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Let's Get Down To Business

Making A Technology To Business Transition

Several times a month I hear a sales or presales leader say something like *"we need to move our sales engineers from being feature/function speeds-and-feeds oriented to being more business oriented - can you help us?"*. The answer is often (but not always) **yes** - but it comes at a price.

Before I even look at the "how?" it is worth spending some time looking at the "why?" After all, as I often say in my classes - 'It's not a problem until the customer says it is a problem!' So what is driving this shift from the highly technically oriented SE to a technical-business balanced SE?

1. **SE's are expensive!** The average fully burdened cost¹ of a field SE is now well over \$200k in the US and approaching \$250k in large enterprise companies. It's a little lower in Western Europe, a touch lower still in Singapore and Hong Kong and smaller in India. Yet salaries in traditionally cheaper places like Bangalore are rising rapidly - the time of inexpensive presales labor is behind us. If you run a balanced team of 20 presales engineers with managers and a leader in the Americas, that is a \$10-12m investment.



ROI = Margin · Capital Turnover

$$\text{Margin} = \frac{\text{Net Income}}{\text{Revenue}}$$

$$\text{Capital Turnover} = \frac{\text{Revenue}}{\text{Total Capital}}$$

2. **Obtaining an ROI on SE's.** Given that level of investment, companies need the SE team to be more than just the demo dollies and RFP hacks of old. Companies used to have Business Consultants, Solution Consultants and Technology Consultants who ranged across the spectrum. That model is no longer viable because of portfolio breadth or affordable because of headcount requirements.

¹ Covers Salary, Commission, Overhead, Travel, Training and Benefits. Subtract 25-35% off the number for inside SE's.

3. **Your Customers Demand It!** The #1 skill that mid to senior level executives want from the vendor presales team is someone who understands their business. Follow that with designing innovative solutions, communicating clearly and trust. Ranked at #5 on the list is deep technical knowledge - in poker terminology that is the table stakes required just to get in the door and play the game.



4. **The Salespeople Need (And Ask For) Help!** There are dozens of sales methodologies out there - and from an SE point of view, it doesn't matter which one sales uses, as long as they actually use one. Sadly, other than complying with the minimum data entry requirements of salesforce.com, methodologies and process are abandoned at the first sign of trouble in favor of whatever sales feels is the right thing to do. This causes deals to fall out of the forecast, to disappear totally from view. Sales needs a counter-balance (most Sales VPs will admit this) and a technical SE cannot do that. They can judge a technical fit, but not the feel of the business side.

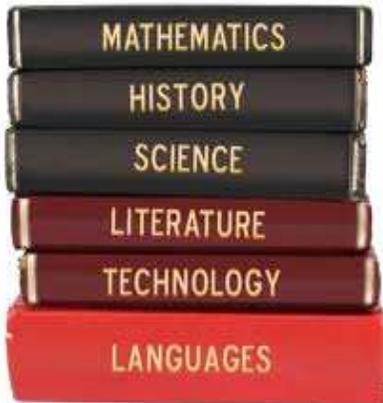
There are a few other drivers, but those four are a good start. So now let's move onto the "***and exactly how do we transition our SE's?***" section. Here are some ideas for implementation based on many years of direct experience.

1. **It's A Journey, Not An Event.** Holding a meeting to declare that everyone will now be more business-oriented, or even holding a 2-Day training class are just catalysts to get things started. You are looking at a 12-18 month process and need to set out milestones and targets for achievements. There is no magic wand.



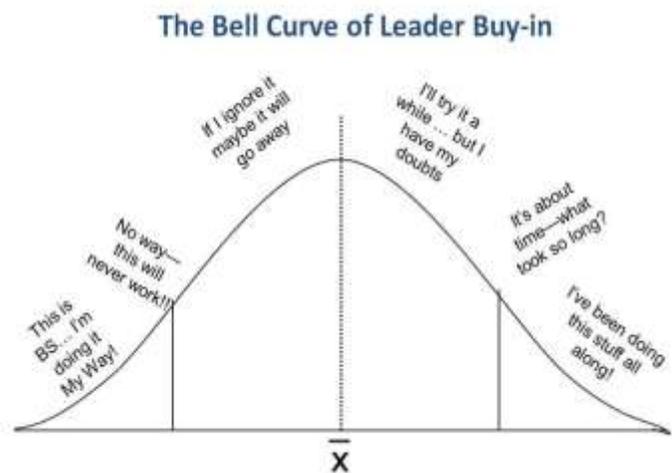
2. **You Will Take Casualties.** Not everybody will make it. The classic split is 1/3 will easily adapt, 1/3 will adapt with effort and oversight, and the final 1/3 will resist, complain and ultimately fail. Yet all is not lost - one of the major parts of your plan is to determine exactly how many SE's you need in which role in the future. Is this a plan for your SMB (Small Medium Business) or Partner SE's? Depending upon what you sell and how you sell it, there is still a valued place for the Super-SE Technician. Someone has to conduct Trials and Evaluations and maybe even Implementations. Someone has to go toe-to-toe with your customer's technicians.

3. **Build A Profile.** Building on the prior point, you probably need to revamp both your hiring profile and job descriptions for the SE team. As an individual, you need to think about what you should incorporate into your performance review cycle with your manager to assist you in "getting there".



4. **Build a Curriculum.** The SE team have different skills, so get everyone to a standard base level, and then develop from there. You will probably need basic, advanced and applied level "courses" over the 12-18 months. These may be a mix of internal and external courses. Set the tone by dividing training into technical and professional skills. For example - when providing technical training for a new product or release, also incorporate the business and professional skills required to communicate the business benefits. I do have a sample curriculum I can supply [if you email me](#).

5. **Get First Line Sales Management Buy-In.** Like anything else in the sales world, all internal change and cultural shifts live and die with the buy-in of first-line management. This also applies to presales managers and the senior / principal level SE's as well. You cannot afford to have people holding you back and whispering negative thoughts in people's heads. To refer back to poker terminology again - the SE team is going "all-in".



6. **Get Help (From Everywhere).** Do not forget this! When looking to increase the financial acumen of the SE team, why not ask someone from the Finance department to spend a morning with the team? Look to do the same with our CMO and any other sources of tribal knowledge. You'll have to translate some of this into SE-speak but it is a great start. Then approach your customers and ask them to help. You will be surprised. I learnt about Clinical Trial Systems, Financial Trading Systems and Telco Mobile Phone Turn-up from my customers when I ran a SE organization!

7. Remember The First Law Of Discovery.

"Every business problem comes down to a single number. Either that number is too small and needs to be larger, or is too large and needs to be made smaller."²

The art of being an amazing business-oriented presales engineer is finding out what that number is, who cares about it the most, and how much it is worth to the customer to change it. Then you need to demonstrate, in all senses of the word, why only your company can do it.

In Summary

Like almost everything else in business, you need a plan to transition the SE team from highly technical to balanced technical-business. It won't just happen, and requires an investment of time, money, people and a great deal of patience. Be prepared for casualties within the team, and make sure you publicize all the successes. But before you do anything else - learn from the basic principles of discovery, and ask "*what exactly do you mean by more business-oriented?*"

"The most serious mistakes are not being made as a result of wrong answers. The truly dangerous thing is asking the wrong questions." – Peter Drucker.

Talking Points is a monthly column authored by John Care, Managing Director of Mastering Technical Sales. For more information on this and other Sales Engineering topics visit the website at www.masteringtechnicalsales.com.

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² I formulated this in 1993. If anyone has a prior claim let me know!