

Chapter One

The Games We Play



Judging from the number of people that claim to play the game and the amount of money that changes hands in kitchens, card clubs and casinos, poker is probably the most popular game played in America today—and possibly around the world. While poker is a relatively simple game involving cards and multiple players, it is the skills and strategies required to play that truly separate it from other games.

In poker, players compete with each other, not for points or prestige but for cold, hard cash. The amount of money a player can risk in a game is represented by the stakes, which can range from pennies to thousands of dollars. To understand the game of poker and the way it is played, one must first understand the different stakes of the game. To simplify this discussion we will describe the three different levels at which the game of poker is played.

Low-Stakes Games

Nearly all players are first introduced to a low-stakes version of poker, likely conducted around the kitchen table with friends or family members. For players of these casual games, the primary motivations are recreation and social interaction, as opposed to financial gain. The chips used in low-stakes poker are typically the

match-stick or small-change type. Much of the fun of kitchen-table poker comes from the wide variety of games that can be selected as the deal rotates around the table from one player to the next. These games can range from the traditional Five-Card Draw to more inventive varieties such as Spit in the Ocean, Omaha, Baseball and Razz. Some states refer to low-stakes games as penny-ante and legally define them as those with potential winnings of ten dollars or less.

Medium-Stakes Games

The majority of poker games found in card clubs and casinos are referred to as limit games. In these games the house sets the minimum and maximum limits on the betting amounts that can be made at each table. Here chips represent the money being wagered with denominations running from a single dollar to several hundred. These medium-stakes games are more formal affairs than their penny-ante counterparts. Sit down at one of these tables and you will find a professional dealer and just a single variety of poker being played. While the wins and losses can be sizable, these games are typically played for table stakes, which means a player can only bet the money they have on the table in front of them.

High-Stakes Games

Some casinos offer poker games and tournaments in which the stakes can be very high. These games are played by professionals, skilled amateurs and tourists with more money than brains. The stakes can range from pot-limit, in which the maximum individual bet is equal to what is already in the center of the table to a no-limit game, in which anything goes. Here a player's bet is limited only by the table stakes rule. Needless to say, the financial risk is very high in these games and more than a few players have gone bust as a result of participating in them. High-stakes games might be just

good fun to a billionaire, but for nearly everyone else they are very serious business.

No matter what the stakes, poker is the only casino game in which the house does not have the advantage. It is also the only game of chance in which both the stakes of the game and the skill of a player can truly determine the outcome. Every other casino game has payoffs that are fixed ahead of time and are not affected by the size of a wager. A number bet at a roulette wheel in the U.S. will pay off at 35 to 1, independent of the size of the bet. In poker the size of a bet greatly affects the outcome of the game. There is an element of luck involved in the way the cards are dealt, but the effect of that element diminishes rapidly as the stakes of the game and the size of the bets increase. (We will explore this phenomenon later for those readers who are unfamiliar with it).



The Sales Game

Now let's apply these poker concepts to the "game" of sales. What exactly is a high-stakes sales game? First, think of a game as a problem or opportunity that a group of people have gathered together to deal with. Each player in this game has a unique perspective and specific ideas as to how the situation should be handled and what the ultimate outcome should be. The game ends when the problem has been solved or the opportunity has been successfully pursued. The winners are the people who ultimately triumph over the other players and have the greatest influence on or get the credit for the outcome of the game.

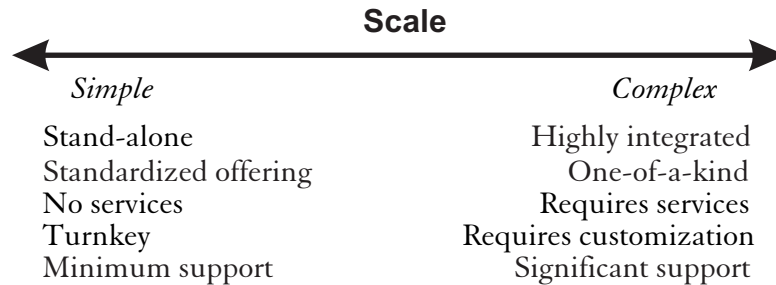
Now picture a company (or any organization) as a large casino with literally hundreds of these games being played simultaneously at any given time. It is the job of the people who work for this organization to see that all these games (problems and opportunities) are appropriately addressed. The employees have been hired

and are paid to make the best decisions they can and they often compete against one another when playing these organizational games. If an employee or group of employees is successful in a particular game, then the organization may reward them or possibly entrust them with the responsibility of a larger game the next time around. If, on the other hand, the project or initiative that the game represents has problems, or is less than successful, then the responsible employees will suffer the consequences. It is through the managing and playing of such games that an employee moves up (or down) the organizational ladder throughout his or her career.

