

Getting the Budget You Want for Your Project

Lessons from a Software Vendors' Value Selling Process

By Bob Turek

A few point solution software vendors, Aspect Development in particular, value sell their products. This means that they prove the value to a C-level executive and thereby justify pricing the solution according to the value. Befuddled IT Directors were shocked when suddenly their budgets rose from \$1 to 10 million.

Aspect realized that their solution could enable business processes that reduced purchasing spend by up to 10% per year in large multi-site manufacturers with part duplication problems. Their sales process relied heavily on a value assessment consulting project prior to contract signing. It identified the enabled business processes and the specific value associated with them in a way that the prospect "owned". The value assessments created budgets where none existed.

The sales process required first selling to the C-level with a same-industry reference who had achieved the value. This aroused the curiosity of the C-level executive; enough so that he often checked out the reference and went ahead with a paid value assessment.

A project, and a budget, that has value tied to it can more easily and quickly be sold to upper management. In fact Aspect sold the value first, with a healthy understanding of the problem to be solved, followed by the selling of the solution. This "value first" sell appeals to executives and gets them to act quickly. If you understand the value selling process, you can put your vendor to work for you to help you sell your project.

Let's take, for example, an ERP implementation project. Management is interested but the budget for a successful implementation, including hardware, software, consulting, education and backfilling, is hard to justify. Many ERP systems offer point solutions that are very high value like the Aspect solution. Examples are logistics accounting systems that can take 5-10% out of freight cost by increasing visibility and control of freight, trade management systems that can reduce trade spend by 5% through control of promotions and rebates, and lean manufacturing priority management systems that can enable 30% reductions in WIP and lead time. It takes some digging but every ERP package has point solutions that can be used to justify the costs of an ERP project.

This little known fact can give you the ammunition to get the budget that you need to achieve a successful ERP implementation. While you can try to develop the value by yourself, an aggressive ERP company can help. You have to get the right consulting resources from the vendor and focus on the point solution that has the value. All this can be done as part of the software evaluation.

If you are worried that the vendor will use the value to justify higher pricing, don't be. They are typically not value sellers and don't know how the process works. In fact the typical vendor will discount to win your business.

The internal value sell to a C-level executive to establish an adequate budget is based on a clear and focused "problem-solution-value" statement or PSV. For more information on how to adapt the value sell to creating your next budget contact Bob Turek at 661-268-8808 or rturek23@aol.com.