Complexities In Selling IoT

A Position Paper

By Shekhar Sanyal
Introduction

Technology is rapidly changing every day. New methods, new inventions, discoveries and algorithms are demonstrating results which were only in the realm of possibilities till now. While it brings significant impact on life and business for one, it creates complications for others. Particularly professionals who are involved in the sales and marketing of IoT, have to suddenly learn and deal with completely new complexities and paradigms.

Complexities

- The first complexity that IoT sales people have to deal with is that there is no customer for IoT. No business is actively looking out for IoT technology, platforms or solutions. None of the businesses have a separate IoT budget. Unlike any other sales that you do, like advertising, marketing or IT where annual budgets are designed, IoT does not have a separate budget. Since IoT deployments and solutions impacts horizontally across the business, the budget is not controlled by a single department but borrows from many. The whole buying process around IoT is decentralised with no single decision maker.

Each department would want to minimize its contribution while increasing its benefits. This is further complicated by budget owners wanting immediate returns while IoT solutions have a certain timeline before benefits start to kick in. In effect, the salesperson has to contend with multiple decision makers, controlling different budgets, desiring different benefits on differing timescales. It is very important for the sales person to do a thorough mapping of various budget heads and decision makers. It is equally important to build business relations with all these decision makers and understand their business drivers. This makes the sales process incredibly complex.

- The second complexity is about what we are selling. Incredibly, in IoT sales, neither do we sell products nor services. We only sell outcomes. The customer is not really interested in what your technology platform is and what kind of sensors you use unless you can guarantee outcomes that are desired. Because the decision maker is no longer limited to technology functions of the customer, the focus on technology, platforms, sensors, connectivity, hardware and software diminishes. Don’t get me wrong, the CTO or the IT head will still want to have a granular discussion on all of the above, but more often than not, some of the other discussions will have a large percentage of it focused on outcomes. And this is where it starts getting complex. Each decision maker will have a different desired outcome.

Let’s assume you are selling an industry 4.0 solution to a manufacturing unit and budgets are getting shared between Supply Chain, Product Development/Engineering, Planning, Production/manufacturing, Service and Distribution. While your solution might have the most immediate impact on the Planning department allowing them better planning and logistics, followed closely by Supply Chain, you might find that the production/manufacturing department being very disgruntled because they might have to deal with the maximum
amount of change, while taking care not to disrupt production schedules. The planning and supply chain departments will want an immediate outcome while production and manufacturing will want a deferred outcome.

Sometimes, you have to even anticipate the challenges that will come with your solution delivering, what it promised. Let’s look at the same industry 4.0 solution that we talked about in the previous paragraph. Let’s say, that the solution is designed to anticipate machinery wear and tear and schedule preventive maintenance and inventory control to reduce breakdown. Assume the factory had an average of 2 breakdowns a month and by using this solution the factory has not had a single breakdown in 6 months. Very soon, the problem (breakdown) is no longer visible and therefore ceases to exist. As a sales person you run the risk that in the next financial review, somebody might want to discontinue the solution because it is for a problem which no longer exists. It will therefore become your job to continuously demonstrate the utility of the solution.

- The third complexity will be around sales cycle times. Connected IoT solutions will provide enormous streams of data. These streams of data if analysed can provide additional opportunities for the sales. In effect from a sales and an after sales process we are moving to a sales and a sales after sales process making the sales cycle perpetual with each customer. Sales prospecting will now include data mining, big data and analytics, skills which the IoT salesperson has to arm himself with.

- The fourth complexity lies as a subset of the decentralised buying for IoT. It will be very difficult for customers to use standard brick and mortar operations to connect the dots both while buying and during deployment. Traditional organisations are not built to make IoT purchase or deployment easy. Traditional silo or matrix organisations will still need time to come to terms with new age way of doing business using the platform structure. While that takes its time to happen, currently your solution sits in-between IT, the business units and various operation functions. The buyer won’t have the support and resources to deploy the solution. The salesperson will have to help the buyer to plan for the internal collaboration meetings. Identifying what resources, support, and budget is required from other teams will form a part of the orchestrating role that salesperson has to do.

- The fifth complexity is around pricing. Standard pricing models will be passé. With myriad combinations of outcomes that will be on sale, bespoke pricing models will rule the day. With loads of usage and other data flowing from already deployed solutions, companies will have the ability to improve segmentation, deploy more granular and targeted pricing models, deliver new value added services, and anticipate the needs of their customers. Recurring revenue streams can be created by combining physical products with digital content and
services, which requires companies to transform the processes and culture across their marketing and sales organizations, and potentially their business models to capture more of the newly created value. The implications of shifting from a discrete product sale to streams of upgrades and services over the product’s life are dramatic.

