

valueFORWARD

Revenue Capture Engineers

## How High Tech Companies Can Accelerate Revenue Growth Using Storytelling as an Advanced Sales and Marketing Success Tool

Creating Three Dimensional Value That Prospects Believe



*Price is what you pay. Value is what you get.* –Warren Buffet

## Executive Summary

Who are you and why should management prospects buy your high tech offering?

Simple question.

The usual answer is “we’re the best at what we do,” or “our software offering or professional service support system is unsurpassed,” but if everyone says the same thing, why should a prospect believe your salesperson over someone else.

The answer to this question is what sets you apart from your competition and intrigues a management prospect enough to take an appointment. The key to successful sales and marketing in IT is to position your firm as a trusted advisor and become a peer in the boardroom... instead of a vendor waiting in the hallway!

One successful revenue capture approach that helps IT sales and marketing teams shorten sales cycles, increase gross margins and minimize competitors is the use of preplanned business success storytelling and the use of analogy selling methods. These two techniques when integrated together maximize value creation to targeted prospects and create three-dimensional value that buyers believe.

## History of Storytelling

Storytelling has been around for centuries. According to Wiki, “stories or narratives have been shared in every culture as a means of entertainment, education, cultural preservation and to instill moral values.” Wiki goes on to say “Contemporary storytelling is also widely used to address educational objectives.” That is where business storytelling comes into action.

This whitepaper is about learning how to educate prospects on the value of your offering.

## Storytelling Helps Show the Prospect How You Are Different From Your Competitors

It is not what you say; it is what prospects believe.

In today’s multi-sensory environment of blogs, social networks, mobile communications and interactive videos, getting a targeted IT buyer to believe your value is difficult.

All high tech companies say they have great value or are customer centric or are committed to the buyer’s success, but prospects don’t believe you. It is not you personally, but rather a defensive reaction by the buyer to the volume of rhetoric that all vendors make.

It is hard to market and sell IT, so growth-directed companies need a premeditated, revenue capture

process where your firm provides clarity to the buyer of the value your offering provides. When you sound the same and your marketing looks the same and you present your value the same, you are actually a commodity and then you have to price the same.

Primary buyer drivers such as increasing income, decreasing expenses and helping prospects manage their business risks are commonly used in most marketing and sales presentations in the IT world. But to get through the noise and fulfill demand, you have to communicate value three dimensionally to help prospects understand that value.

To increase corporate revenue through a structured process, you need to build a communication and strategy model that uses storytelling as a business success tool. Storytelling, when done correctly, creates believable business value because it enables your targeted buyer to see your high tech offering's value through the eyes of others.

Like other forms of sales and marketing approaches, it must be a planned process based on using an outline designed to induce your prospect to take an action step (schedule a meeting, attend a demo, find funding, etc.) or make an assumptive observation on why your technology or service is diametrically different than your competitors.

## 8 Indirect Buyer Drivers You Need To Use In Your Storytelling To Increase Its Effectiveness

Indirect value buyer drivers can be stronger influencers than a direct value declaration, but they are not always obvious or verbalized. Indirect value is often a buying driver laced with ego, psychological issues, physical issues and risk management variables that must be taken into consideration to correctly increase your marketing success. Often indirect buyer drivers do not have budgetary restraints allowing technology companies to sell at higher margins based on the buyer's overwhelming non-financial need to own.

Here are eight indirect buyer drivers I have identified that you should consider when developing your storytelling communication plan to market and sell your technology.

1. **Change Value.** Some prospects buy from a different vendor to try someone or something new. They are seeking change not necessarily a price reduction or product offer improvement.
2. **Human Capital Value.** Human capital value is obtained when the purchased IT offering brings business value by helping buyers increase communication between their employees, business partners, or customers.
3. **Performance Value.** Performance value increases the efficiency of the prospect's business activities by improving business

asset usage, such as machinery, facility, distribution system, etc.

