5 PILLARS OF WHOLESALE CONNECTIVITY SELLING

Learn How to Close More of the Right Deals in 2022

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Wholesale Sales in 2022

The world of buying and selling wholesale connectivity is a rapidly evolving space and it will continue to change in 2022.

Today, industry leaders must simultaneously balance their own self-interests, create and manage business relationships, and put the customer experience at the forefront of everything they do to scale their operations.

The name of the game is value. Create value for your customers, value for your business partners, and create value for your organization at the same time.

In this guide, we will cover the five pillars of success in wholesale sales in 2022 and give you the insight you need to close more of the right deals for your team.

Here's what we'll cover:

1. Understand Your Total Addressable Market - Have up-to-date information on all of your on-net and near-net opportunities.
2. Adopt Data-Driven Pricing Strategies - Set competitive pricing by location and product that serves both you and your customers.
3. Consider The Wholesale Buyers' Experience - Simplify the buying process for end-users.
4. Participate In The Right Ecosystems - Being in the right ecosystem increases your visibility and allows you to collaboratively handle the needs of your customers.
5. Put A Premium On Integrated & Simplified Tooling - Streamline your wholesale sales process by reducing the number of tools your organization is using and making sure those tools work together.

To build this guidance, we spoke with industry leaders, analyzed data from The Connected World platform brought to you by Connectbase Labs, and used our industry knowledge to give you the most well-rounded and up-to-date plan possible.

Okay, let's jump in.

1. Understand Your Total Addressable Market

To kick off our pillars, let's look at how to understand your total addressable market. After all, it's a logical place to start given that it illustrates the full opportunity of your sales operation.

We live in the world of managing massive amounts of fragmented data, and managing your serviceability (or, a list of buildings that you can service) is a lot of data to keep track of; however, being able to acquire a fresh view of all of your serviceable locations in one central location is a vital competitive advantage for you.

This advantage is because, in addition to your on-net buildings (or, lit buildings), near-net locations increase the number of businesses and prospects for sales teams to target based on nearby addresses that wholesale providers are confident that they can build to.

Knowing your total on-net footprint is important but the next layer beyond this is to understand your on-net and near-net opportunities, known as your total addressable market. When we're talking about ways to scale up and grow your revenue, a near-net analysis needs to be in your plans.

To make sure we're all at the same starting point, let's first define what a near-net analysis is.

A service offering that provides a distance-based assessment of buildings in close proximity to a network service provider's existing routes.

In the simplest terms, it identifies opportunities (or buildings) that you can serve with a small build-off of your current routes. As opposed to building entirely new routes, you can build to lucrative opportunities that are in close proximity to where you currently service.

The central concept here is to scale up without huge, upfront costs to your business. But, how big is the potential impact of a near-net analysis? Here's what happened for Dave Keller and Mid-Atlantic Broadband.

"Connectbase expanded our serviceable location list three-fold with near-net analysis, from 2,600 on-net locations to almost 9,000 on-net and near-net locations."

Furthermore, Connectbase Labs shows that, on average, we see providers' total addressable network double in size after a near-net analysis, showcasing the universal value of near-net analyses for wholesalers.

That size of new opportunity opens a lot of doors for your business. A 2-3x growth of serviceable opportunities within close proximity to your existing routes is a quick way to see growth in your sales pipeline.

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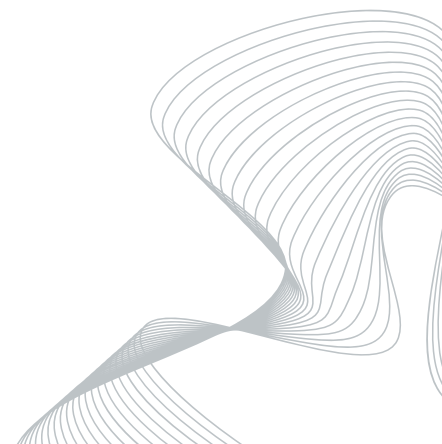
Dave Keller, Chief Revenue Officer, Mid-Atlantic Broadband

MBC
MID-ATLANTIC BROADBAND
COMMUNITIES CORPORATION

The Average Growth Of Your Total Addressable Market After A Near-Net Analysis

2X

Stat From Connectbase Labs

If your goal is to be considered in as many deals as possible, then staying solely on-net is not a logical long-term plan for you.

