



Selling As-A-Service is a daily challenge?

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Introduction

As-A-Service offers have become **commonplace** and are growing at an **exponential** rate. There are **2 reasons** for that: the global **pandemic** combined with a changed **attitude** from buyers themselves. Buyers want (and have in reality always wanted) to be sold to in a customer centric way. This is precisely what As-A-Service does: going the extra mile in placing focus on the exact needs of the buyer and aggregate them in one solution

However, **changing** from a **once-off** selling style to that of **recurring** revenue is one of the most **challenging** and overlooked aspects of entering into the **As-A-Service** market.

Some of the most common **challenges** seen in As-A-Service selling are **repeated** regardless of industry or scale:

1. The sales journey is too difficult

The **As-A-Service** sales journey is not the same as the standard transactional model one. This means that both seller and buyer need to learn and understand the **new journey** before there is a likelihood of it being sold or bought.

The As-A-Service journey is enormously **client-centric**, not only in terms of initial client capture but in terms of an **ongoing relationship**. This means an understanding of not selling a once-off product but rather pivoting to selling the entering of a long-term relationship. This is driven by a strong focus on **providing** ongoing **solutions** and care for the **return** of a more **stabilised** and **consistent revenue** stream backed by **loyalty**.

Internally **services** need to be clearly **defined** ahead of time to ensure they are not given away for free. Simultaneously, the **client's needs**, both present and future, should be well **understood** to maximise monetized up-selling solutions on a **regular basis** through the life on the contract, and more importantly, the **relationship**.

Whilst this may sound relatively easy on paper, the switch from **product-selling** to **solution-specialist** requires an entire **mind shift** from the most commonly embraced selling techniques.

Much of the As-A-Service sales journey places a large emphasis on **up-selling**, which pushes for sales champions to understand not only all the pain points and business aspects of potential customers, but also their own company's growth **strategy** and **future** offerings.

This also **emphasises** the importance of **technical or subject matter experts'** involvement in the sales process. To **upsell** on service-based offerings such as maintenance, there is no greater individual to affirm the **reliability** and **durability** of products, regular maintenance schedules etc than those core to such areas. The traditional lines of **sales** and **technical** should work **together** for the ultimate provision of a wholesome client solution.

One of the **key** aspects of **As-A-Service** is the ongoing or **post-sale interaction** between sales/account manager and client. This allows for greater ongoing engagement and feedback. This generates the forging of a strengthened relationship with fewer issues and more **predictable success drivers**. As human behaviour changes in terms of buying style

from once-off to As-A-Service, so too does the requirement for an increased depth of relationship value between seller and buyer.

2. The salespeople are facing a larger decision making unit than they are used to

It goes without saying that the most **successful** salespeople are those that feel the most **confident** and **comfortable** in both their offering (what they are selling) and their selling technique (how they are selling it).

Part of this changed selling technique is an adjustment in the 'selling to' side of As-A-Service. A transactional, once-off purchase offer, often relied on the buy-in of one individual with a set hierarchy and authorisation limit that the purchase should fall in the budget scale of. **As-A-Service** or the recurring transaction model usually involves an entirely **new** aspect of the selling technique: selling to a **larger audience**, often including the CFO, and sometimes including complete **board-level** pitching.

It is for this reason that salespeople need to undergo training: in the understanding of the sales journey, in getting technical support when and if required, and how to approach higher level pitches and subsequent questions they likely will not have previously faced.

3. The pay-plan is not adapted

"The Payplan of the sales force should mirror the strategy of the company".

Seeing that the **shift** from product-selling to solution selling is a **major step** for your sales team, it should be reflected in their **payplan**.

First "ignite the change", after selecting a few **champions** that will be the individuals to initially propose the As-A-Service solution, their **payplan** should include a specific **bonus** when an As-A-Service **contract** is **signed** by new clients.

The **selling** cycle will be **longer** than before, at least at the beginning, and this should be rewarded through a **specific bonus**. Due to an **As-A-Service** contract **generating** more **margin** for the company, a part of this extra margin should be **invested** in the **bonuses** of the **payplan**. Do not hesitate to do "double booking" at the beginning. **Pioneers** should always be **rewarded**!

Second, "bounce back on early success" where the company can **capitalise** on the first **signatures**, this specific **payplan** should be **extended** to the rest of the sales team.

Another strategy, depending on the number of sales persons, could be to **dedicate** a specific **team** to handle **As-A-Service proposals**. In that case, a specific payplan for this team should be prepared. This **payplan** should integrate **turnover** and **margin**. The split in percentage between these two components will evolve over time depending on the company's strategy and according to commercial profiles.

Third, "focus on refresh strategy". Once the machine is launched, the most important thing is to **focus** on the **margin** generated and the **percentage** of contracts that are **extended** or **refreshed**. Again, this will depend on the company's strategy; either it

favours the margin generated in the short term or it favours the duration of the relationship with its customers

There are many challenges that sales teams face in delivering As-A-Service solutions to your customers. Their willingness and drive to do so will be based on their adoption of the company's vision, but more importantly, their commissioning plan.

Conclusion

Implementing a **new business model** requires an **entrepreneurial** mind set. The **success** of the model's implementation relies on successfully obtaining the **technical knowledge** behind As-A-Service and how to fully **implement, launch and sell** the new model.

To this end, as with all business decisions, **Expert advice** is a minimal **requirement** any organisation should actively seek out before embarking on such a **monumental development** in their strategy.

The excitement associated with the possibility of obtaining recurring revenue streams can lead to a rushed approach. However this type of 'start with basics and run with it' has a high propensity for immense frustration, pushback and ultimately failure and mistrust in the As-A-Service business model.

This is the essence of **Black Winch**, founded by three market **Experts** boasting over **25 years** industry experience, helping organisations to stay tuned with the **structural** As-A-Service market **shifts**.

We **design** and **implement** a successful, scalable and circular, in-house, **AS-A-SERVICE** business, bringing **value** to your **end-users** and **stakeholders**.