

3 Stages of the Buying Cycle



Customers move through 3 stages during their buying cycle for facility services, moving from:



Customers can be in any one of these 3 stages before a contract is put out to bid. Interestingly, customers can occupy these same stages when a contract is out to bid. The following identifies helpful marketing and selling activities for either of the 2 states of customer contracts.

2 States of Customer Contracts		
Buying Stage	PRE-BID	BID
<p>OBLIVIOUS</p> <p>(Customers who don't know if they have service problems, don't know if they have areas in need of improvement, and aren't particularly interested in finding out)</p>	<p>Marketing</p> <p>“Oblivious” customers have to be raised up to “awareness”, then to “motivation” to get the contract out to bid. This is even a longer haul when outsourcing for the first time.</p> <p>The power of peer-to-peer Word of Mouth is most effective with “oblivious” customers.</p> <p>Work to raise awareness of the business impact of service issues and your firm's expertise in solving them. Speak to many customers in a marketplace at once by:</p> <ul style="list-style-type: none"> • Publishing articles in trade magazines • Advertising based on solutions to customers' pains • Speaking at tradeshow as a Subject Matter Expert (SME) • Participating on committees of industry associations • Sending direct mail & email blasts (permission-based) • Writing blogs & hosting content rich web sites as search destinations <p>Selling</p> <p>Not much help here as “oblivious” customers probably won't have time for you as they don't know if they have any problems or needed improvements.</p>	<p>Marketing</p> <p>Not much help here as once a customer is out to bid they've either included you or not.</p> <p>If you're included in the bid, your marketing has done its job but now its too general to be effective, time for selling work</p> <p>Selling</p> <p>Yes, “oblivious” customers put contracts out to bid. They do so only because they have to, for regulatory or due diligence reasons but they're not committed to a robust bid process, nor are likely open to new ideas.</p> <p>With that said, sales efforts should still figure out the customer's:</p> <ul style="list-style-type: none"> • Service pains • Business impacts resulting from those service pains • Business state (doing well, badly, or stuck) • Initiatives/strategies in progress to improve their business <p>11th Hour Education is your best hope for these customers. Design a service solution around the above info and bake it into your proposal and presentation. Because the “oblivious” customer is oblivious, you'll often have to use your best guess.</p>



2 States of Customer Contracts

Buying Stage	PRE-BID	BID
<p>AWARE</p> <p>(These customers are aware they have a problem or want an improvement. However, they don't have a compelling reason to take action—yet.)</p>	<p>Marketing</p> <p>“Aware” customers have some degree of interest in engaging with contractors, but not overwhelmingly, only if it fits in with their schedule and availability.</p> <p>So, <u>in addition to the marketing for “oblivious” customers above, consider adding invitational events.</u> “Aware” customers may be more likely to show up at events that have a free lunch & don't take a lot of time. Events like :</p> <ul style="list-style-type: none"> • Educational seminars about a service topic / business impact • New product demos • Customer focus groups <p>Selling</p> <p>Because “aware” customers are interested to some degree, you're likely to reach them face to face. However, you must have a compelling reason for them to see you.</p> <p>Over time you'll want to learn as many of the following as possible, before the bid comes out:</p> <ul style="list-style-type: none"> • Service pains • Business impacts resulting from those service pains • Business state (doing well, badly, or stuck) • Initiatives/strategies in progress to improve their business <p>Also, you'll be able to put time in to build a personal relationship with “aware” customers. This won't give you an edge when the bid comes out—but it will give you an edge to gain the information listed above BEFORE the bid comes out. And that's the best, most-realistic goal you can have for developing the relationship.</p>	<p>Marketing</p> <p>You're either included in the bid process or not. If included, it's time for selling work.</p> <p>Selling</p> <p>“Aware” customers are like “oblivious” customers in that they aren't going out to bid on their own volition. They're being told they must by regulatory compliance or corporate requirements.</p> <p>Either way, “aware” customers are more open to viewing solutions as they have some awareness that things aren't everything they could be.</p> <p>So, <u>in addition to figuring out the info listed above in selling for “oblivious” customers,</u> you'll benefit by digging deeper. You'll want to speak directly to your customer's specific wants and needs. Reach for the following insights and use them in proposal and presentation development. Figure out how this particular customer will know the:</p> <ul style="list-style-type: none"> • Contractor is successful (VENDOR MANAGEMENT) • Service delivered benefits to their company (VALUE RESULTS) • Contract is fulfilled (CONTRACT COMPLIANCE) • Service is improving (SERVICE PERFORMANCE) <p>Your success in gaining this info, once the bid is out, will in large part be governed by Procurement. If they're loose, you'll have access to your contact for this info. If not, Procurement will slap down the cone of silence and you'll be denied access to your contact.</p> <p>Highlight the Cost of Inaction to get “aware” customers to take action. Stress lost dollars, greater costs, increased liability, etc.</p>



Buying Stage	2 States of Customer Contracts	
	PRE-BID	BID
<p>MOTIVATED</p> <p>(Motivated customers:</p> <p>a) know they have problems AND</p> <p>b) are motivated to do something about them, i.e. go out to bid AND</p> <p>c) will be likely to change contractors as the incumbent hasn't solved their problems)</p>	<p><u>Marketing</u></p> <p>Marketing to “motivated” customers contributes to better positioning when they do go out to bid—and they will, they’re motivated.</p> <p>Marketing efforts that focus on your firm being recognized as a Subject Matter Expert (SME), rather than self congratulatory ads and messages, produce better results. “Motivated” customers are looking for solution providers. They’re aware of their problem and want to fix it NOW. They’re on the hunt for qualified contractors to include in their bid process.</p> <p>So, going into the bid, your marketing can help place you in a stronger position than competitors. But it will be contractors showing in proposals and presentations that will win the day.</p> <p><u>Selling</u></p> <p>“Motivated” customers are what salespeople dream about. Salespeople should be digging deep BEFORE the bid goes out to uncover:</p> <ul style="list-style-type: none"> • Service pains • Business impacts resulting from those service pains • Business state (doing well, badly, or stuck) • Initiatives/strategies in progress to improve their business <p>AND figure out how this particular customer will know the:</p> <ul style="list-style-type: none"> • Contractor is successful (VENDOR MANAGEMENT) • Service delivered benefits their company (VALUE RESULTS) • Contract is fulfilled (CONTRACT COMPLIANCE) • Service is improving (SERVICE PERFORMANCE) 	<p><u>Marketing</u></p> <p>You’re in the bid process or not. If included, it’s selling time.</p> <p><u>Selling</u></p> <p>“Motivated” customers are most interested in SOLUTIONS. They’ve already pre-qualified you as being capable enough. Now, in the bid process, they want to see what you’re offering specifically for them to solve their problems.</p> <p>So, <u>in addition to figuring out the info listed above in selling for “oblivious” and “aware” customers</u>, you’ll benefit by being as specific about your solution to their situation as possible.</p> <p>This means your proposal states explicitly:</p> <ul style="list-style-type: none"> • Who’s doing what • When it’s getting done • How it’s being documented • How reporting is compiled • When it’s being reported, in what format & by whom • What real-time information they can see & how <p>Additionally, when you connect your service solution to show the business benefits they gain, you’re giving them the evidence they need to justify their selection of you.</p> <p><u>Remove Barriers</u> for “motivated” customers to “see” your solution as the easiest to implement. Because they’re going to implement someone’s, you want it to be yours.</p> <p>Spell out how you will handle the retention of existing personnel, grandfathering benefits, communicating the service change to end-users, escalation protocols, issue resolution processes, etc.</p>