"No one is going to effectively serve the full distributed ecosystem of the future by trying to stay on-net." - Fedor Smith, President & Managing Partner, Atlantic ACM

Finding ways to strategically expand where you are servicing should be a focus now and into the future.

2. Adopt Data-Driven Pricing Strategies

With an understanding of our total addressable market, we can turn our attention to developing a data-driven pricing strategy.

No matter how hard salespeople try to move away from price-based decisions, price points will always play a role in winning and losing deals in the connectivity space.

Knowing this, our only choice is to use all the data at our fingertips to make the best pricing decisions possible. In a digital economy, you can no longer afford to use cookie-cutter or one-size-fits-all pricing strategies because buyers have more options and intel than ever. Because of this, unless you price using precision and data-driven approaches, you are either leaving money on the table and/or negatively impacting your win rates.

Ultimately, connectivity pricing comes down to a few key factors. Here are some examples:

- The Products
- The Terms
- The Geography of the Customer
- The Level of Competition in a Building for a Given Product
- The Types of Customers in a Building

In simpler terms, your goal should be to find the sweet spot for pricing that optimizes your margin without leaving you exposed to being undercut by competitors for every serviceable location. Additionally, using data enables you to create win-win pricing for you and your customers, which will create trust and help you build lasting relationships.

One critical element of adopting an advanced pricing strategy for connectivity is the use of location data. This is because location insight gives you a holistic view into your serviceable locations. Specifically, you'll need to know what buildings you can serve, what tenants are in those buildings, what competitors are present, and other key attributes. This enables you to create pricing that will maximize your win rate, create lasting relationships with your customers, and scale up your wholesale operation.
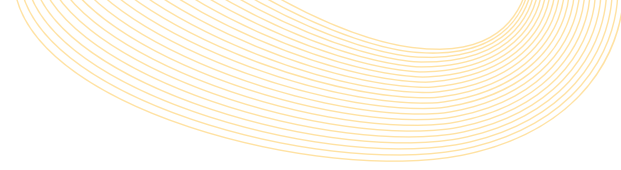
It can be so powerful, in fact, that one top-ten operator saw an increase in their gross margin by 12% by using dynamic pricing.

One Top 10 Operator Saw A Gross Margin Increase Of 12% By Using Dynamic Pricing

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Stat From Connectbase Labs
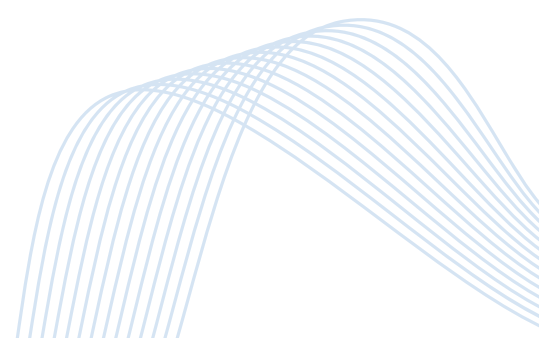
The last point before we move on is that using data-driven pricing strategies will help you when negotiating with buyers. Having confidence in your pricing is great, but being able to give your customers the why behind your pricing will be even greater.

With location data helping you explain and justify your pricing in negotiations, you will close more deals at the right price to help you scale up your wholesale business.

3. Consider the Wholesale Buyers' Experience

If you're following the blueprint to this point, then you have an understanding of your total addressable market and have your pricing strategy set, so let's now turn our attention to the buyer's experience.

"You've got to start with the customer experience and work back toward the technology, not the other way around." - Steve Jobs

The marketing rule of seven essentially states that a customer will interact with your brand seven times before they make a purchase. That means there are seven opportunities for them to have a bad experience and look elsewhere.