The organizational games that currently interest us are the ones that represent opportunities for vendors and their salespeople. These are large projects or complex initiatives requiring major financial expenditures. To better understand these sales games, let's describe them using two factors: scale and scope.

Scale

The first factor in our analysis has to do with the magnitude of the project or initiative an organization is considering. One way to look at this dimension is by evaluating the complexity of the solution that might be required. For example, one project might require a relatively simple off-the-shelf solution, such as a computer chip or a small storage device for the manufacture of a consumer appliance. A different project could require an elaborate mix of computer equipment with custom software applications, high-speed communications and consulting services from a consortium of vendors, as in a customized factory automation system. The scale of the solution is the relative degree to which the project will be easy or difficult to design, install and operate, for both the buyer and the seller(s).



Simple solutions typically involve standardized or off-the-shelf products requiring little customization or integration. A simple solution is one that could be purchased, installed and used with very little effort on the part of the buyer or the seller. Buyers can usually select and purchase these solutions from a menu of preset options in a fairly straightforward transaction and with minimal support required from the vendor. If it can be purchased from a catalog or online and requires no help installing or using, then it is a simple solution.

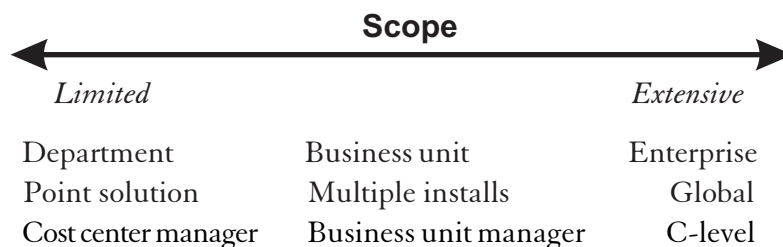
At other end of the continuum, the more complex solutions are products and services that are frequently tailored, redesigned or customized in some way before being used. These solutions generally involve special installation and training or integration services in addition to their hardware and/or software components. A highly complex solution may also require the interfacing of systems and applications from multiple vendors as part of their design. As a solution becomes more complex, the cost and degree of services and support required to make it work increases as well.

The age of a particular product and its life-cycle position can at times determine where it might appear on the solutions scale. Remember when PCs were considered complex solutions? For some buyers, they still are, but now most people can get their kids to explain how to use them. There is a natural trend for many products to move to the left of the continuum as they mature and become more standardized.

Scope

The second factor to consider when assessing the size of a sales game is the magnitude of the project or initiative. The scope reflects how wide and deep within an organization a project's impact will be felt. To what extent will the ultimate solution touch multiple business units and/or functions within the buyer's organization? The scope of a sales game is also directly proportional to the level of visibility it will have with the organization's senior management.

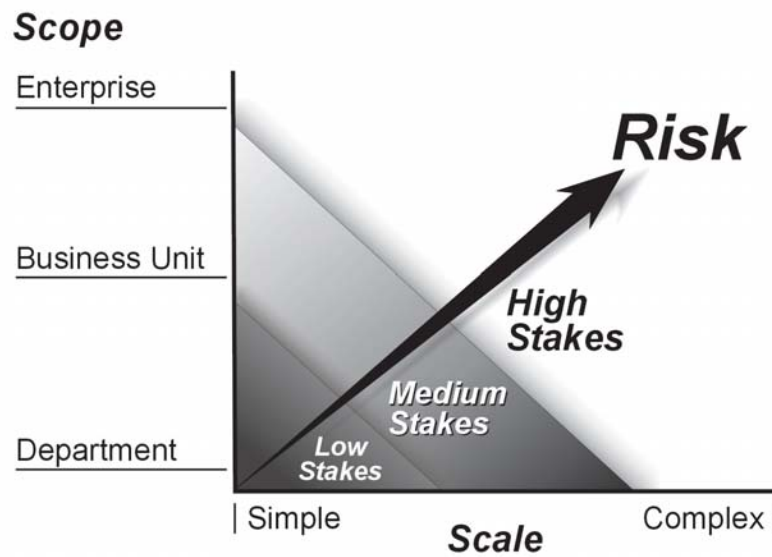
If a project encompasses a single department or a small business unit within a buyer's organization and is considered a one-time opportunity, then its scope is rather limited. The purchase of simple lab or office equipment is probably not going to gain much visibility with senior management. The cost-center managers involved probably have a certain degree of autonomy in their decision-making regarding projects of that size.