4. **Competitive Value.** Competitive value is important to buyers seeking to reposition, adjust or take over their market through the implementation of a new business tool to create a disproportionate market advantage.
5. **Launch Value.** Launch value is achieved when the purchase of a service or product is used to help companies break into new markets or industries on an accelerated timeline.
6. **Consequence Management Value.** Drivers of fear centered on risk or consequence force prospects to take action steps to buy, often regardless of budget limitations.
7. **Family Value.** Prospects are driven to buy based on how they believe the purchase will affect their families' comfort, safety or entertainment. More than ego value, family value is an emotional feeling that the buyer gets when they purchase an IT offering that affects their life holistically. Often, family value buyer drivers are seen in business to consumer (B2C) technology purchases like video games, security, and home and personal productivity applications.
8. **Layered Value.** Layered value is when more than two buyer drivers (direct or indirect) are used by prospects to make IT buying decisions. Often layered values are not obvious or communicated by the prospect immediately; rather they are identified through in-depth conversations.

## Storytelling and Indirect Drivers = Increased Revenue

By identifying the indirect drivers of your buyers and integrating that knowledge into your storytelling program, you can increase the impact it will have on the listener.

Storytelling makes IT value three-dimensional for the buyer. Storytelling allows your prospects to see your value through a multisensory environment and often through other customer's experiences. When used correctly, storytelling creates visual brochures in the mind of the buyer to induce your IT business prospect to buy.

Successful storytelling is a learned process for sales and marketing teams and when implemented correctly, it can inspire prospects to buy. There are three types of IT buyer demographics and each has its own information gathering process. The business story you tell a CFO is diametrically different than the business story you tell a CIO of the same company.

Once you have identified your prospect's indirect buyer driver(s), you can then construct marketing stories that position your value up front employing the selected driver as a tool to induce the targeted prospect to see and understand your value so they take an action step to buy.

## 3 Types of IT Buyer Demographics

The first type of IT buyer is called an **Analytical Buyer** or **Logical Buyer**. This type of prospect usually has a scientific or mathematical education

and holds executive positions like CIO and CFO. When negotiating with logical buyers, focus on giving them stories that use numbers, facts, percent-driven information and third-party endorsements from firms like Forrester Research or Gartner.

The second type of IT buyer is called an **Example Buyer** or **Theoretical Buyer**. They look at purchases from multiple perspectives and usually hold general management positions like COO, president and CEO. These executives prefer to hear case studies, see logos of existing clients and strategic partners, and view condensed presentations with visual examples of how you can fix their business needs—so they like stories that are descriptive.

The third type of IT buyer is called an **Abstract Buyer**. This individual uses right brain attributes, is often creative and uses intuitive thought process to decide how to buy. Often they hold positions of authority like VP of marketing or VP of strategy. When building your story for this prospect, you should employ client testimonials and discuss the future usage of your IT as well as its long-term impact on the buyer's firm.

## How to Use Analogy Communication as a Storytelling Tool

Another successful storytelling tool is the use of analogy communication. Merriam-Webster's Collegiate Dictionary defines **analogy** as:

1 : inference that if two or more things agree with one another in some respects they will

probably agree in others 2a : resemblance in some particulars between things otherwise unlike : similarity b : comparison based on such resemblance.

Oftentimes, prospects misperceive the value of your high tech offering because they see it as too complex. This happens because either they do not have a frame of reference for what you sell or the frame of reference they have is incorrect. One way to close this gap of misperception is to develop marketing analogies of what you sell that better describes your offerings to your buyers.

When analyzing the purchase of your IT product or service, prospects sometimes have a hard time understanding what you sell and its value. Therefore, your high tech value must be marketed and sold so that targeted prospects can assimilate this information into their decision-making process.

Prospects need assistance to understand the value of your offering as it relates to other investments or purchases they must make and that they understand. By using "analogy communication," you frame a reference point that helps prospects comprehend how your offering compares to a dollar allocation they understand and that they have invested in before.

Time and again, the IT competition you sell against is not another technology company, but rather other investments the prospect is funding that are not even in your industry.

## Guidelines for Creating a Marketing Analogy Story

To increase your prospect's understanding and acceptance of your offering's value, develop analogy stories using the following guidelines:

1. Use other prospect investment dollar ranges that they have already justified (through previous purchases before) which are comparable to your IT offering's price.

