

## **The Success Model is an Oxymoron**

There is a highly problematic sales and marketing model gaining popularity in the high tech arena that is, in my opinion, doomed to failure and will cause a great many good companies to waste valuable time and money. I am talking about the so-called success model.

The logic seems sound enough. If there is not enough capital for in-house employees or a reputable agency, cut no-risk deals with a variety of promise-makers, finders, well-connected individuals and anyone else who claims they are willing to promote your company or product in exchange for a piece of whatever sales they generate.

Let's clear up one misunderstanding at the outset. Your decision to cut deals on a success basis is not because you do not have sufficient resources for sales and marketing, but because you have elected to allocate whatever resources you have to other demands within your organization. Not only does this illustrate a misunderstanding of the importance and centrality of sales and marketing to your overall success, it also projects a lack of priority you assign to sales and marketing. After all, if it was important to you you'd pay people to get it done right.

The most ironic aspect of the success model is that it does not bring success at all. Sure there are instances where a finder has brought business, but as an overall strategy it lacks coherence, integration, identification of opportunity and most other elements of a well conceived, well implemented sales and marketing plan.

When you "hire" people on the basis of success you empower him or her to represent your company to their (assumedly) high-powered list of personal contacts. The meetings they do succeed in arranging are based on personal relationships, not the merit of your company or products. You do not know if the person is the right executive in the targeted customer to represent your company in-house, whether they have the decision making authority you need, or even whether the company is your preferred customer within that particular market. In other words, the meeting is the result of an indirect opportunity and not a strategy designed to create opportunity.

Your marketing strategy should be comprehensive, integrated, targeted and intentional. You should be studying your market, reviewing your targeted sectors and determining which potential customers would serve the broadest interests of your company. You should then be studying their needs and challenges and constructing a message that serves to address these needs and challenges. Then you should be seeking to understand which executives within these targeted companies would be most interested in your message of solution and profits. Then you should be seeking out ways to reach these targeted executives. One of the ways may in fact be well-connected people who can make the right introductions. But there is a wide array of other options, including strategic partners, a well-executed public exposure, a concentrated campaign of targeted exposure, and others.

The success model cannot work for yet another reason - motivation. The thinking is that people who are certain they can generate sales won't mind being compensated in accordance with their results. This is partially true. Creating a structure whereby a person benefits from their successes serves to motivate and drive results. Making

compensation entirely reliant on success leads to no motivation and no results. People don't mind sharing risk; they do mind carry all the risk. Moreover, when you utilize people solely on a success basis your sales effort will suffer from a lack of focus, because the people working for you will be working for many others and are essentially high tech representatives seeking to exploit their personal network with no particular loyalty to your company. Their payday will come from any one of the companies they represent, meaning your company plays no special role in their thinking or sales energies. Had you agreed to pay this person a monthly fee you would have displayed your commitment to the process, provided emphasis and direction, and, most importantly, purchased the loyalty, attention and commitment of the finder. In other words, you would have literally bought his accountability. We believe this is critical to success.

In working with an outsourced agency, which often has the contacts of a finder, but the strategic depth that is equally, or more, important, there are a number critical aspects to remember. They are:

1. Allow your outsourced agency to work independent of your constant supervision. They most likely embrace teamwork, but will be stifled if you weigh them down with your internal bureaucracy. One advantage of an outsourced agency is that it can avoid some of the internal politics of your organization and get the job done without the need to cater to everyone's internal agendas.
2. Empower the agency to be brutally honest. You do not want them telling you what you want to hear, but rather what they think. Their comments might be critical, but essential to the obtainment of your stated goals.
3. Integrate the agency into your company. Allow them to feel a part of your organization so that they feel their contribution is recognized and their opinions listened to.
4. Define the objectives and the way success will be defined from the beginning. Map out with the agency what is required of both sides to achieve success. Commit to your share (time, resources, manpower) and have the agency commit as well.
5. Empower the agency. Just as you empower your employees, your agency will get more done if they can proceed without each step requiring approval. Define which steps do require conference and which executives in your organization will be involved. Keep the approval group small, and keep the process quick. Say no when you want to without consideration of the feelings of the people involved. But don't try to control or manage the agency. You will destroy all innovative thinking and motivation if you attempt to impose your views or methods on the agency. Let them do what they're good at and then see how it suits your objectives.

Your company does not need a cadre of well-connected people running around within no coherent, coordinated structure. You need strategy, systematic thinking, targeted sales messages and the expertise to bring it all together to the successful conclusion of sales and market position.

You cannot achieve these goals by not allocating resources to sales and marketing. Simply stated, spend nothing or little on sales and you will sell nothing or very little. Rely

on people who seek no commitment from you and you can expect no commitment from them. Pay for expertise and services and you will get original thinking and accountability.

Make the resources available. Give sales and marketing the priority and emphasis they demand. Stop looking for the easy way, or the inexpensive way. If you do not sell, you will cease to exist. Do we really need to say anything else?