If, on the other hand, an opportunity involves a mission-critical project or initiative that impacts the infrastructure of the entire organization or the operations of several of its business units, then the scope is much more extensive—for example, a company-wide financial application or a corporate network. Such extensive opportunities tend to be highly visible and will often involve high-level decision makers and executives at the C-level (CEO, CIO, CFO). Games that are this extensive in scope have potentially significant implications in terms of the organization's operations and its overall success.

By combining these two dimensions, we can create a graphical representation that can be used to describe the size of a sales opportunity.

Sales Opportunity Model



The *Sales Opportunity Model* is a simple way to represent a single sales game (project or initiative) or to show and compare multiple games that represent sales opportunities within a buyer's organization. As we move through these games by size, the stakes increase by virtue of their complexity and degree of exposure within the organization. The level of buyers' and sellers' risk also increases as the stakes increase. The overall perceived risk to the players involved (the potential to make a poor or incorrect decision) is an important element in determining the real stakes of these games. For simplicity's sake we will focus on the three general areas that are shown on this model.

Low-Stakes Sales Games

From a salesperson's perspective, a low-stakes sales game is an opportunity that involves a comparatively simple solution for a single department or small group within a customer's organization. The products and services involved are not overly complex, so there are probably a number of vendors that can offer solutions of equal or similar value. For the most part, opportunities of this type represent a relatively low risk for both the buyer and seller. Such a project may be very important to the manager of the department where it will be installed and used, but it is probably a low priority to the overall buying organization, at least as far as its senior management is concerned.

The role of a salesperson in a low-stakes sales game is generally one of facilitator of the transaction. For many vendors, unless these games have the potential for larger and longer-term opportunities they are ideal candidates for the low-cost, alternative sales channels we've described in the Introduction.

Medium-Stakes Sales Games

A medium-stakes sales game is one that involves either a relatively high number of simple solutions that cross multiple departments or a smaller number of more complex solutions to be installed in just a few locations. Both the larger scope and greater scale of the solution increase the amount of risk involved for all of the players. While the majority of the buying process is conducted at the business-unit or department level, such projects receive greater senior management attention due to the increased cost and potential impact to the organization.

In this game the buyers will require some degree of ongoing assistance and support to ensure not only that the solutions they select are installed effectively and in a timely manner but that they actually work. The stakes of this game typically require an ongoing

relationship with either the salesperson or someone else in the seller's company.

High-Stakes Sales Games

A high-stakes sales game is one that involves solutions consisting of fairly complex products and services. These projects can reside at a single central location for an organization or span multiple sites across several geographical or functional areas. In a few cases, a solution consisting of simple products might constitute a high-stakes opportunity if they were being considered for installation throughout an entire enterprise. Solutions consisting of services or consulting initiatives can also fit the definition of a high-stakes game.

The added attention these opportunities receive from senior management dramatically increases the risk for the employees who are responsible for them. These may be mission-critical projects that will have a direct impact on an organization's short- and long-term performance and business results. If such a project fails, businesses will suffer and employees could lose their jobs. As such, the buyers rely on the vendors they play with to provide only their most experienced and knowledgeable salespeople in these games.

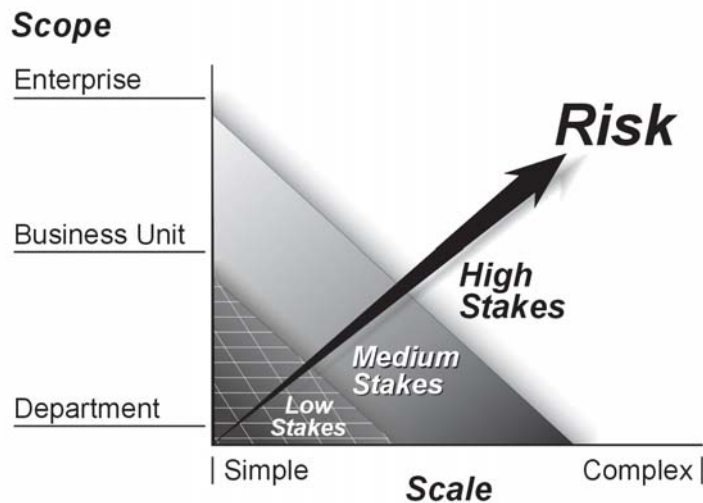
Just as with poker, as the stakes increases in the sales game, so does the skill required to play. (*Actually anyone can play in a high-stakes poker game, but to play well requires greater skill.*) As these sales games grow in size, so does the number of people involved, each with their own perspectives and agendas. To play here requires an understanding of the business, political and personal risks of all the players involved. These larger games also attract the best of competitors, each hoping to win all or at least a large portion of the money that is on the table. The purchasing process for these high-stakes projects can be complex and time-consuming (although it doesn't have to be). To win one of these games requires that a salesperson have the skills to navigate the intricacies of the

buying organization's decision-making process and the strategies to outmaneuver the competition.

