

Shadow Project

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Sales Mgmt - Professor Bone

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Introduction

Company History

Ranked 136 out of 150 of America's fastest growing companies by *Inc. 500*, Property Solutions International (PSI) has seen a sales growth of 1295% over the past three years. Along with this mention, PSI has also recently received the Utah Business Fast 50 award as one of Utah's fastest growing companies, the MHN Technology Choice Award given by peers in US technology, as well as the Mountain West Capital Network's 11th of the 100 fastest growing companies in the region. Having only opened its doors in 2003, these awards are of significant achievement for a company with its origins in BYU's business competition.

Owner and CEO David Bateman generated his idea for a property management software after listening to his wife complain about her current conditions as a property manager at a medium-sized, multifamily apartment complex. She had complaints that the current software was overly complicated and didn't leave the time she needed to dedicate directly to the residents. Building off of his current education in Information Technology from BYU's Marriott School of Management, Dave began to develop software that could be used by property managers to reduce manager stress, increase resident satisfaction, and enhance overall property profits. Once this software had completed its preliminary development, Dave began to structure a business plan with fellow classmates Ben Zimmer and Michael Trionfo. This business plan was submitted into BYU's Business Competition 2002 and has only grown from that point. Dave later received the "Student Entrepreneur of the Year" from BYU and pushed ahead with the development of his software and PSI.

From that time, PSI has grown to provide industry-changing property management software to the multifamily housing industry. PSI's services have been extended to all 50 states, and it has current sales projections set to match its current exceptional growth. Dave and Ben continue to run the company from its Provo office with approximately 30 employees as well as work with company CIO, Dharmesh Shroff of India, to manage its current team in India.

Products

PSI has a portfolio of products that include their Resident Works property management software, Resident/Prospect portals, Resident Pay portals to enable online resident rent payments, ILS portals to enhance managements resident prospect services, as well custom designed websites for each property and property management company utilizing the software. These websites are not only used as marketing for prospective residents, but can also be utilized as access for residents to make their rent payments and request services from management. They have recently entered as a rental insurance broker to provide the users of their services an all-inclusive experience.

PSI B2B Sales

For this shadow project, I worked with company president Ben Zimmer as he managed sales with AMSI Property Management. PSI first established a relationship and began sales with AMSI three years ago. AMSI is not only a fellow developer of property management software, but also a bundler of like services for their clients. PSI initially established a long term contract with AMSI to sell their Resident Portal and Resident Pay services to be bundled with AMSI's other services for sale to their clients, but now has grown to provide AMSI with the full panel of their services. To management this ongoing sales contract with AMSI, Ben has had to learn the details of the AMSI operations, their customer service contracts, as well as how they structure their sales teams to ensure they align appropriately with PSI's sales team and profit expectations.

Though this relationship has been profitable for both PSI and AMSI, it has not been without its struggles. Due to their unique payment structure, last year AMSI owed PSI over \$350k and the

balance was growing quickly. Ben, as company president, stepped in as the official sales representative to management not only the past due amount, but also current and future sales. This has required him to develop a close relationship with AMSI Sales, but more specifically with the AMSI executive, Jeannie Sandifer, who has also been placed to manage this account that generates nearly \$1 million per year in revenue for each company.

Sales Call

Strengths and Weaknesses

The relationship between PSI and AMSI comes with a number of strengths. One, and most importantly, it is a profitable relationship because the sales have reached the principles of economies of scale. Because the initial and time-consuming setup has been completed for the AMSI sales, all individual new sales require only minimal maintenance which maximizes profits. Second, because this B2B sales relationship has been established for nearly three years now, communication can quickly be directed to the issues at hand, management of new sales, and problem resolutions. Lastly, there are very few surprises. Both companies are aware of the structure and processes of each other, the views and aims of management, the decision making processes of each, and how to best approach each other with concerns and questions.

This relationship and its selling presentations also come with weaknesses. First, because of the growing number of total sales, any specific losses and minor issues of an individual property may be overlooked and undermanaged by the sales force. Also, as it has occurred in the recent past, any issues with closing the details on payment may result in delay of hundreds of thousands of dollars in sales revenue.

Nonverbal Communication

In the specific sales calls I was able to be a part of, the role of nonverbal communication had some impact, but was limited to the fact that the sales call was done via phone. I sat in the room with Ben as well as Peter Robbins, the company Controller. Specifically, this call was to manage a sale of 100 new properties as well as the settlement of past debt (a responsibility PSI leaves to be jointly handled between accounting and sales). Nonverbal communication came

into play in Ben's mannerisms as I could tell that some aspects of the call caused him frustration. Because his call was not a first contact, but rather a long-term relationship, he had worked through quite a few issues with AMSI in getting sales finalized and managed and dealing with the same issues time and time again made him clearly frustrated. The benefit of the phone call was that these nonverbal communications were not apparent to Jeannie, the AMSI executive managing sales.

