

Why and How to implement a whitespace sales & marketing strategy

In this article channel journalist and CRN veteran, **Sara Yirrell**, talks “whitespace” with Boost Technology’s Managing Director, **Darren Spence**, and discusses how a considered whitespace sales & marketing strategy can help VARs and MSPs boost their profitable revenues with very little investment.

Sara: So, what is whitespace and what does it mean to the average reseller – and by reseller I mean VAR’s, MSP’s or any other front-line technology sales organisation?

Darren: I like to refer to whitespace as “Opportunity gaps” as it’s the identification of products or services in a VAR’s/MSP’s portfolio that have not been sold to a customer. What it means to a reseller is a performance boosting opportunity. By selling into the whitespace, and by that I mean selling more to the same customer, Resellers can more quickly increase their profitable revenues, reduce competition in accounts and increase their influence, all with very little investment and without having to hire new people. It’s a smarter way to make more money with what you’ve got.

Sara: But isn’t the definition of success and growth about winning new business?

Darren: It depends on what your definition of new business is? To me, any new order is new business. It doesn’t matter if it’s from an existing customer or a new customer – new business is new business. The crucial thing here is that it’s a darn site easier to sell something to an existing customer than to a new one. With an existing customer you are already a known entity, so you don’t need to work as hard to prove you’re a trust-worthy supplier. Plus of course, it’s a lot less expensive selling to an existing customer than trying to close a new one. At the end of the day, success is about the health of the bottom line and the stickiness of customers, both of which are positively impacted by embarking on a considered whitespace sales & marketing strategy. Fewer customers buying more products and services from you more is a far better business to build than chasing many more customers who are only interested in buying one thing from you. The more products and services a customer relies on you to provide, the more loyal and sticky they will be.

Sara: What does it mean for customers?

Darren: In short, a much better experience as they are more likely to get what they want and need. We surveyed 50 IT Directors recently and every one of them told us that they want to deal with fewer suppliers and suppliers who are solution orientated, so suppliers that don’t just sell a single product line but who are able to provide a suite of products and services that collectively deliver much more value. Of course, the only way a customer is going to work with suppliers in a way they want to is dependent on the capability of the salespeople they engage with. Salespeople who lack business acumen are only ever going to be able to operate at the reactive and tactical end of the engagement spectrum and supply single or very few products. What customers really need are suppliers that have proactive and insightful salespeople who are curious to ask the right questions, challenging, are strategic operators and who are commercially savvy. Whilst such sales teams are in the minority, they do exist and do very well because of it.

In addition to benefiting from working with fewer and more solution-orientated suppliers, the other benefit customers will welcome is simpler billing. It costs money processing supplier invoices, so if customers can receive one monthly bill with several

items listed, it’s more efficient to process and far less time consuming. This of course is better for the supplier too.

Sara: Should every reseller be looking to fill their whitespace and identify opportunity gaps?

Darren: Absolutely. Of course. Not doing so is leaving the door open for more competition and the challenges associated with this, such as longer sales cycles, lower margin deals, less sticky customers, lower-yield salespeople, higher invoicing costs and higher marketing costs, all of which negatively impact the bottom line and profitable revenue growth rate.

Sara: So, you have decided to pursue a whitespace strategy. Where do you go from there? What are the first steps to take?

Darren: The first step is to undertake a current state analysis. Specifically, how much cross selling, and up-selling is happening, who’s doing it well, why it’s not happening more, and what products and services are either currently being sold together or should be being sold together? We have developed a structured process around this which we call the Whitespace Triple P Analysis.

During a Triple P we look at a Reseller’s People, Processes, and Proposition.

Whitespace Triple P Analysis



People



Process



Proposition

So, with People we are interested in understanding which salespeople are good at cross selling and why? What do they do differently to those at the other end of the spectrum?

Regarding the Process component, we are interested in understanding the role and impact of the Management layer. Specifically, how are they helping and encouraging salespeople to cross sell? What remuneration and measurement plans are in place? What tools are they using?

