



CREATING SALES WITH SECURITY

**LEVERAGING THE POWER OF
ASSESSMENTS TO CREATE
NEW BUSINESS**

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The Power of Risk Assessments to Create New Business

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Irresistible Justification – Selling with Assessments

Assessments are conducted all the time. Some focus on risk, others on efficiency. Lawn care companies use them, oil change operations (with their 25 point inspection), heating and air conditioning, and pest control businesses utilize them. In fact, you can even hire a mold specialist to analyze your home for mildew, black mold, and environmental conditions that are conducive to spores in the air. In some cases these assessments cost money while, at other times, they are part of the sales process. However, they are never really free.

In every situation, assessments should lead to more business. The question is, how can this tool be used to drive new business in the commoditizing market of high-tech products and services? In this article, I will address how technology resellers of networks, servers, storage, managed services or any other related application, can apply the concepts of risk assessment to create and drive new business opportunities.

Sales opportunities are created by someone

Someone creates every sales opportunity and it is often not the sales person. Sometimes, consultants who have worked on prior engagements discover how to improve the business, in other cases technology administrators make recommendations to senior management, or more likely a department head gets the idea from some external source and runs with it. According to random polls involving thousands of sales people I have trained, in high-tech sales, only about ten percent of the proposals are closing. That means an astonishing ninety percent of them end up in the trash can.

These unsold proposals represent wasted time in discovery, wasted time writing, and wasted time delivering, not to mention the emotional energy expended while waiting for an answer. And if it does close, the average sales cycle ranges from ninety days to 210 days, which is hardly a strong return for the time you've spent. Such a situation is not good for the seller or their company. To make things worse, hardware margins in the reseller market are often down in the ten percent range; a long way from the seventy percent margin deemed necessary by Warren Buffet in his latest writings.

So what closes? Deals with strong justification. This justification generally comes from workers internally who validate the needed resources in the budget. It may be an analyst on contract, someone in strategic planning, or division managers demanding more computing power for new applications. Once budget has been approved, information technology workers are handed the money to acquire what's needed. If you happen to be standing there selling what they need, you become a consideration; if the price is right. The rest of the calls made by sales people are purely relationship building, where they hope they will eventually be at the right place, at the right time. So, are you doomed to be a prisoner of this standard practice, or is there a way to change it?

The Sales Monkey

The sales monkey doesn't think. They make their calls on Monday as directed by management; usually leaving voicemail messages that will never be returned. "It's a numbers game," they're told. Make enough cold calls, get a percentage of meetings scheduled, turn those into demos, and the sales process begins. Fill up your pipeline, assign random percentages (which are generally based on intangible feelings), and begin moving things closer to the finish line. Expect most of them to drop off, and then close the ten percent.

The sales monkey is driven by management and cooperates with the client. The client is most often an influencer, who we'll call the custodian. This custodian is the gatekeeper, and sometimes the blocker. They keep sales people away from busy executives, screen technology, and competitively track the number of "vendor lunches" to demonstrate their self worth.

Their external message is, "I make the decisions." Secretly though, they know they have only influencer-level authority, and none when it comes to financial decisions. The custodians are also monkeys of a sort, controlled by the true decision makers. The sales monkey doesn't care. They know they have to deal with custodians and that's what they are trained to do. Asking to deal with the decision makers would be a violation of protocol. If a demo is requested, they provide it. Evaluation of the product? It is there. Proof of concept? They're on it. And prices, why the sales monkey will have them ready tomorrow. Their forecast will predict "fifty percent" for most of these opportunities. Twenty percent on long shot deals, and eighty for any verbal commitment. Unfortunately,

"fifty percent" generally means, "I have no idea where this is, and no power to affect the outcome."