Objection Handling

Again, because this sales situation is an established relationship, the handling of objections are quick and direct. Specifically, Jeannie from AMSI brought up a concern she had with the current plan to minimize the amount due on their account. Ben handled this in a very professional and impressive manner. First, he listened to Jeannie's entire concern. Then he restated what she had expressed and asked if he had understood it correctly. After Jeannie's affirmation, Ben was prepared to answer her concern with three distinct points. He numbered them and kept them simple. After he presented his answer, he asked Jeannie if she felt that was an appropriate answer and also asked if she had any additional questions concerning this specific point. I felt it was handled efficiently and professionally and allowed them to move onto the remainder of the call quickly.

Closing

In this situation, closing was also unique in how quickly and efficiently it was performed attributed to the existing relationship. The properties at question were about 100 new properties for a new client to both PSI and AMSI. PSI had found the new client and were attempting to sell AMSI on the properties. The established history and relationship allowed for the details of the sale to progress quickly. Both parties understood what needed to be discussed and all minor details had already been taken care of. Ben's objective was to close on a certain sale amount per property. After about five minutes of dollar amount negotiations, Ben and Jeannie settled on an amount and the sale basically closed itself. The following details had already been established and processes did not need to be discussed. The sale was smoothly and efficiently closed.

Relationship Maintenance

This sales relationship is closely maintained. After working through communication problems of their first year, both PSI and AMSI have agreed to have a set weekly sales evaluation call to discuss any issues with upcoming, current, and past sales. This communication has proved significant in the fact that processes have become the most lean they have ever been and efficient processes have been reached.

Buyer's Interview

Because of the relationship, I did have the opportunity to briefly speak with Jeannie from AMSI. Overall, Jeannie indicated that they are very happy with their relationship with PSI. Because they are a bundler of software services, they want to be able to pick the "cream of the crop" when looking to add to their services provided to their customers. Jeannie indicated that in all of their new products, they look for the most robust services that can provide the greatest "bang for their customer's buck." Because they anticipate their new services purchased being long-term, they also require companies that are willing to maintain opening and honest communication. Jeannie indicated that working with Ben and PSI have fit their criteria perfectly. She has appreciated the open communication and personable demeanor. When I asked her what made a good and bad sales person, Jeannie indicated that a good B2B sales person is one who is willing to communicate often and openly. A bad sales person is one who is not willing to be up front and honest about their company and the product features. She also explained that in B2B sales, you must expect a long-term relationship and a sales person is the one who sets that stage for either success or failure.

Discussion with Peter Robbins, PSI Company Controller

Speaking with Peter Robbins gave me a more complete view of the sales processes at PSI. After asking him how he felt the sales team and processes were structured, he indicated that significant growth has been made over the past year. As explained above, the structure at PSI gives each sales person the general management responsibilities over each account. In the past, this had created some struggles in the fact that communication was "weak". In terms of

accounting, sales were being made without solid payment details and accounting was left to pick up the slack when properties did not pay due to misunderstandings or inability. Over the past year, communication improvements have been made to set up direct communication between sales and accounting, supports, and merchant services. Peter indicated that these new communication processes have made significant improvements in the amount of correctional work accounting has been required to perform. He said that the company feels more cohesive and unified and that now the entire company is on board with new accounts and sales.

Summary

Working with Ben and PSI, I walked away with a few beneficial “take aways” from this experience:

- The success of B2B sales has much to do with the professional relationship and its maintenance.
- The total sales experience has more to do with just the initial product sales, but rather it includes the execution of a company’s long-term goals.
- Successful 2B2 sales are those in which the overall profitability is substantial on both ends of the sale.

Professional Relationships

PSI has worked hard to not only establish, but to maintain a professional and working relationship with AMSI. This relationship has been very essential to the successful sales relationship they have ongoing with AMSI. These relationships in B2B sales are essential in the fact that long-term communication is essential and professional relationships, where both parties share mutual respect, will create environments of more smooth and efficient future sales.

Long-term goals

A sales person cannot only focus on the benefits of the initial sale, especially when it comes to B2B sales. In most cases, this relationship will continue on. In order to continue effectively, a sale must fit in with the overall goals of the company. Sales and relationships that only bring short-term benefits because the terms are not conducive to long-term connections can be considered an efficient use of a sales person's time. The time and effort placed into securing a sale should be focused on either a company that fits the goals of the selling corporation or should be set in terms that can be carried on long-term.

For example, the relationship between PSI and AMSI has been built on the understanding that it will be a long-term relationship for both. In so doing, everyone involved with the account treat it with greater respect and work to make it as effective, efficient, and profitable as possible.

Profitable Relationships

In connection with the first two points, effective B2B sales are those that are profitably benefits both parties. This may sound obvious, but some sales persons are so eager to make a sale that they don't consider if it is profitable in the long term for the company as a whole. Those sales that are made with a long-term profitable approach are those sales that will eventually become self-sustained and prove to serve the company for years to come.

In general, I walked away with a respect for B2B sales. They not only include a traditional approach to sales, but they also include a more sustainable and relationship aspect that helps build the sustainability of a company.