

# EVOLVING TO COLLABORATIVE BUSINESS RELATIONSHIPS



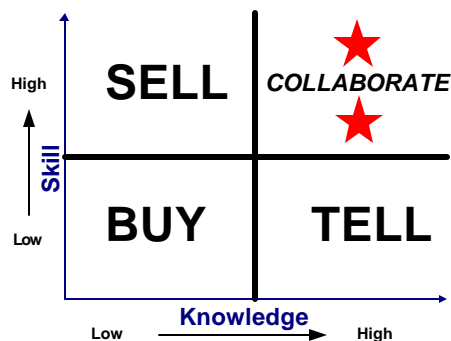
In recent years the word “collaboration” has reached “star status” in business speak. The tendency resulting from this status is to characterize collaboration as a function performed by technology. Information technology certainly facilitates any collaborative process; but as with any shared experience, collaboration can only be truly performed by human beings.

When applied to the essential business activity of buying and selling, collaboration takes on a special meaning. Buying and selling, no matter the technology used to expedite the process, requires people to interact. Collaboration, when understood and properly applied to the personal interaction in the buying and selling process, becomes the key to creating extraordinary business relationships.

Behavior remains the driving force of all human encounters. How we behave is typically a function of our preparedness, or comfort level, for a particular situation. Therefore, understanding the factors that create buyer and seller behavior can help us avoid bad business relationships and engage in only constructive relationships no matter the business setting.

The accompanying graph will be used to demonstrate and understand the behavior of each participant in any buyer or seller relationship.

## Seller Behavior



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Figure 1.0 Seller behavior along two axes: skill and knowledge. For sales professionals we define skill as an individual’s grasp of professional, solutions-oriented, sales

principles. Intimate comprehension of a given company or industry, emphasizing features and functions, characterizes a sales person's knowledge. From both a (self) management perspective as well as for the benefit of a buyer, seller behavior is predictable and, therefore, correctable by assessing how he/she is likely to behave using this analysis.

A sales representative, who is highly skilled at selling but lacks a full grasp of their company product or industry's functionality, is most likely to engage in SELL behavior. In this SELL mode a sales person is primarily motivated to "get a deal" and will promise miracles to make the deal happen. These are the sales people who will do whatever they can to "put you in a new car today"; they are focused only on their results. At best, the company can only deliver what has been sold by stretching resources and capacity. Correspondingly, a customer can expect limited or no follow-up from a SELL sales person because they do not know how to offer additional value after the contract has been signed.

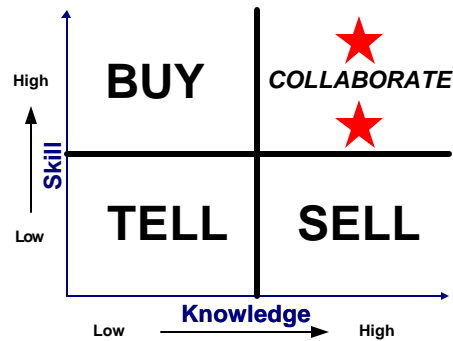
The sales person most dangerous to themselves and other stakeholders occupies the bottom left quadrant of Figure 1.0. With little skill or knowledge, they are gullible sellers who actually become buyers. A sales person exhibiting BUY behavior will be incapable of discriminating between what is real and what isn't, and will usually make concessions on everything from price to functionality, to close a sale. By setting up a significant imbalance between their organization and the customer's, the BUY salesperson sets off a series of events that is good for neither the selling nor buying organizations.

Industry or product mavens that lack sales skill epitomize the negative stereotypes many of us have for sales people. Sellers as "tellers" will spout features and functions without giving the customer a chance to get a word in edgewise. Think of the severe punishment meted out in Woody Allen's "Take The Money and Run", solitary confinement with an insurance sales person in the TELL mode.

Highly skilled and knowledgeable sales professionals are never interested in making just a sale. Rather, their preference is to cultivate excellent client relationships and their entire process is about producing results for both organizations. Characteristically, sales people in the other SELL, BUY or TELL quadrants are motivated only to make their numbers by closing a sale. A collaborative sales professional is devoid of these selfish intentions, perhaps because they understand that any imbalance in a business relationship will ultimately frustrate all parties. A sales person who practices COLLABORATE wants what is best for both their organization as well as their client's, and will pursue every aspect of a business relationship thusly.

We should not totally write off a sales person who is not in the collaborative mode any more than we should attribute devious intentions to that person. As with any other profession, skill and knowledge is acquired by experience and development, and sales people certainly mature on the job. This is why the accompanying graph is essential as a management tool. Sales people and their management can spot the weaknesses in a sales person's behavior and take the appropriate corrective action. Similarly, in many instances sales people do not receive the proper training from their organizations and are ill equipped to perform their jobs. I know any number of collaborative sales people, and at one time or another they all occupied one or more of the other three quadrants.

