

The **NEXT** GEN way to Sell

Train Anywhere, Anytime, 24/7.

Introducing Tech Data's new online **Next Gen Sales Academy**.

With more resellers now leading with cloud and subscription-based propositions, Tech Data's new **Next Gen Sales Academy** offers a superior approach to selling that provides the confidence, greater understanding and affinity with their customer. We examine how attitudes are changing and how resellers can acquire the skills they need and motivate their teams to sell a new kind of value proposition effectively.

Reseller sales teams are going through something of a crisis. The move to subscriptions-based consumption of technology has changed just about everything for them. In the past, they had become accustomed to selling 'complete' solutions, that encompassed servers, PCs and laptops, networking and storage infrastructure, and a whole swathe of software licences. When successful, they would earn a good commission on those sales.

Now they are being asked to sell a mixture of on-premises and cloud infrastructure and resources, and monthly subscriptions for software apps. For many, this is a big shock. But it is something they are being forced to face up to. A growing proportion of customers are embracing digital transformation. Many are migrating part or most of their IT to the public cloud. As a result, resellers are having to change their approach, or risk falling behind.

CONTINUE READING ►



Ditch the product pitch

Selling subscription-based services is different. Reseller sales teams can no longer take a hard-sell approach. 'The reality is that we have got to move away from "get the deal" culture towards a relationship-focused approach and keeping customers for life', said Fiona Challis, a leading expert on sales and the driving force behind Tech Data's Next Gen Sales Academy (see box).

'Buyers want sales to provide insights and advice around how technology can help them to drive change. The days of selling "speeds and feeds" are well and truly over. It's time to ditch the product pitch and instead implement a business outcome-based sales methodology where we are selling change, not products.'

But many resellers – of all sizes and in all market sectors – are struggling to get their sales people to sell in the right way. A recent round table gathering of leading cloud solutions resellers, organised by Tech Data, revealed the extent and the depth of the problem.

'It's time to ditch the product pitch and implement a business outcome-based sales methodology where we are selling change, not products.'

Fiona Challis

Tech Data's Next Gen Sales Academy



At this meeting, a senior business manager of one major corporate solutions reseller said: 'The sales challenge is probably the biggest one for us. Everyone gets hung up about selling £1 million worth of hardware and whatever GP you get out of that – and it's probably a reasonable amount actually, and the sales person goes off to the BMW garage and buys a new car and all is good – and that's definitely still here. But the next challenge is how do we get our sales people, who are predominantly product sales-led to do something different and that's a real challenge.'

'Engaging, interactive and loaded with information – The Next Gen sales training is the most up to date and focused sales training that I have done in a long time.'

Richard Harrison

Freestyle IT



Where's the incentive?

It's a multi-faceted problem too because it means, not only changing the attitude of the sales person, and what they want to sell, but also the way they sell and the way they are incentivised and remunerated. But it's a challenge that can't be ignored, said Robert Gibbons, Head of Managed Services at Evaris Solutions, which sells mainly to SMB and mid-market customers.

'The traditional sales person has sold tin – desktops, laptops, servers, storage and so on. And if they will do a deal for say £15,000, the commission might be £1500. They might do two of those a month and get £3000 on top of their basic salary at the month end and live quite comfortably, so where is the incentive in selling a £3 mailbox?'

But these sales people are also missing a big trick – and they are starting to become aware of that now. 'On day-one of the next month they are at zero once again. If, on the other hand, you are invoicing £10,000 on the first day of the month, the rest of the month is quite comfortable. You can hit your target earlier.'



Getting a head-start

Seeing other sales people getting a head start on them because they have sold contracts for cloud solutions and services that subsequently generate recurring revenues – and commissions for the sales person – every month, is a great way to convert sales people to the new way of selling.

Of course, if they do switch to selling subscriptions and 'as-a-service' options, in the first few months they may not make anything like as much as they would have previously when they were selling hardware and software licences. But in time, their commissions will accumulate. The critical factor here, said Robert Gibbons, is having a champion for cloud and subscriptions sales – and structuring the rewards system in the right way.

'You always have a leader. Sales people will look at someone who has sold a few contracts and have recurring revenue and are quite relaxed about hitting their target. The others then start to think, "I want to do what you're doing".'

