



## Seeing it both ways: why well-organised procurement is good for sales people too

**Poorly managed purchasing may appear attractive to sales professionals, but a more organised approach can deliver rewards for them, says Mark Hubbard**

Most sales people are used to meeting customers who operate in a state of semi-chaos: buyers are often acting on behalf various stakeholders within their organisations who require different things from the products and services being bought on their behalf, for example. This means that the seller is unable to clarify precisely what the real needs of the buying organisation are, so there is a real danger of underselling, overselling or entirely missing the selling opportunities available.

Consequently sales approaches such as identifying the “economic buyer” - the individual who holds the purse strings - and appealing to their main requirements, may miss the true target in the business. A sale may be achieved, but the real sales opportunities are missed.

In the worst case, the buying organisation’s requirements may end up completely unrecognised and the eventual delivery of the product or service will fail to meet the business’s expectations. Bad news, clearly, for the hapless sales professional as well as the buyer.

Given these problems resulting from an unsystematic buying strategy, a more structured approach to buying products and services has got to be a step forward from the salesperson’s point of view.

For an increasingly large number of modern purchasing specialists, the approach known as category management makes a huge difference – with benefits not just for the buyer but also for the seller.

Organisations which have adopted the category management approach pull together all their buying activities, analyse all the goods and services involved and then segment them into distinct categories according to their market-facing nature. This seemingly simple idea has profound implications.

Complete data on all bought-in goods and services must be collated and analysed, supplier markets properly researched and contracts negotiated for items aggregated across disparate parts of the buying organisation or, in the case of the public sector, for example, potentially across several very different organisations.

This means the buyer across the negotiating table will be much more organised and far clearer about what they really want from the salesperson.

There may appear to be a downside to all this for the seller. Once the client company starts to operate in this way, it is likely to reveal the consequences of years of disorganised buying: price structures which don’t make sense, products and services sold and delivered but never rolled out and specifications that lack meaningful detail or are unrealistically over-specified.

However, although this can prove a headache for the selling company, it can also offer excellent opportunities. By engaging in the category management process and understanding the core concepts involved, there are real opportunities to structure the sales

approach in a way that makes it irresistible to the client, or to qualify it sufficiently early to ensure that precious sales resource is not wasted on the wrong target.

If it becomes clear that the buyer is facing challenges within their own organisation, there may be ways the salesperson can help. Providing the buyer with useful background information about the marketplace they are operating in, for example, can prove invaluable. As a useful source of market intelligence the seller's value to the purchaser will increase along with their chances of gaining business.

A clearer focus on the buying organisation's real needs and developing a good two-way relationship, achieved by the purchaser by adopting a well-structured category management approach, can deliver real benefits for sellers as well as buyers. It's a classic win-win situation.

**Mark Hubbard is director of Positive Purchasing**

Working with buyers: top tips for sales people

- Understand your customer's real needs and wants
- Clarify whether they fully understand their stakeholder base
- Identify how important your product is to your customer
- Ensure that your pricing approach and market position are coherent
- Clarify whether your products and services will be properly adopted - if not, find out what you can do to help
- Analyse the market you are in and demonstrate why you are well positioned within it
- Understand how you fit into your client's internal strategy for their area of purchase

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