Summary

To summarise, IoT Solution sales people have to contend with the following challenges and their impacts

- Decentralised buying with no clear owner/buyer/decision maker
- No allocated budgets for IoT with multiple budget owners lending part of their budgets
- There are no products or services to sell. We only sell outcomes
- No fixed sales cycle times with continuous new opportunities being thrown through usage and other data flow
- IoT solution deployment will require salesperson support due to decentralisation of decision making
- Deal pricing will require special expertise with multiple permutation and monetisation opportunities

Conclusion

Traditional selling will have to undergo an upgrade with consultative selling being the order of the day. Sales people have to hone up their complex selling skills and add data management and analytics skills, as well as focus on long term relationship building and cutting edge deal construction and pricing skills. The investment that sales people and their companies have to put in to upgrade themselves is significant, however the outcomes and rewards are more than satisfying.
### About the Author

**Shekhar Sanyal**  
**Country Head and Director – The IET India**

Shekhar has, in 9 years grown the IET membership in India from 800 members to a 13,000 strong member fraternity, with strong sectoral focus on the Internet of Things, Quality of Higher Education as well as Future of Mobility and Transport Solutions. Shekhar enjoys a rich experience in varied and senior roles across leading organisations. Before joining the IET, he worked with Nortel where he was Sales Training Head for Asia Pacific. Before his stint with Nortel, Shekhar worked with AchieveGlobal, the world’s largest (soft skills) training organisation. Here he played triple roles of a regional business development Director, special projects manager and a trainer /facilitator. These roles allowed him a unique & amazing insight into core of the organisation while being able to see the organization from 30,000 feet.

Shekhar has also worked with the ABP group as Head of Region (South) for Business World and with Tata Infomedia where he started his career as a management trainee and grew to the position of Head of Sales (Directories) for Chennai.

Leading media publications frequently feature Shekhar’s views on the Internet of Things in India, higher education policy inputs, skills challenge in academia etc., Shekhar has also been an invited speaker at multiple leading events in the technology and education space.

### About IET India

The IET is one of the world’s largest engineering institutions with over 168,000 members in 150 countries. It is also the most multidisciplinary – to reflect the increasingly diverse nature of engineering in the 21st century.

The IET is working to engineer a better world by inspiring, informing and influencing our members, engineers and technicians, and all those who are touched by, or touch, the work of engineers.

The IET office started operations in India in 2006, in Bangalore. Today, we have over 13,000 members and have the largest membership base for the IET outside of the UK.

Our strategy is to deliver activities that have an impact on overall competency and skill levels within the Indian engineering community and to play an influencing role with industry in relation to technology innovation and solving problems of public importance.

We plan to achieve this through working in partnership with industry, academia and government, focussing on the application of practical skills within the learning & career lifecycles (particularly early career), and from driving innovation and thought leadership through high impact sector activities.

The technologies that we have chosen to focus on are:

a. **The Internet of Things (IoT)**

b. **Future of Mobility and Transport**
To drive this focus forward, we have created volunteer-led panels for each.

The IET India IoT Panel

One of the most important technologies that will connect all sectors will be Internet of Things (IoT). With 1.9bn devices expected to be connected in India alone, by 2023, IoT and related technologies assume relevance of significant proportions. Across sectors we will see energy, power grids, vehicles, homes, entire cities and manufacturing floors, computers and mobile devices being connected.

Leveraging its position as a multi-disciplinary organisation, IET India launched its IoT panel on February 20, 2015 with Dr Rishi Bhatnagar (President – Aeris Communication) as the Chairperson. The panel, being a first of its kind in India, focuses not only on technology but the application aspect of IoT in various segments.

The focus is to facilitate discussions that will help in making the inevitable connected world more efficient, smart, innovative and safe. It will focus on technology, security and regulatory concerns and the need for nurturing capabilities and talent for a quicker adoption of IoT in all spheres. The panel also constitutes sub panels / working groups focusing on the application of IoT in Agriculture, Retail, Energy and Healthcare domains. Each of these sub panels will work towards undertaking neutral pilots and studies and publishing white papers around the application of IoT in the respective domains.

The IET India IoT Panel will provide a platform for stakeholders to participate in becoming an authoritative, but neutral voice for the evolving movement of IoT in India. It aims to enable all the IoT practitioners (including people from the hardware – devices, portables, sensors, software, business) and IoT enablers (including people from regulatory area, training area, investors in IoT, end users) to work together on relevant areas to make this industry efficient as well as robust. The panel envisions laying a solid foundation by supporting policy makers, industry in the next step of adoption of IoT.


Read more on [http://www.theiet.in/IoTPanel](http://www.theiet.in/IoTPanel)

If you are interested in volunteering for the IET or joining one of our panels, please write to us at [india@theiet.in](mailto:india@theiet.in)

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