

Recognizing & Mitigating the Impacts of Back Door Selling

Presented by: Todd Bauman

Agenda

- ▶ Definition
- ▶ Why?
- ▶ Who?
- ▶ How?
- ▶ Where is the Back Door?
- ▶ Ethics
- ▶ Why we all need to work together
- ▶ Conclusion

Back Door Selling Definition:

Backdoor selling is the practice of outside salespeople asking overt or inconspicuous questions from people inside your organization to gain a competitive advantage, while also influencing those people inside your organization to purchase their products or services.

Why do Salespeople Utilize the Back Door Selling Technique?

Gone Fish 'in



Why do Salespeople use Back Door Selling?

- ▶ Gain insider information (aka: Industrial Espionage)
- ▶ Gain a competitive advantage / increase their leverage.
- ▶ Divide stakeholder employees and Procurement team members

Who do Salespeople target with their Back Door Selling Technique?

Targeted Selling

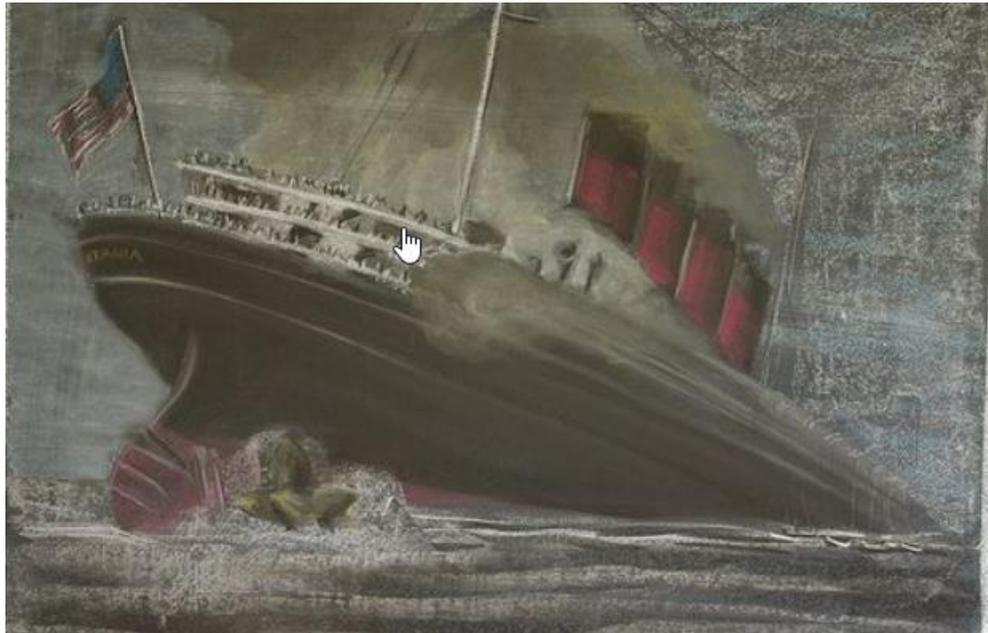
- ▶ Engineers
- ▶ Executives
- ▶ Managers & Supervisors
- ▶ Marketing
- ▶ Project and Product Managers
- ▶ Administrative People
- ▶ Shop Floor Employees
- ▶ Procurement Employees (if they can get away with it!)

How do Salespeople Utilize the Back Door Selling Technique?

By Asking Questions:

- ▶ Who is my competition? What are their shortcomings?
- ▶ What is most important to you?
- ▶ How do I stack up with the competition?
- ▶ What is your budget for this project?
- ▶ Who will be signing off on the agreement?
- ▶ What do I need to do to win this business?

“Loose Lips Sink Ships”



Where is the Back Door?

- ▶ In-person Sales – meetings with stakeholders
- ▶ Tours
- ▶ Trade Shows
- ▶ Gifts for stakeholders
- ▶ Email
- ▶ Phone
- ▶ Texts

Ethics

Building a relationship is a top priority for salespeople!

- ▶ Targeted flattery of key stakeholders
- ▶ Gifts
- ▶ Lunch/Dinner
- ▶ Outings

Creating a sense of “beholding to” or guilt is how our mistakes give away our power.

Things to think about:

- ▶ Should you answer that question?
 - ▶ Do I need to answer that question?
 - ▶ Should I pass that question on to Procurement?
- ▶ Working with the supplier and IP
 - ▶ Who's drawing is it now?
 - ▶ Am I now tied to that particular supplier?
 - ▶ Is there competition now?
- ▶ Splitting PO's to stay under spend limit?

Ways to Respond to Questions

- ▶ Tell them it is not a question you are allowed to respond to.
- ▶ Tell them it is not an appropriate question.
- ▶ Give a vague answer or deflect the question.
- ▶ Ask a question of them in return.

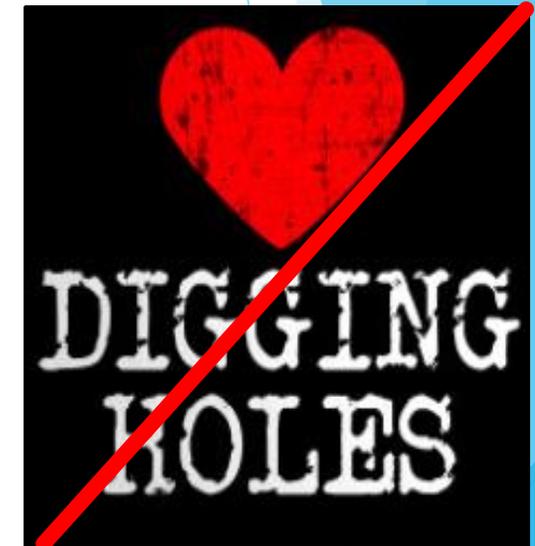
- ▶ Remember, you do not need to answer every question just because it is asked!

Why we all need to work together

- ▶ To help control costs
- ▶ To maintain our high ethical standards
- ▶ To create fairness in the marketplace
- ▶ To optimize the results for your company

Finding and keeping suppliers with the highest quality, the best on-time delivery, at the lowest cost is our responsibility.

Please don't be "that guy"



Tips for Success

- ▶ Share the principles of this training with anyone who has contact with suppliers.
- ▶ Make sure all those who have contacts with suppliers have a clear understanding of roles in the decision-making process.
- ▶ Make sure the Procurement group is involved as early in the process as possible, so you are up-to-speed when it comes time to hand-off the project.
- ▶ Once you are ready to have discussions about cost/pricing, delivery, or other non-technical conversations, you should make sure the Procurement group is informed and in control of the conversation.

Conclusion

- ▶ Remember: In a negotiation, **information is power!**
- ▶ Anyone who has a conversation with a supplier is part of the negotiation process!
- ▶ Make sure procurement has a seat at the table early in the game.
- ▶ Understand that suppliers are always looking for something (and are trained to do so).
- ▶ Be careful to not give sensitive information away.
- ▶ Procurement has the lead role in choosing the best supplier with stakeholder input.
- ▶ It's all about Good, Correct, and Appropriate Communication