

# Dealer Panel

If you ask around the Channel I don't think anyone would argue that these are challenging times to be a salesman. With the economic turmoil and an ever changing technology landscape the salesmen today have to work not only harder but in a fashion that allows them to be flexible. We are moving into, some would argue we are already there, a subscription based economy and the opportunities to walk into an organisation and walk out with a big fat commission cheque are numbered. We want to know how your sales guys are handling the switch and what you are doing to help them along. We asked our boys in the trenches what they thought about the changing sales landscape.

## Mark Greenway, Ortiga:

There is some truth to this and at Ortiga we are happy to provide subscription services as these are a good regular incomes but we also provide a variety of services which require capex investment. I feel it would be unwise to state that there has been a definite switch why?. The Simple answer is if you are providing mobile solutions you can earn good upfront Commissions, if you are providing Calls and Lines you still earn good commissions as most companies will pay you a upfront payments which reflect the overall predicted spend for the term of the contract. It's still very much Swings and Roundabouts and really depends on what type of service you are providing.



I would disagree with the customer becoming more clued up than the salesman if that is the case the salesman is not doing his job correctly and needs to train up on his knowledge base.

I personally keep up to date with as much training as possible and we constantly asking suppliers for all opportunities to understand their products and services. If you do all you can to gain as much insight into a product and a service you should not fall foul of a client knowing more than you. Regarding splitting the sales force for us as a business this would not be of any great value we can offer interest free on leased services and that can sometimes help with capex but again it really depends on the product they are looking to be provided with in the first instance.

## Micheal Lounton, PSU Technology:

I'm not convinced we are in a 'subscription economy' just yet, certainly not in the telecoms sector. The consumer requirement is on the horizon and closing quite quickly but until the manufacturers of 'telecoms tin' start to embrace the subscription model the traditional telecoms dealer/ reseller isn't incentivised/ forced to sell subscription. It's going to be a hard sales transition for the reseller/ dealer to move from capex to opex as cash-flow will take a serious knock if they are to fund it themselves (someone has to absorb the capital upfront costs). For it to be successful it needs to be actively supported by the manufacturers/ distributors instead of just offering it as a dressed up financing option. There's lots of talk about it but very little action.



## Nick Larder, Unity ICT:

You point out many of the challenges facing companies selling in our industry. However, you don't point out what is, in my personal experience, the biggest problem: how does the salesperson hit targets, keep the job and get paid?

Many employers started from a position of setting targets and paying commission for Capex sales but discouraged sales people from selling Opex because "we need to keep the engineers busy". Eventually, many employers realise that they need to sell Opex as well but they don't adequately address the needs of the existing salesforce. At this point there are various scenarios:

- New salespeople are hired to sell Opex – these have little or no empathy with existing customers and often cause problems for the existing Capex relationship.
- Existing salespeople are expected to sell Opex for little or no reward and are still expected to hit Capex targets.
- A bodged attempt at rewarding Opex sales is attempted by the employer, only to find out that the salespeople work out which product is most rewarding and sell that exclusively.
- A better attempt at rewarding Opex sales founders because the salesperson is not rewarded up front for future anticipated profits and is not sufficiently committed to the employer to reap the long term rewards which revert to the employer when the salesperson moves on.



Meanwhile, the customer is often sold inappropriate solutions and becomes less satisfied with the service they receive.

Employers need to address "short termism". They need to map out longer term targets and engage much more closely with their valued salesforce so that good salespeople are encouraged to stay with them long enough to reap ever increasing salaries/commissions from a happy customer base.

## Lucy Green, Larato:

I work with a lot of sales people in the channel. Sales professionals need leaders to lay down the strategy and help them with the context of how the sale is different from the traditional telecoms sale. I agree with Michael - we are in early days of the transition to subscription. I also think that channel players who don't embrace the changes that IP/Cloud present and adapt to the new markets will disappear. So the market presents a fabulous opportunity and a massive threat.

