who work in companies with annual revenues of at least \$50 million. Our sample consisted of 47% buyers who worked on the business side (35% C- or VP-level) and 53% (59% 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. This survey was fielded online from November to December 2011 by research now 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.

ENDNOTES

- ¹ The empowered era has brought about a paradigm shift for IT organizations. Employees and customers are no longer relying on IT to provision and manage technology. This shift has changed the way companies purchase technology creating a gap between buyers and sellers. The responsibility to bridge that gap falls solely on the sales force that is not supported to manage the ensuing complexity. See the July 18, 2011, "[Empowered Business Technology Defined](#)" report.
- ² Buyers are actively evolving their techniques for dealing with technology vendors to either get more value from a particular supplier or negotiate more favorable terms to save money. While many technology vendors are all too aware of the presence of procurement functions, many sales enablement professionals are unaware that preferred or strategic supplier programs exist. Sales leaders must begin to take more steps to ensure that customers are getting value, not just product. See the February 16, 2010, "[Technology Buyer Insight Study: Preferred Or Exclusive Vendor Relationships](#)" report.