

# Winning large, complex sales opportunities at Hewlett-Packard Co.

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A recent research project has provided insights about how to raise professionalism standards in selling complex solutions. Key findings suggested a new sales approach validated by computer giant Hewlett-Packard Co.'s outsourcing team. Strategies using this approach have since helped HP win global deals with both new and existing customers.

**Research findings**

Four leading critical values that significantly improved closing rates emerged from in-depth interviews with more than 120 selling and buying professionals. The four values were client centrality, authenticity, proactive creativity and tactful audacity, as shown in the figure.

Client centrality and authenticity are required to build trust with the customer. While necessary to succeed, these two values alone do not suffice. Proactive creativity and tactful audacity are the two most differentiating, outstanding

ones, meaning they are most important to customers and most lacking in sellers. Customers observe these values in the intelligence and ingenuity of salespeople. One customer in the study made the following comment of tactful audacity: "This is probably the most interesting finding from my point of view. I believe this value is

the rarest in practice and really distinguishes the good from excellent service providers. Without it, all of the good proactivity and innovation qualities that strong outfits emphasize can easily slide into the arrogance of the difficult-to-manage non-partner."

**Client centrality**

Client centrality is a basic sales element, mastery of which is achieved through practice and constant reflection—e.g., "Am I doing the right things for my customers?" "What creative ideas can I bring?" and "How can I validate these ideas?" The focus on understanding the customer's industry and strategy to win in that industry drives the salesperson to provide the best-fit solution, not to find a home for an off-the-shelf solution. He is passionate about helping the customer improve its business. How best to understand the client and its industry drivers? Engaging with the analyst community is a prerequisite for large deals. Analysts provide insights into what keeps the board awake at night. Analysts are paid to study the industry's economic metrics and have a point of view about competitors. A recent HP deal with a global leader in human resources services was the result of understanding that supply issues were the main driver for profit. This enabled HP to suggest ways of using technology, including branch-in-a-box concepts, to attract more applicants. These insights showed the client that HP seriously thought about the client's business.

**Authenticity**

Authenticity is important in ensuring that claims of creating business value are well-validated. Interpersonal relationships based on

**Differentiating/outstanding values**

Differentiating/ outstanding value	Is seen as:
<b>Client centrality</b>	Interested, investigative, knowledgeable, dedicated, passionate, accountable and attentive
<b>Authenticity</b>	Honest, credible, unpretentious, sincere, ethical, trustworthy and dependable
<b>Proactive creativity</b>	Strategic, forward thinking, innovative, creative, reflective and above and beyond
<b>Tactful audacity</b>	Daring, bold, perceptive, understanding, challenging, unconventional and enthusiastic

trust and integrity are a foundation for a customer deciding what privileged information to share with suppliers. The salesperson works beside the customer to create a solution and is unpretentious and free from affectation, inflated self-image and hypocrisy. Co-creation's essence can be developed through collaborative alignment workshops leading to new governance constructs. Governance models can be created for different client engagement levels to reflect the deal's strategic or operational aspects. This is particularly important for long-term relationships where customers challenge suppliers on sustainability of innovation and transparency.

### Proactive creativity

Proactive creativity is highly valued by clients. The sales team must constantly consider new ways to innovate. This requires taking time to think of novel methods for assisting the customer's success within its own business. The salesperson recognizes that creativity is a mind-set and relates not only to technical innovation but also to all aspects of the role. As part of a recent HP deal with Unilever, a proposition to co-create a joint laboratory to develop technology solutions using radio frequency identification and the

latest printing technology was one of the ideas that came from an Asia-U.S. outsourcing pact. This enabled both parties to leverage each other's skills in understanding consumer actions.

### Tactful audacity

The research showed that customers want to be challenged. This necessitates a willingness to take surprisingly bold risks. The salesperson needs to be fearless and daring when suggesting solutions and collaborations to customers.

## HP HAD TO ENGAGE WITH EXISTING AND PROSPECTIVE CUSTOMERS IN A NEW WAY.

Developing these solutions will often require access to a supplier's brightest minds, who are given the authority to push the boundaries beyond the norm. One customer in the study was surprised when a supplier said that it did not want to compete for a \$200 million deal. When asked why, the supplier said that it could not hope to deliver the best solution if it did not understand the customer's business drivers in detail. The customer could have said OK. In this instance the customer allowed the supplier access to board-level executives.

The supplier went on to win the deal.