Examples of where your investment range is comparable in price include:

- When selling a \$30,000 point of sale computer system to a restaurant owner, you might say: "Your investment with us is the same cost as buying a new walk-in freezer, yet it gives you and your team increased opportunities to grow your business revenue by increasing your ability to seat more customers."
- When selling a \$50,000 enterprise software application to a financial service prospect, you might say: "Your investment with us is like hiring an executive assistant, yet the value we bring will increase your corporate revenue tenfold."
- When selling a \$300,000 software application to a manufacturing firm, you could say: "Our investment is like buying three local transportation trucks, but our software will increase company profits worldwide."

2. Use other investment types when your offering is similar to other attributes.
3. Pick a price point for what you are trying to sell.
4. Make a master list of other investments that your prospect may invest in.
5. Create a story about the comparison.
6. Determine how your investment's value is greater to the prospect than the example it is being compared to.

Telling your targeted prospects about your offering's attributes and not the results your offering delivers at the beginning of your marketing delivery cycle (which foreshadows your team's sales cycle), will diminish your growth potential. Study these secondary drivers and your offering's mix to determine what the specific drivers will be.

## Conclusion

By its very nature, marketing and selling high tech products and services in today's economy is a difficult and cumbersome task.

Today, Fortune 1000 management executives and presidents of privately held firms seek long-term relationships with IT vendors based on value creation. More often than not, they know that IT is a business tool that drives results. However, buyers often feel frustrated when trying to determine who the right vendor is because of the universal company positioning all IT players

communicate—that they are better than their competitors.

To sell more, build trust.

To sell more, use communication techniques that create value that your targeted buyer believes based on their needs...not yours.

Becoming a peer in the boardroom, instead of a vendor waiting in the hallway takes practice, patience, and skill—it is a learned process.

## About The Author

Paul DiModica is the founder and CEO of Value Forward Group, a high tech revenue capture specialist advisement, M&A and management consulting firm. Paul is also editor of the IT sales, strategy and marketing strategy newsletter called *HighTechSuccess* read by high tech executives in over 110 countries worldwide ([www.hightechsuccess.com](http://www.hightechsuccess.com)).

Additionally, he is the author of the books *High Tech CEO Business Success Strategies*, *How to Sell Technology*<sup>®</sup> and his new book the *Revenue Capture Scorecard*<sup>®</sup>.

Prior to launching the Value Forward Group in 2001, Paul spent over 20 years in high tech businesses as a Senior Vice President of Sales and Marketing, Vice President of Strategy Worldwide (Renaissance Worldwide Inc.), Vice President of Operations, Chief Operating Officer

and company founder in private, family-run and public IT companies with annual revenues up to \$900 million.

Paul has been featured or interviewed in hundreds of media outlets including the *New York Times*, *Investors Daily*, *Fox News*, *Selling Power Magazine*, *Sales and Marketing Magazine*, *CIO Magazine*, *CFO Magazine*, *Entrepreneur Magazine*, *Training Magazine*, *Marketing Magazine*, *Computer World Magazine*, *Entrepreneur Radio*, *Chicago Tribune*, *Executive Travel Magazine*, *Value Added Partners* and many others.

## About Value Forward Group

The Value Forward Group is a high tech business success advisement consulting firm. We focus on helping CEOs, company founders and senior executive team members of technology, software and professional service companies maximize revenue, increase marketing success, reduce operating expenses and build a replicable and scalable revenue capture process that gives them a competitive edge. For more information about Value Forward programs and services, please contact:

Paul DiModica  
770-632-7647  
[pdimodica@valueforward.com](mailto:pdimodica@valueforward.com)  
[www.valueforward.com](http://www.valueforward.com)

## Accelerate Your Business Growth

The Value Forward group offers one-on-one and team advisement programs for technology, software and professional service executive leadership. Our programs are personalized based on the client's needs, business objectives and company size. Working with CEOs and department executives, we offer a broad range of best practice and thought leadership input on sales, marketing, operations, strategy, technology development and financial models.

Our programs and services include:

- Messaging Communication
- Keynote and conference speaking
- 360° High Tech Business Success Assessment and Recommendations Program
- Team sales training
- Sales and marketing strategy development
- Operations department best practices design
- Strategic Planning
- Merger and acquisition advisement

For more information on our programs and services, contact Paul DiModica at 770-632-7647.