

# Identify the players

Know the other party's chain of command

## Part one of two parts

### Question:

**In a recent complex sale, I was negotiating with the vice president who told me he was the key decision maker. As it turns out, he had to go to a lower level manager to get approval. The new player changed the scope of the project, forcing me to do a lot of rework. What did I miss?**

### Response:

You got caught in what is called the title/approval power web. This is the matrix that results from an intricate association between title power and real authority/approval power. Let me explain.

Title and approval power differ from company to company, depending upon the company's formal and informal structure. To understand the formal structure, select any mid- to large-sized company and ask to see their organizational chart. Frequently they will produce a hierarchy chart with nicely shaped boxes that details the names and titles of each position and employee. The

formal organization depicts the chain of command, who is responsible for what and how decisions are made within the organization. Theoretically speaking, this is how the organization operates.

Then there is the informal organization. This is how the organization really gets things done. It develops either by necessity when someone doesn't possess the competency to fulfill a certain job function and relies on others to get the job done, or it develops out of what we call the "likeability" factor, where someone possesses a certain type of expertise and then assumes an atypical job function simply because he or she gets the job done.

When initially engaging with a prospective customer, sales people appropriately focus on role and responsibility definition or what is called title power. However, this is only the first step. The salesperson must continue with the reconnaissance process to identify who has approval power. This is the person who controls the allocation of money and therefore has the ability to either veto or approve a project.

To illustrate the difference between title power and approval power, let's say you are working with the building and grounds manager at the Singerfield School District. He is responsible for the upkeep and general condition of the building and grounds and is authorized to make buying decisions up to \$5,000. Anything larger requires the business manager's approval.

You are also working with the Jersey School District. Here, the building and grounds manager not only is responsible for the upkeep and general condition of the property, but he can approve expenditures up to \$30,000. For projects up to \$75,000, he can go directly to the superintendent for approval. You're working with people who share the same title, but have very different approval authority levels.

Titles are important, but they can be

misleading. A misunderstanding can lead you down a dead-end road or, as in your case, cause you to overlook a key decision maker.

To prevent this from happening to you again, ask strategic questions early in engagement. These questions can help you work through the title/approval authority maze:

- Who will be impacted by this decision?
- Whose department will benefit from this change?
- Who determined the company should be moving in this direction?
- Whose budget will support this initiative?
- Whose operation will be affected most by these results?
- When the project is initiated, who else do we need to keep in the loop regarding our progress?"
- Who else has a stake in this project from a credibility and results standpoint?

By asking strategic questions, you will better understand how both the formal and informal organization works and hopefully, but not always, who really has the last word. Dissecting who has approval power is not an easy task.

As sales professionals, we need to identify who will be involved in the decision process. In particular, we need to identify who can help us navigate and gain support for our solution and those who might block or sabotage our efforts. There are five categories of decision and approval authority levels you want to uncover:

### 1. The decision maker

This is the person who has the approval power to say yes or no to a project and release or allocate the funding.

## 2. The influencers

These are the people who decision makers take counsel from when weighing options and making decisions. They typically possess knowledge expertise or are someone whose judgment is trusted by the decision maker. Their opinions carry a lot of weight.

Depending upon the history of the relationship, influencers know what makes the decision maker tick. They can describe his or her hot buttons and can help you present your information so you deliver it in a way that is both pleasing and appealing to the key decision maker.

Once the decision is made, an influencer can become your main contact. They are often responsible for overseeing the implementation of the project, connecting you to the right people and providing progress reports to the decision maker. In terms of their reputation, there's a lot at stake for these people.

Influencers can be an asset or a liability to you, depending upon what their position is on your recommendation. If they are in favor of your offering, they can be helpful in assisting you to advance the sale. If they don't support your offering or prefer another option, they are equally powerful in squelching your efforts to get a fair hearing.

## 3. The executive sponsors

These people are entrusted to make decisions on behalf of the top level leader. Executives often delegate certain decisions to an executive sponsor – who may not participate in the evaluation process, but who does have final decision authority. This may be the chief financial officer or a top-ranking executive for the area that will be impacted by the decision.

Executive sponsors typically do not prefer to be contacted early in the process. Rather, they prefer to be invited to the table

when the preferred solution has been identified and final approval is needed to advance the project.

## 4. The recommenders

Salespeople love working with recommenders because they receive a lot of positive feedback and feel they are making progress. They embrace your offering and want to help you be successful in navigating their political process. They typically have thick skin and are willing to take some initial heat from near-sighted team members who can't recognize the value of making a change.

Frequently, salespeople coach them with strategy, scripts and materials to make the initial internal sale. Recommenders don't want to step so far out of the political arena that they jeopardize their jobs, but it's not unusual for some of them to put it all on the line.

These people are fun to have in your corner and can reinforce the salesperson who may get discouraged along the way. But as much as they love to see the sale happen, they cannot make the decision.

## 5. The informants

These people are often invaluable because they share knowledge and information that helps you, the salesperson, form a strategy to facilitate the buying process. They do not step forward as an advocate of your business, endorsing your offering publicly to others. Rather, they sit in the shadows, feeding you with up-to-the-minute information so you gain competitive advantage by employing the right strategy, with the right person, at the right time.

They want you to be successful and quietly assist you with insider information about how to effectively navigate the next step.

In your situation, it was appropriate for you to assume that the vice president had the final decision-making authority. He told you that he was the point person, and his title

seemed to confirm his position. However, you were side-swiped because you learned the hard way that the real approval authority resided with another person.

In the next article, we will review the different types of power and how to identify approval authority.



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