### Implementing the new sales approach within HP

This approach has been validated through a two-year project working with HP's outsourcing team for Europe, the Middle East and Africa. The team often handles outsourcing deals of more than \$50 million, most of which are global and all of which are complex. HP wanted to improve its competitive position and felt that creativity in the deal-making process was key. It had to engage with existing and prospective customers in a new way.

Using the research results, a series of workshops brought together HP's brightest minds to consider as many facets of each deal as possible. During the workshops the research findings were shared, including video clips of buyer interviews. This helped create a deep awareness of the four values. To accelerate and enhance customer intimacy levels, the pursuit team attempted to understand the customer's industry and global logic. Analysts were engaged in the process (client centricity). Their insights into the client's business assisted in identifying key drivers and with them knowledge of what senior executives really cared about. A creative-thinking framework challenged existing models of how value could best be brought to customers (proactive creativity and tactful audacity). The pursuit team was encouraged to think beyond core products and services in considering the value HP could provide to the customer (client centricity and proactive creativity).

In cases where HP did not have the in-house resources to provide components of the solutions, it engaged external resources (client centricity). Each aspect of what was referred to as "win themes" was carefully assessed regarding the validity of external resources' claims (authenticity). Where



appropriate, HP carefully challenged clients when it felt that a proposal would bring them great value (tactful audacity and authenticity). With global deals the pursuit team took care to engage decision makers and influencers from around the world (client centricity). The results were impressive. We have compared deals that used the new approach with those that did not. Dozens of deals, all with global customers, have been closed using this approach, and the 67-percent conversion rate is 2.5 times higher than before.

An example of an interesting publicized win was with one of the world's largest mining and natural resources groups. This captures the essence of how the new approach has helped bring value to both companies in just nine months, from no relationship to a \$450 million, seven-year deal. To show how the four values were applied to win the deal, here is a short account from HP describing some key milestones:

- HP took a global perspective in building a collaborative relationship, and the mining company responded well. Realizing that it needed to be brought up to speed very quickly to develop a deal strategy, HP engaged the customer's senior C-level information technology team as well as human resources and business unit leaders. A series of collaborative workshops helped develop relationships (client centricity).
- Initially HP didn't understand enough of the customer's business problems to write a due diligence plan; HP first had to see the problems in the business. HP and the customer then co-developed a due diligence plan. This is unique. Normally HP does not have this level of interaction. In the end the incumbent competitor was forced to use HP's methodology and was therefore on the back foot (tactful audacity and authenticity).
- HP broadened the relationships to the customer's subsidiaries in key

countries: Australia, Chile, Brazil and South Africa. HP met these subsidiaries' chief information officers and chief executive officers to learn about their problems. The goal was to completely meet their needs with HP solutions. For instance, when a mine is 1,400 kilometers from the nearest town, a four-hour service




## HP WANTED TO IMPROVE ITS COMPETITIVE POSITION AND FELT THAT CREATIVITY IN THE DEAL-MAKING PROCESS WAS KEY.

does not make sense. The subsidiaries, too, liked the collaborative approach (client centricity).

- The workshops identified potential areas of innovation. For example, in mining, there are huge issues in knowing where the assets are (some sites are 10 kilometers across) and where the people are in the mines. If they lose track of one person, they have to close a mine for health and safety reasons (client centricity).
- The idea of using memory spots or even RFID to physically count people

in and out was hugely valuable to them (proactive creativity).

- Whether HP implemented this technology for them is probably irrelevant—it shows that HP has breadth and depth. They liked the fact HP brought new ideas and ways of thinking to the table (proactive creativity).
- The fact that HP had developed a deep understanding of their business meant that HP's ideas were validated and it could build on the emerging win theme of innovation.

The journey has not been easy. Breaking the cultural mind-set from within HP was as difficult as changing the cultural mind-set from without. In situations where customers see deals as purely transactional and procurement departments try to force all suppliers to compete at the same level so they can be compared apples to apples, salespeople must be particularly compelling, creative and audacious to change the transactional mind-set to a value-based one. Again, the same applies internally to leverage across the different organizational silos where resistance can also be found. 

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### Additional resources

For more information on this subject in SAMAs library, the editors recommend: Charles Bellaiche, "HP: an inside view to increasing client value creation," Pan-European Conference, Feb. 11, 2008, [www.strategicaccounts.org](http://www.strategicaccounts.org), and Jeff Schmidt, "HP: innovation in action—reinventing the account planning process," Pan-European Conference, Feb. 11, 2008, [www.strategicaccounts.org](http://www.strategicaccounts.org).