# Insights from Professional B2B Selling into the BDM Capstone Project
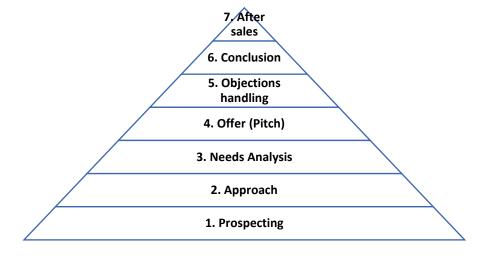
## Learning Material for BDM Capstone Project

When you do BDM projects, the firms could be doing business in B2B, B2C or both domains (Amazon is both into B2C and B2B)

While there are many differences (around 30) between B2B and B2C, a few key ones are listed below. Understanding the differences between both is essential to develop an effective understanding of the business.

| B2C (Business to Consumer) | B2B (Business to Business) |
|---|---|
| The end customer is an individual. E.g.: A person like me or you | The end customer is a business. E.g.: IIT Madras, Bank, Hospitals etc. |
| Price elasticity is higher | Price elasticity is less |
| Decisions made by individual/ family/ friends etc. | There is a decision-making unit (DMU) comprising gatekeepers, users, initiators, influencers, decision makers etc. Typical size can vary between 5-15. |
| More of promotions and advertising | Less promotions and advertising |
| Less agreements and contracts | More agreements and contracts |
| Jilting impact is less | Jilting impacts B2B |
| More number of customers | Less number of customers |
| Reciprocity absent | Reciprocity exists (wherein customers and sellers buy from each other) |
| Purchase value less | Higher value of purchase |
| Purchase time short | Takes time (1 month to 1 year) since the decision is made by the DMU |

The professional selling (B2B selling) has 7 steps and learnings from it could be beneficial for the BDM Capstone project.

**Why is the above shape a pyramid?**

Think of Decathlon stores. On a Saturday let's say 100 customers walked in. Does everyone buy? No! Some 40 customers did a trial and 10 ended up buying, so we see its converging. This is the case with B2C.

But in B2B given that the customers are less, there is a probability that none end up buying! This could be with B2C too.

# 7 steps of selling

**Step 1: Prospecting** is the process of finding the potential customers for a business and it is the job of marketing department. For instance, A laptop maker wishes to find its potential customers. So, what do they do next?

Prospecting = Inbound Marketing + Outbound Marketing

In Inbound Marketing, the companies don't chase their customers. They put all the information on the websites, do search engine optimization, have customer testimonials, and contact us page (to reach if customers have queries). This works with strong brands like Apple.

In outbound marketing, the companies go after the customers. They do marketing automation, email campaigns and promotions to attract customers. Newer brands do more of these.

Let's say this helped the firms find 100 B2B customers (firms)

Now the next question is that do we approach 100 customers? The answer is a No, as it wastes a lot of time and efforts.

So, before we proceed to Step 2, the sales team does "Targeting", meaning do a BANT approach and narrow down the list of customers.

**What's BANT?**

Budget- The customers have budget. If No, you drop them.

Authority- Are we speaking to people who are key people in customers (DMU). If No, you drop again.

Needs- Does the customer have a need? If No, you drop again.

Timeframe- Customer wishes to purchase now or later. You can choose to keep even if the answer is a No. B2B decisions takes time (See the differences)

Let's say this helped us identify 15 customers from the initial set of 100. The probability is much higher when targeting is done.

You then pre-approach- i.e., find information about your prospective customers before meeting them face to face. Before attending interviews, you always make it a point to know about them,

viz., portfolios, number of employees, locations, net worth, key people, competitors, awards if any etc. This is very essential before you meet the customers face to face.

**Now how to link this project, you might think? Never ask for data directly!**

Prospecting- look around and see the possibilities as to which business/ network you can approach. You have a bigger set say 10-15. Do we approach 10-15? The answer is a No.

You do a process similar to Targeting and use your self-criteria like BANT to evaluate the best 3-4 business, whom you can approach. You now have a narrowed down list.

Then do pre-approach- can be done for both structured and unstructured business.

How? - newspapers, secondary reports, articles, social media sites, personal contacts and most importantly observation.

### Step 2- Approach

You now meet the customers face to face. This is also called first contact.

Here we use PSP process.

1. **Polite**- dress neatly, maintain eye contact, shake hands (avoid sweaty hands), smile, maintain right posture, request for permission to be seated etc.
2. **Sympathetic**- build a rapport and use openers (less than 5 mins, businesses don't have infinite time)
   a. Introduction openers- introduce yourself. Student of IIT Madras, here to discuss something that I learnt in my course etc.
   b. Referral/ Acquaintance openers- I got to know about you from xxxx (if someone gave you the contact)
   c. Complementary openers- Congratulate on the awards won if any or on how good and ethical the business is (if so)
   d. Speak on sports and current events, but avoid talks on family, politics, and religion.
3. **Professional**- set an agenda and then say, need 15 minutes of your time and this is what I wish to discuss. Make sure you are speaking to the right person who has the authority to share things.

### Step 3- Needs analysis

Once the business owner gives a nod, now you start understanding them. This you uncover by asking questions- open ended, probing open ended, closed ended. This will help you identify the problem(s) they face. Here you speak 20% and business owner speaks 80%. Asking the right questions helps you identify the key problem(s) and thus an important step.

In sales they do "**SPIN**" selling, and you also use a similar process

1. Ask questions about the current **situation** (do a pre-approach before as well and you can get this validated)- How is the competition? How is the business? 3-4 questions.
2. Discover the **problem(s)** the owner has- What happened? What did you do? 3-4 questions. This helps you narrow down and understand the main pain points, which is what you wanted?
3. Problem has an **implication**- What is the consequence of not solving the problem? You know answers are likely $$, lost customers etc.
4. **Needs pay off**- If I can try solving this, would you be interested? You end with a closed ended question.

**Step 4- Offer (Pitch)**

**If owner agrees, show your skill sets**- may be carry some documents and demonstrate if you get a chance and set impressions. Do not show attitude and state jargons. Keep it simple and be humble.

You speak 80% now as you are pitching. You do FAB/SAB here. Features/ Solutions, advantages, and benefits.

Identify the problem(s)

Link the problem to features (characteristics), features to advantages and advantages to the benefits.

Benefit(s): This is being done free of cost, good practices that helps businesses and an opportunity for you to cross check/ validate etc.

**Step 5- Objections handling**

The owner is likely to ask more questions, understanding your motive and test your capabilities. This if addressed well increases your chances to convert.

We use LAARC here- Listen, Acknowledge, Assess, Respond and Confirm.

Be patient and always be truthful, respond by facts and figures.

**Step 6- Conclusion**

Every conversation could end in a deal, no deal or the owner may ask for some time to get back.

Ask for some concrete time like Can I get back in a week or 2? If No, it's ok. Do not lose heart. A case of jilting! Thank them irrespective of the outcome.

Ask if the owner could recommend you to others. This might click as well.

**Step 7- After sales service (Later steps)**

Make sure you don't overpromise and under deliver. Remember the Aqua guard example discussed in live sessions. Be truthful and do not lie. Always be polite and keep them updated about your progress. Good networks matter a lot.

When you approach your BDM project in this manner, it increases your probability of success than when you go directly and ask for data. This also helps you understand the business and the pain points they face.

<div align="center">I and Aaditya wish you the very best.</div>

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**This document has been jointly prepared by Dr. Aaditya and Dr. Ashwin J. Baliga for learning purposes and cannot be shared without our permission.**

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