There are different approaches you can take to incentivising sales to sell cloud and services. Evaris simply sets targets for sales people to grow their annuity business by a certain amount each month. If they do that, month on month their commission payments start to rise and, as they become more comfortable, they do even better. 'It's more stable for us and it's more stable for them. If they are invoicing half their monthly target on day one of the month, they will be more relaxed and the more relaxed they are, the more sales they are going to get.'

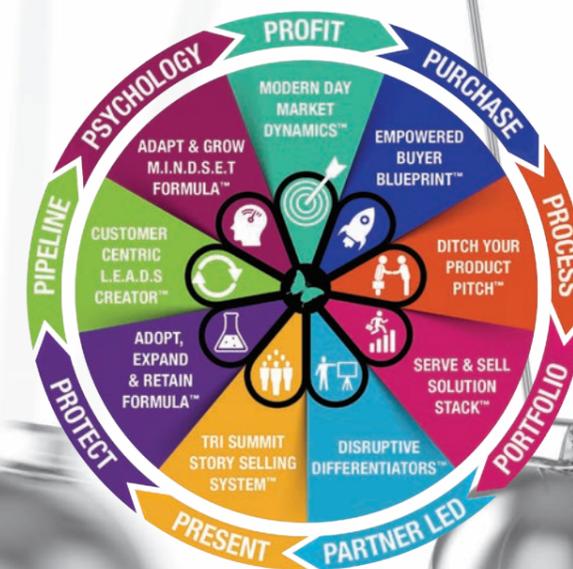
As they are already on the way to achieving the goals, they are not in such a hurry to get customers to sign on the dotted line and commit to spending a significant capital sum on equipment. This more relaxed approach can have a positive effect on customers, who don't feel they are being pushed as hard. At first, sales people may feel like they are moving out of the zone they used to feel comfortable in, but then once the subscription sales start to increase, they start to feel even more at home in their new comfort zone.

'The training has really made me re-think how I approach my customers and "market" myself. I found the value proposition exercise particularly useful and have already started to re-shape how I communicate with my customers.'

Andrew Cox

EACS Ltd

2020 Next Gen Sales System™



Added momentum

From this point on, the momentum should gather, and sales staff will begin to explore other options as well. All IT solutions and services can now be bought on a subscription or PAYG basis. If a customer needs to invest in new hardware, but can't afford the capital outlay, Tech Data's Tech-as-a-Service proposition is the ideal option. As well as IT equipment, it enables resellers to provide all software and services, such as support and break-fix maintenance, on a subscription basis.

There are many more options now for customers – and this is why the approach of sales people has to be much more informed and consultative – and undertaken with the long-term in mind. Fiona Challis said: 'The biggest change is that the initial handshake is just the beginning of a long relationship. Sales teams must learn to take the lead in the sales process, not the order. We have moved away from "get the deal" culture towards a relationship-focused approach and keeping customers for life.'

The nature of the sales negotiation has changed now. As well as being armed with plenty of information from the web, businesses that are embracing change want to know what the latest emerging technologies and services can do to help them transform. The make-up of a good sales person has changed. Rather than simply being bold and ambitious (they still need those qualities), they also need to possess a deeper business understanding and up-to-date knowledge of solutions.

Building trust

As a consequence, constant knowledge development and training have become much more important to resellers who want to grow in the third-platform era. Evaris is now spending more on training its customer-facing staff than ever, Robert Gibbons told us. 'Training is incredibly important now – more so now than it has ever been. In the old days, when you were selling tin, it was mostly about knowing the part number and the price. Sales people have now got to be able to understand the whole requirement and articulate the solution in a way that convinces the end user that it's going to meet their business requirements.'

Gaining the trust of customers is not always easy, he added. Sales people often need to be convincing technically when it comes to cloud and services, a flair for selling is not enough. 'It is never easy to switch customers because for them it's an unknown quantity. They need to learn how to trust the cloud. The customer will always feel that a sales person is trying to sell to them. But if you get a pre-sales architect or technician talking to them, business owners tend to listen to them more. We have a Solutions Architect who has been a technical specialist for 12 years and he can talk to end users in a way they can understand and believe.'

Evaris' approach is to get our customers to put their email in the cloud first with Microsoft Exchange Online Plan 1, which costs £3 a month [per user]. After a time, the customer will note that their email never goes down – even when their internal systems become unavailable, they can still pick up their emails via a hotspot. 'They then start to trust it and see the benefits. We can start to talk about what other applications we can put into the cloud.'