And finally, with regards the Proposition analysis, we are interested in finding out how connected the proposition is? Are there clear customer journeys in place? Is there a consistent customer experience which guides the customer from one product to the next? For example, if a reseller is selling Office 365, is there an easy to follow path that helps them buy migration services, adoption & training solutions, backup, security, support, etc all of which they want and need, so this isn’t about trying to shoehorn in products or services that don’t fit, this is about a reseller putting themselves in their customer’s shoes and thinking what else they are going to need to buy.

A typical Triple P takes 3 days effort to complete, the output of which

is a report that details the critical path and activity list needed for a reseller to adopt an effective whitespace sales and marketing strategy.

A typical critical path and remedial activity list includes Training, Management and Marketing.

The training aspect not only addresses any shortfall in the skills needed within the sales team to be more insightful and strategic, but also addresses their understanding of the proposition and how to be better at connecting all the components. The Boost Training team do a lot of work with resellers on both elements – skills, and knowledge. We often end up creating physical board games that brings the proposition to life, making it easier to understand and easier to sell.

The Management aspect addresses the measurement, support, and reward mechanisms that are necessary to drive a whitespace strategy, so what changes to the current working practices are needed. Compensation plans are important but often less so compared to the support side. If salespeople have the right tools and support they need they are far more likely to start cross selling.

And finally, the marketing side addresses the proposition as a whole and how it's communicated. We typically provide recommendations around the website and how it can be enhanced to improve the visitor experience, the types of assets that would help support a whitespace strategy, an example demand generation plan, and advice around the general messaging and solution connectivity. We also provide relevant recommendations on other partners that the reseller should speak with to help enhance their proposition and create more cross-selling opportunities. For example, if the reseller is selling Office 365 and doesn't have an adoption and change management offering, we'd recommend they partner with Changing Social as they are a specialist partner-first Office 365 adoption and change management service provider, so can provide an immediate cross-sell opportunity.

Sara: Who should lead a whitespace transformation strategy?

Darren: It has to be the C-suite as it impacts and improves the shareholder value of the whole business. A whitespace strategy, if done well, will improve the EBITDA, increase profitable sales, improve operational efficiency, reduce the time it takes new hirers to be effective, improve cash flow, and improve customer loyalty. It addresses all the key metrics that business leaders obsess about. However, whilst it needs to be led by the C-suite, it's going to need the Sales & Marketing leaders to work together to bring it to life as it will be their teams that need to fully embrace the plan.

My team has the experience and capability to help resellers improve their business performance

Sara: Will this require additional investment from the business for things like analytical software?

Darren: Aside from the investment in time, as with most strategic initiatives there is going to need to be a level of investment, however, it's small. Typical areas of investment are around sales training and enablement, and marketing assets - both of which are normally budgeted for somewhere so it's really a case of ensuring the right training is delivered that best supports the whitespace strategy, and the same with the marketing side. The only area that may require additional investment is in a specialist buyer/seller tech platform, such as Client Share. Client Share enables multiple stakeholders from a reseller to collaborate with multiple stakeholders from a specific customer. It's different to most collaboration tools as it's specifically designed with tech sales teams in mind, and better still it's cloud-based and priced on a subscription model so can be scaled up and down very easily.

When considering the level of investment needed, I think it's always helpful to think about what the alternative growth plan would be and what the associated investment is? Typically, resellers put recruitment as one of the growth accelerators. Whilst recruitment is important, it's more important to first consider what the new hirers are going to be selling and how they are going to be operating. If they are simply going to be selling in the same way as the current team, i.e., one to two products at a time, then a better approach would be to sort the whitespace strategy out first.



If you think about, a typical tech sales person will carry a base salary of £25k-£50k a year, so £2k-£4k per month, plus an initial recruitment fee of £5k-£8k, so over the first six months that's £17k to £30k. Plus of course there is the cost to on-board and manage them. Assuming three people are hired at the same time, the reseller therefore will need to invest anything from £50k-£90k before there is any meaningful sales GP. For a lesser investment the reseller could implement a whitespace strategy that would deliver much quicker returns as the sales team is already in place, as are the customers. It's less risky and an all-together more scalable approach.

Sara: How much of a priority should this be for Managing Directors? Do they need to get involved? How?