The Winner Is

Who wins the deal? Today, anything big is going to purchasing before the deal is signed. In fact, even if there is a budget, additional approval will likely be required to spend that budget. The purchasing agent will tell you they make the decision, or if you give them a certain (unreasonable) deal, they'll take it. Once offered, you may find that they still have to take it to management for final approval. "But wait. You said we had a deal." "We do," they claim," but it's not final until approved upstairs."

My favorite is the RFP (Request For Proposal). This is the buyer's attempt to strip the seller of all differentiating qualities. Fill out these forms, provide pages of documentation, and we will make a decision. Assume you'll come in second unless you were the chosen winner before the RFP was ever issued. The sales monkey believes the client when they call it a close second. It's a lie.

The Game Changer

The assessment process is a game changer. Used correctly it has the power to navigate around landmines planted by IT custodians. It has the power to remove the wall that sits between sales and the true buyer. It can even change or create budgets where there were none. The key is using the assessment correctly. Too many deals have stalled out simply because the seller did not understand the power of the assessment. They didn't understand this was how to change the game.

Five Pitfalls

The game changer requires that the seller control the assessment process. Failure to retain control will lead to a lost sale. Here are five common pitfalls made by assessors.

1. Selling risk mitigation to custodians. IT custodians have no liability! Oh, they might lose their job if something bad happens, but this is not liability. Next week they will be worth twice as much at a neighboring company, or perhaps have landed a job as the director of a nearby firm. When IT buys an assessment, they are either doing it on behalf of someone else's requirement, or have taken an interest in learning about security. Let's face it; IT custodians are worth more if they have security on their resume.

2. Regardless of who gets involved in the assessment, most of the assessment reports I see are far too technical. Even if the managers wanted to understand them, an interpreter is needed. Don't expect them to consult IT for detailed explanations. Assume your document will be used by technical people as a trophy. I am amazed at some of the assessment tools and report templates coming from manufactures and distributors, built to help small and midsize resellers. Discard them and build your own. The bottom line: write to your executive audience, and then provide some data to the technical team.

3. Believing the lie that assessments conflict with future sales. Not true. Can you image going to one doctor who does your evaluation for surgery and then another for the actual operation? Would you allow the surgeon to operate without having understood the problem personally? This is no different. Audits should be separate from future sales as assessments are merely the diagnosis. Auditors perform audits while consultants assess.

4. Not building in the remediation phase. Assessments are delivered everyday without recommendations. What a waste! Use the assessment to justify the next step; fixing the problem.

5. Not measuring risk. There's no reason to do an assessment if you don't plan to provide a measurement of risk. Closely related to pitfall #4, assessors must take the next and most important step; that of analyzing the data to determine the risk. I see reports all the time that list thousands of vulnerabilities, but without a clear measurement of likelihood, this data is practically useless. There is no reason to fix something that might never affect the company. Besides, if you show up with thousands of unlikely issues, the buyers will be overwhelmed and revert to doing nothing.

Choose the Outcome

There are many types of assessments and it is important to remember that choice is made according to the desired outcome. In this article I am most concerned with driving new business. Audits are often required by federal guidelines or internal policy and assessments are the best practice in preparation for an audit, or to periodically evaluate one's risk. The later is often conducted by larger companies and neglected by mid-market and SMB companies. If a business suspects some type of security breech, they may call for an audit. None of these situations occur with

enough frequency to build a business. Don't wait on clients to ask or for a compelling event to take place.

The best choice is to educate clients and prospects on the need for this type of evaluation before they see the need. This puts you in the driver's seat, eliminates competition, and creates business where there were no apparent compelling factors. The truth is, every company should be routinely assessing risk, and if you are the educator of this necessity, it will automatically place you in the advisory role. There you will make the choice on what to assess and who needs to be involved.

Advisory Positioning

Selling the assessment before the client or prospect has made a request changes the game. You become the advisor. Every company is spending money on risk mitigation. For example, think of all the money spent on lawyers and accountants. Most of this money is risk money. It's not spent on IT security simply because the likelihood of data loss or theft is perceived to be near zero. Perception is reality and this is where the education comes in. You are also the educator.