Growing in confidence

But while it may be possible to develop trust in this way, to convince a sceptical customer to entrust even their email to the cloud, you may need a skilled sales person that not only understands the customers' business, but also has enough confidence-inducing technical acumen. 'If you can find a good one, get hold of them and keep them', is Robert Gibbons' advice. That might not be easy, said Fiona Challis. 'New next-gen sales people know their worth and they are expensive to hire. Often it is simply a matter of retraining existing sales people to the new ways of selling, which is what we do within Next Gen Sales Academy. This approach is working better for partners, as it is cheaper to retrain than to rehire and the time to add revenue happens quicker once sales people have been retrained.'

'Sales have to understand the whole requirement and articulate the solution in a way that convinces the end user that it's going to meet their business requirements.'



Robert Gibbons 
Transform through technology
Head of Managed Services at Evaris Solutions Plc

Managing the entire lifecycle

Tech-as-a-Service options for hardware, software and services

Tech Data's Tech-as-a-Service plan allows resellers to offer any combination of hardware, software, and services to their customers on a subscription basis. The benefits of doing this are enormous. Customers can gain access to the very latest technology, optimise their IT budgets, and simplify their monthly or quarterly bill.



For sales people who are now selling subscription-based services, it also makes sense as it means a complete solution can be offered on this basis, with all the benefits of flexibility and investment protection that the cloud provides. Customers can make use of the latest technology and, rather than having to commit to hardware assets such as a server or storage array, for example, which they then feel they need to sweat for as long as possible in order to maximise ROI, they can update their systems to the very latest technology as soon as it becomes available.

By also making use of TD Renew – Tech Data's trade-in programme, they can manage the complete lifecycle of their products and optimise their investments in technology.

For more information on Tech-as-a-Service and TD Renew, see trustedadvisor.techdata.co.uk/taas or contact Tech Data on **01256 788000**.

Making the change

The Tech Data Next Gen Sales Academy

The Tech Data Next Gen Sales Academy is a sales training programme that enables resellers to update their sales skills and transform their approach for the modern era in which subscriptions and repeatable revenues will be the primary focus.

12-month online course
Available via InTouch



Online content that can be accessed **On-demand**



Live online tuition every two weeks



Monthly podcast with an industry expert



Quarterly **Classroom events**

There are 46 bite-sized solution sales modules available and as part of the course, resellers can engage on a nine-week 'Fast Track' Sales Transformation Programme. It provides resellers with a simple way to enable their sales teams for success in selling cloud and as-a-service options, equipping them to understand customer needs and recommend the best combination of on-premises, cloud-based and integrated solutions for the modern workplace.

The structured approach of the programme means resellers can plan ahead and track the progress of sales people as they learn how to take a more customer-centric approach, empower buyers and introduce disruptive differentiators.



'I would encourage anyone working in IT sales to attend a training course with Fiona. The passion and assertiveness that she delivers in the sessions is admirable. She makes the training enjoyable and productive. There are many new skills and ideas that I am taking into my daily role following the training to help with my monthly targets!'

Nathan Charles
Oryx Align

The training provided through the Next Gen Sales Academy aims to fundamentally change the way IT sales people sell. 'Buyers want something they can't get online. They want sales to provide insights and advice around how technology can help them to drive change. They also need to learn how to achieve the desired business outcomes at all levels in an organisation. As a result, sales teams today really need to take on the role of a true trusted advisor.'

When it comes to selling the cloud and 'as a service' propositions, trust and working closely with the customer is what it is really all about, said Robert Gibbons. 'We actually like to think of all our clients, not just as customers, but as partners. Having that trust is absolutely critical for where both they and we want go as businesses. It's essential to ensuring that the solutions we provide to them are having a positive effect for their business and helping them to grow.' In that sense perhaps, nothing has changed – it is just the journey that sales teams have to go on to reach that destination is now a very different one indeed.

As a value added distributor Tech Data is providing between **30% - 47% part funding for resellers** sales team to join the academy and prepare for the future of selling. To find out how much part funding you can receive simply search 'next gen' on InTouch where you can then purchase monthly subscriptions or annual license.

Resellers who want to find out more about the **Next Gen Sales Academy** and how it would work for your team can also contact the Tech Data sales team on **01256 788000**.

Search "**next gen**" to purchase monthly subscriptions or annual license on InTouch or call **01256 788000**.