# Buyer Behavior



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Figure 2.0 plots Buyer Behavior on the same graph, using the same terminology, slightly redefined. While a knowledgeable buyer shares traits with their sales brethren, the skilled buyer is one that has refined purchasing expertise, most often evidenced by their negotiating proficiency.

Highly skilled buyers with little command of their company's business generally make purchases as a routine job function; these buyers are in the BUY mode. Focused on specifications and price-performance matters, less concerned with application or the user community, these purchasers will typically turn every encounter into a commodity relationship.

Given the responsibility for making a decision, buyers with low skill and knowledge quotients typically mask their inadequacies by adopting strong TELL tendencies. Conversations with these individuals are usually memorable because these buyers can be counted on to dominate the room by telling everyone within earshot how they know everything about the seller's organization, their competitors and services and prices for both. While we don't think of him in this capacity, think of Cliff, the know-it-all from "Cheers", and you'll get an idea of the person who occupies this role.

Rarely do we think of buyers as sellers, but buyers who possess an enormous appreciation for their business, but are not overly sophisticated in the purchasing role, are bound to tell the seller that a special deal for the buyer will reap the seller incalculable benefits and rewards. This is the SELL mode. In some instances these professionals are very skilled, but their companies may lack leverage, so they try to SELL the sales people by asking them to place bets on the bigger, brighter, better future. Those promising "I know we won't give you that big an order now, but if you do this for

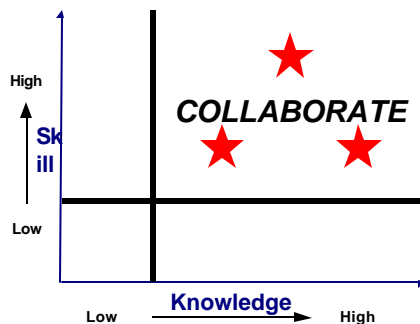
me, when we grow you will grow and you'll have more business than you'll ever know what to do with here!"

As with their sales peers, buyers who COLLABORATE want what is best for both organizations, committed to equitable business relationships. While most others may pay great lip service to the notion of partnership, these buyers actually mean it. They won't buy from the sales person with the cheapest price any more than they will overpay for services they do not need. And while a collaborative buyer may want to stay current by routinely evaluating their supplier base, they stay clear of an RFP and don't relish the thought of bid processes. The clear preference here is trusted partners in long-term, mutually beneficial business relationships.

Buyers, too, evolve through experience and training. Occasionally the same person will behave differently depending on the situation, the company they are employed by, or even the product or service being purchased. Indeed, a one-time purchase for an abundantly available product mitigates any need to engage in a collaborative working relationship, and it may be far more productive to make an informed, quick, decision by adopting buy or even tell qualities.

Our isolated view of seller and buyer behavior implies a certain level of independence. But as we established at the outset, this is very much a matter of human encounters, so the two must be linked. While there are a number of possibilities, Figure 3.0 matches buyer and seller behavior in each quadrant.

## Buyer and Seller Connect



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When both buyer and seller are skilled but not knowledgeable, the alignment of a seller in the sell mode with a buyer in the buy mode produces very familiar results. While one is promising miracles, the other is focused on meeting the obligations of the task. When these two transact business, the likely outcome is best summed up in the highly recognizable phrase "Buyer's Remorse".

Two low skilled and low knowledge participants also produce combustible results. The gullible sales person in a buy mode, overpowered by the buyer in a tell mode will produce a transaction that the selling company will detest. These deals become targets of management's ire, whereby the selling organization invariably seeks to break a contract, significantly change the price, modify the delivery terms, or alter the promised features and functions. The loser in the initial deal plots a course to become the (perhaps even vengeful) winner.

Fortunately for all, buyers and sellers that possess high degrees of knowledge but have low skill will never consummate a deal. During the encounter these two can be counted on to fight for airtime, talk over each other, and draw quick conclusions about how incompetent each other are. Their first meeting will likely be their last, with nothing accomplished other than acquiring personal distaste for one another because the other participant "just talks too much" or "doesn't listen."

No matter how one mixes or matches the behavior types, the outcomes are certain to be imbalanced. When both are in the buy mode nothing gets accomplished. Two sellers will construct a deal, producing both buyer's and seller's remorse. Two tellers will incite a near-riot, with the sales person oftentimes being escorted from the building with specific instructions never to return. And by all means, collaborative buyers and sellers just have no use or time for those operating from the other three perspectives.

It goes without mentioning that aligned collaboration produces extraordinary business partnerships. Both organizations enjoy collegial relationships, built on trust. As with any relationship, there are bound to be disagreements and issues, but they are able to manage past these without tension or incident. The basis remains participant skill sets and knowledge, not technology.

The reader has no doubt been exposed to similar material in the past, most notable the "Win-Win" business relationship quadrant analysis. While these tools measure outcomes, by understanding participant behavior and the actual reasons for it, both buyer and seller organizations, and their respective participants, can actually institute measures and methods to do something about it. By increasing knowledge and/or skill, as needed, everyone is capable of producing the ideal, collaborative, partnerships that make for excellent business.

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