Sell it or give it away

Some companies make millions of dollars each year charging for these assessments. This is a great business for some, but not for the average company. It requires highly skilled people (expensive people), and higher end clients who are willing to pay for this service. If you are doing it, keep doing it, but be sure to continually raise the bar on what you offer. This is a commoditizing market as more companies enter this space; therefore it is a good idea to automate aspects of the data gathering and analysis process.

Giving assessments away can also be very profitable. Earlier I stated that these assessments are not actually free. Of course there's a cost. Both parties are required to invest time. If the buyers (asset owners) are not involved, you should not perform the assessment. Again, nothing is free; this service requires executive involvement in both the discovery and delivery phases of the project.

What I really like about complementary assessments is this; I maintain total control. Since the client has not invested money, the scope, amount of time invested, and even the people involved from their side, is totally

up to me. In fact, if the asset owner isn't available when it's time to deliver, I don't deliver. I simply wait until the right people are on hand.

Closing the deal

You may be tempted to think it is an easy sale if it's free. But, that is not the case. Actually, since you are not really doing this for free, the sale can be complex. The simple solution is education. The sales process, according to Seth Godin (author of *Permission Marketing*) then becomes gaining permission to take the next step. Through an educational process you gather the asset owner's view of asset impact, or the impact on the organization as in the case of data loss or misuse, and then work to develop a model of probability. Gaining that opportunity is a matter of showing them that the likelihood is much higher than expected in most cases, and should be measured specifically for their organization.

The fee is access to asset owners. The scope is determined by opportunity. If the opportunity looks very promising, it suddenly becomes well worth your investment to spend hours, days, or even weeks working on this. You'll have contact with just about anyone in the organization, so if you take time to understand who you need access to; you can make the deal contingent upon availability of those people.

When to Sell This

Selling an assessment might seem contradictory, since there is no charge in most cases. However, there is a time to charge and a time to make the evaluation complementary. Fees should apply when the client asks for the assessment. That generally means they have a need and a budget, so sell the project. When no budget exists, you could spend months trying to get one, therefore, opt for the complementary; expecting to drive project work and managed services. One note here, if you do charge, be sure it is a flat fee commiserate with the value of your findings. If it is complementary, the only choice is to find something urgent. Stay until you find it, then stop the process and sell the remediation.

In fact, this is the best way to build your managed services business. Managed services are always a risk sale; meaning budgets are approved when the client sees that the risk involved justifies the monthly recurring fee. The program you sell is positioned to maintain an acceptable level of risk, given the threat is too high without it. This is usually the case and you will just need to demonstrate it.

Offer complementary assessments as a follow up to educational events that expose trends, those that deal with data loss and theft through organized crime. When adding new sales people, this is a great way to build a pipeline. Using this option for opening a new territory or building a pipeline when the numbers are down, would offer the same advantage. All of these situations call for attracting new clients quickly, and the fastest way to see this accomplished is to educate them on risks, gain permission to assess, and then produce a compelling report of impact vs. likelihood. Again, the impact is probably known, so the task is to show unacceptable likelihood, with recommendations to bring it into an acceptable range. This strategy has a proven track record.

Impact vs. How-You

Here's the key to discovery: use what I call "impact questions" when interviewing executives. These are questions that deal with the impact on the organization if something goes wrong and IT won't be able to accurately answer them. If you ask an IT type question (something dealing with configurations or architecture), you'll be demoted right down to the custodians, and back in the sales monkey role. One caution here; IT people believe they can answer these questions, but they can't.