Darren: I can't think of anything more important to a Managing Director than improving their profitable revenue growth, and an effective whitespace strategy does just that. Their primary role is to assemble the right team of stakeholders, give clarity of purpose, and then monitor progress through their management layer. It shouldn't consume all of their time but will improve the performance of the business.

Sara: How should a sales manager who has strict targets, incorporate this strategy while not losing focus?

Darren: A well-executed whitespace strategy will help the sales managers hit their targets faster. It's very easy for them to incorporate into their daily, weekly and monthly routine and shouldn't create additional admin. It's just about ensuring they are monitoring and managing the right activities and behaviours of their sales team.

Sara: How do you go about upskilling the salesforce to maximise whitespace opportunities?

Darren: There are three training areas that need to be considered when implementing a whitespace strategy, they are Skills, Knowledge and Behaviours.

The skills component needs to address the capability of the sales people to engage more strategically. They need to be confident asking business-orientated questions and be happy challenging their customers. Our Boost Training team often bring this to life through the use of a fictitious company and relevant case study. We have a whole series of exercises designed to develop sales people to be more business and commercially savvy whilst not losing sight of what they are there to do – which is to close profitable “good” sales.

The knowledge component needs to address the capability of the sales people, so they are more able to talk about their whole proposition and specifically how the different areas co-exist, connect, and complement each other. We typically achieve this via the creation of a relevant and engaging proposition-based board game. They are great fun to deliver and really effective.

The behaviour component needs to address how the sales people conduct themselves, specifically how they build empathy, collaborate, innovate, communicate and build trust with their customers. Again, we have a range of modules specifically designed to help here.

Sara: How do you incentivise your workforce to make this a priority?

Darren: Most tech sales remuneration plans pay salespeople on the total GP they generate, so they will already be rewarded if they improve their cross-selling, however, to really get this moving it's a good idea to look at incorporating a whitespace component into the over commission plan. Having a component that is specifically linked to the average amount of products and services sold into a customer is a good way of doing this. Rewarding on the average GP per customer also works as the easiest way to increase the average GP per customer is to sell them something else. Whilst incentives are important, they are not as important as the associated sales

management process. If Sales Managers monitor, support and manage the whitespace sales, cross-selling will improve.

Sara: Should Whitespace selling be the sole focus and if not, how do you get the balance right?

Darren: Selling additional products and services to the same customer is obviously important because you improve your profitable revenues. However, it must not detract from your main business strategy. For example, if a reseller wants to develop much stronger annuities, there should be more emphasis on bringing in repeatable business every month. More managed services, more subscription-based software programs, and more subscription-based device as a service offerings.

When those core annuity-orientated products and services have been sold, then the salesperson should be tasked with selling additional complementary products and services to the customer.

An example of this would be to find strategies that deter salespeople from selling large three-year software agreements and encourage them instead to move their customers to monthly subscription plans. Once that's done, the salespeople can then start adding all the next logical products that fit with that core agreement.

So, a whitespace strategy needs to be thought through and implemented in the right way. The proposition is key here and should align with the business strategy as a connected process.

Sara: How would you correctly market this strategy to your customer base?

Darren: I don't think resellers have to market this strategy to their customers overtly, but instead allow the marketing function the freedom to market packed solutions and connected journeys, so continuing with Office 365 as an example, for those customers who are on the journey, sales and marketing teams need to be helping them understand that there is an end to end programme of products and services in place that deliver a quick return on investment and improved business improvement.

Sara: So, what should resellers do now?

Darren: Call Boost! I don't mean to sound flippant, but my team has the experience and capability to help resellers improve their business performance. We do a lot of proposition and marketing work, and have an award-winning sales training practice so really can help resellers through their transformational journey. And what's more, if resellers are interested in taking the first step before 18th April 2019 our Triple P Analysis, which normally carries an investment of £3,500 is free.

Time-limited offer: Any reseller wanting and able to commit to a Triple P Analysis by 18th April 2019 will not be charged for the service. The normal fee for this work is £3,500.

To book this please email us via contactme@boost-performance.co.uk or call 020 3740 4074.



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