One Winner, How Many Losers?

As I write this, we are approaching the final weekend of March Madness here in the United States. Setting aside the fact that March Madness actually ends the first week in April, it is a month-long basketball tournament which features the 68 teams judged as the best among our Division I college programs. Our National Collegiate Athletic Association has 1066 members, 351 of whom compete in Division I basketball. The rest, mostly smaller schools, compete in Divisions II or III.

The Division I tournament is a major cultural event, reaching far beyond serious fans. For even the most casual fans, it is an opportunity to compete in the bracket process — attempting to pick the winner of each game through 7 rounds of play, as the field is narrowed from 68 teams to 64 in a preliminary round, and then cut in half in each successive round until the National Champion is crowned. Even my wife fills out a bracket and then watches some of the games, all of which are televised live on one of four participating networks.

Many schools consider it a victory just to play in the tournament, and even more of a victory to get to the Sweet Sixteen, Elite Eight or Final Four. But just like in printing sales, there is ultimately but one winner, and everyone else is a loser.

Managing The Odds

The odds of winning, in a basketball tournament or a printing sales situation, can be calculated in two ways. The first is simple arithmetic. In March Madness, those odds are 1 in 68. In a printing sales situation, they could range from 1 in 2 to 1 in some larger number. That leads to the first point I hope to make today. If you are competing against more than 2-3 other printing companies, there is something wrong with the situation you are competing in.

I was recently involved in a situation where my client was one of 10 bidders for a relatively simple project, 1,000 perfect bound books with a 4/C cover and 124 1/C (black) pages. Now please ask yourself, why would a buyer solicit 10 bids? The most likely reason is that this buyer wants to buy at the lowest price, and thinks that more bids increases the odds of lower prices.

I am not sure that it always does, but there is a bigger question here. Why would a printer want to be one of 10 bidders? I asked my client that, and he told me, first of all, he did not know there would be so many bidders.

Second of all, he said, "it's a nice order if I get it."

Yes, and it would be nice if I win my bracket pool, but the odds are against me.

My client does not employ a low-price sales strategy. He would almost certainly be on the high side of whatever the average bid ends up being. In real terms, his 1 in 10 situation was really more like 1 in 100. Yet he was willing to invest 3 hours in this project, the sum total of preparing and presenting his bid and attempting to follow up.

I have been trying to convince this client to value his time at $100 per hour. So that means he was investing $300 worth of time on a very small likelihood of winning an $1800 bid. Those numbers do not add up, do they?

Changing The Odds

As noted, the odds of winning can be calculated in two ways. The second is more complex, because it centers around *value*, and I would like to define that as *getting what you want or need at the lowest possible price*.

The key word here is *possible*, and to make this work, you have to position yourself to tell the buyer that he can pay less that your price, but he will be taking some risk, and may not actually get what he wants or needs.

That positioning requires you to be more than just a bidder. Instead, you have to be a consultative salesperson, capable of discussing wants and needs, and identifying pain and risk. In my experience, that level of professionalism really can change the odds. You still may have numerous competitors, but you can hopefully justify a higher price with greater value.

Note the word *hopefully*. The strategy simply does not work with bottom-line price-buyers. And you must also be convincing in your ability to define your solution to their problem or relief for their pain. The opportunity is real, though, to give yourself much better odds of ending up the winner.

Choose Your Battles

Let me leave you with one more thought for today. If you choose your battles wisely, you will win some and lose some, but give yourself the best chance of being an overall winner. Put your time into situations where the odds are most favorable. Let others waste their time on bad customers and bad odds.