Delivery Faux pas

Before concluding, it is important that you keep these mistakes in mind:

1. Sales people must not disengage once the assessment begins. This is your chance to consult with and demonstrate value to those higher in the organization. This may take some practice, however your value is dependent on it. So learn to ask great questions and take excellent notes.
2. Sales people should not engage at the IT level. They will never respect your level of technical knowledge and the executives will see you as the sales monkey – the vendor. You can't afford to have this reputation, especially when it comes time for delivery.
3. Believing the technical questions are more important than the impact-business questions. Just the opposite. You can almost do away with the technical evaluation if you ask great business level questions. The technical side simply validates the issues. Collecting some data to find

malware infections is always a good idea to justify your findings, but put your maximum amount of time into great business questions.

4. Thinking you need all kinds of high-tech information to make this valid. The crux of the matter is rooted in how people create and use digital assets. By understanding this, you'll be able to pin point the problem.

5. Letting engineers write the deliverable. I've spent many hours rewriting deliverables. Technical jargon won't sell, and it will be sent right down to the custodians. At this point you will lose control of the recommendations and move back to the sales monkey role. Keep it high-level, business focused, and short. Pictures, graphs, and bullets are the language of senior management; so don't get carried away with high-tech, lengthy rhetoric.

Urgency Drives The Deal

In many ways, you are the deliverable. Your ability to present compelling justification is the difference between moving forward or not. It's not the paper that sells ongoing business; rather it is your ability to convey the urgency of the situation to executive buyers.

Look at it this way, if your house had a leaking pipe, would you wait a week for your plumber to deliver a quote, or would you hire the first person to point it out, asking them to take immediate action? If you discover Trojan Horses on a system, do you assume it can wait or do you encourage immediate action?

Break your recommendations down into levels of urgency, where an infected PC is considered to be a possible leaking pipe. You might not be able to tell what's going on without more in-depth analysis, but the assumption that it may be urgent is the right assumption. Other things, such as missing backups, take a seat of high importance, right behind the Trojan virus. Misconfigured perimeter devices might have the same weight as these risks, or they could be next on the list. Policy and other non-urgent matters should be addressed, but don't lead with them.

The report itself should picture impact vs. likelihood in a graphical form. For instance, you could list data with weighted importance along the X-Axis, with Y being a measure of likelihood for each. High values of X and Y together will create the urgent picture you are looking for.

All of this is presented to asset owners, using the information they've provided, to rank data and applications. The impact should be articulated back using the same verbiage in which it was received. The likelihood of impact is your best guess as an expert in the field of information security.

The Right Audience

Remember, this presentation must be delivered to asset owners; the people with the liability. Unless, in the process of discovery, you've determined this is not a real opportunity, present the results in person. If it turns out they're not a good fit, deliver it over the phone. The sale must be made in person with the intention of fixing any urgent issue that same day, or the next morning. Defer all technical issues to your technical team, and if possible, have them discuss it in a different meeting or by phone. The last thing you want is to be derailed by custodians trying to look good in front of their managers.

Typical mistakes at the presentation include:

1. Letting the technical people usurp the meeting
2. Reading the report word for word, hoping it will sell the group on action.
3. Sending the results by email prior to the meeting.
4. Not treating urgent issues like a leaking pipe or imminent heart attack.
5. Making too many recommendations, which creates confusion.

In conclusion, the assessment should be used for the purpose of creating urgency, which leads to action. The sales process starts by educating asset owners on the likelihood of data loss, theft or something else that poses liability. The assessment process is used to gain access to key decision makers who can answer questions about impact and data value, and who will want to know what the risk really is; once they see that it is more likely than previously thought. By doing this, you will add people to the pipeline with specific remediation projects in mind and justification already created. This drives budget, and puts you back in charge of the sales process; right where you want to be. You will have created an opportunity through the assessment and an irresistible justification. Congratulations, the sale is yours!

Books, Blogs, and Thought Leadership by David Stelzl

The House & the Cloud, Building a Compelling Value Proposition Using Risk Awareness to Sell Technology (2007)

Data@Risk, Building an Asset Mindset Towards Securing Data (2009)

David's Blog – Sound Bites, Marketing Strategy, and Successful Selling Ideas

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