Low-Stakes Games Under Fire

As a result of the changes we discussed in the B2B buying and selling process, many well-paid salespeople are being squeezed out of lower-stakes sales games. We'll examine high-stakes games at greater length in the chapters to follow but the point to remember here is that salespeople who spend all or most of their time on low-stakes opportunities are seriously at risk of becoming marginalized within the sales process.

Games at Risk



Low-stakes sales games will be the first to be transitioned to lower-cost channels—either by customers or by the vendors. Salespeople who specialize in these games will be hard-pressed to justify their continued involvement. Companies that haven't already shifted the responsibility for these smaller games, soon will—it is only a matter of time.

Quiz: Are You Vulnerable?

Analyze and position the last five sales you've made within the *Sales Opportunity Model* illustrated on page 23 and then ask yourself the following questions:

- ◆ Is the primary differentiator between you and your competition typically your price point?
- ◆ Do your buyers seem to know all about your products without talking to you?
- ◆ Do you seem to be having less face time with buyers, except for an occasional lunch?
- ◆ Has the fulfillment portion of your sales process been handed off to one of your channels?
- ◆ Are your winnings getting smaller, even though you are playing the game longer and harder than ever before?

If the majority of your last five sales fall into the low-stakes category, your value within the sales game may be slipping. If you've answered yes to any of the questions then you may be experiencing symptoms of creeping obsolescence.

Salespeople that want to continue playing the B2B sales game and avoid the dilemma of sales rep obsolescence need to take action. They need to make sure that they are indispensable to the process of selling their company's products and services to the buyers who purchase them. They must find new ways to add value that cannot readily be duplicated or replaced by technology. One way to avoid becoming "optimized" (as some companies now refer to being fired) is to move to bigger, higher-stakes sales games. But here's the rub: This may not be as easy as it looks.

The "One-size-fits-all" Syndrome

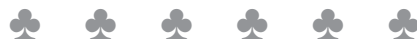
On the surface, all poker games appear to be played somewhat the same, no matter the stakes. They all use the same deck of cards and

follow the same basic rules when it comes to how they are played. If you walked past several poker tables in a casino, you probably wouldn't be able to tell the difference between a low- and a high-stakes game if not for the number and colors of the chips.

Therein lies the risk. Many players assume that if games look somewhat the same and follow the same basic rules, then they must be played the same way. Nothing could be farther from the truth. High-stakes poker is played very differently from the other, lower-stakes games—at least, by professionals.

Nearly all low-stakes poker games are played strictly by the numbers and are, to a large degree, a matter of luck. There isn't a lot of psychology or strategy used or required. In a low-stakes game, just about every hand is going to end up in a showdown, so players always need the best cards to win.

The knowledge, skills and strategies required to successfully play and win a high-stakes game are significantly different. These games involve much more than putting together winning hands from cards that are dealt by chance. Here, the size and timing of a bet, the position of a player, the behaviors of opponents and a lot of other factors all have to be considered. For the unprepared player, a high-stakes game can be quite an unforgiving—not to mention expensive—experience.



This same disparity exists in sales games. On the surface, some high-stakes sales opportunities may look a lot like their low- and medium-size cousins, with solutions that include many of the same products and services. That's where the similarity ends. There is a lot more involved in playing and winning a high-stakes sales game than just knowing how to configure and present the best solution.

Most salespeople start out in their careers by working on small, low-risk opportunities. Those that experience success frequently

move up to larger responsibilities that can be more challenging and more rewarding. During this transition to larger games many salespeople frequently struggle when they attempt to apply the same approach and sales strategies they used with smaller opportunities. Training can help but much of it is the *one-size-fits-all* variety that rarely differentiates between lower- and higher-stakes opportunities. The techniques that work well with technical buyers and off-the-shelf products are just not the same as those required when dealing with corporate executives and high-end solutions. The decision-making process buyers use with simple solutions is entirely different from the one they use for their high-risk, high-stakes acquisitions. While many of the basic face-to-face skills salespeople use might be the same, the preparation, knowledge and strategies required to play in high-stakes sales games are considerably different. It is these skills and strategies that we will cover in succeeding chapters.

Unsuspecting salespeople run the real risk of getting in over their heads very quickly if they don't understand or are unprepared for the ways these larger games are played. In the next chapter we are going to look at how these high-stakes games are played from the buyer's perspective.