Furthering this point, in a digital economy, the buyers' experience has never been more critical for companies across the board. According to a 2018 report from Toptal, "88% of online consumers are less likely to return to a site after a bad experience."

Simply put, make sure buying connectivity from your organization is a pain-free process. You can do this by simplifying the view into your inventory, more quickly getting a quote to a prospect, or better communicating the finer points of a deal. You should be looking at the buying process as a whole, and making each step better for your buyers.

Another impactful way to improve the buyer's experience is automating how you communicate your serviceability. You can do this by using APIs to help you appear in your partners' systems so your updated serviceability and pricing are always in their hands. You can also use tools to automate the distribution of your building lists to them.

For Justin Forte, Vice President of Sales at INDATEL, receiving manual orders used to be a long, slow-developing process. After partnering with Connectbase to automate his wholesale selling process, he went from seeing an order a month to receiving an automated order daily on average.

To see this type of success, you need to not only automate the communication of serviceability, but you need to also deliver it in the format that your buyer needs, and that isn't as straightforward as it sounds.

According to Connectbase Labs, there are 23 list formats within The Connected World platform alone.

Being able to meet your customers' needs and do so in an automated fashion will free you up to focus on growing your revenue and delivering an exceptional buying experience that will lead to more revenue.

What INDATEL has achieved demonstrates the power of leveraging automation in your sales process to make the buyer's experience better and it shows how it can help you grow your revenue.

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Justin Forte, VP of Sales & Marketing, INDATEL

INDATEL

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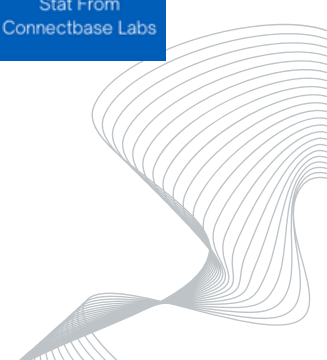
4. Participate in the Right Ecosystems

Participating in connectivity ecosystems opens up a lot of new opportunities for wholesale organizations. For sellers, getting access to buyers at scale is a vital part of growing your revenue.

> "Having been a minority owner of a CLEC in the past, we started with a regional model and by developing an ecosystem in the early stages of our network deployment, we went from a mid-Atlantic focused footprint to having customers in all 50 states."
>
> Warren Reyburn, SVP, Sales & Marketing, Comstar Technologies

COMSTAR TECHNOLOGIES

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Connectivity industry aside, major marketplace companies like Amazon have shown the real value of ecosystems for online businesses. Historically, the connectivity industry has been a guarded one where companies held onto access and information tightly but now there has been a shift to understanding the value of a collaborative approach and leveraging each other's unique assets.

Communities and ecosystems help you achieve many different things, but let's highlight the three most important.

1. Establish & Grow Your Brand
2. Increase Your Visibility To New Prospects
3. Increase Your Visibility To Existing Partners To Be Considered In More Deals

Essentially, the right ecosystem will open up a lot more selling opportunities for your business, but there is another key benefit here.

Transparency for your customers and prospects. One example of this is giving wholesale buyers insights into service delivery information like missed or late deliveries, attributing access mediums, or special construction instructions. These layers of information bring trust and simplicity to the buying experience and help you form lasting partnerships by having conversations beyond just pricing.

The point of the ecosystem as a wholesale seller is to intelligently scale your sales organization. It allows you to find more deals, partner with other members of the ecosystem to deliver more, and create transparency and trust in how you do business, delivering growth now and into the future.

5. Put a Premium on Integrated & Simplified Tooling

We've talked a lot about efficiency and strategy, and pillar five will again touch on both as we look at an important way to not get bogged down in wholesale selling processes.

Wholesale sellers are generally using many tools in their day-to-day operations and the cost of that is time and productivity. These tools serve many different functions but here are some of the most important ones:

- Finding Prospects
- CPQ (Configure, Price, Quote)
- Managing Your Building Lists
- Creating a System of Record/Managing Customers
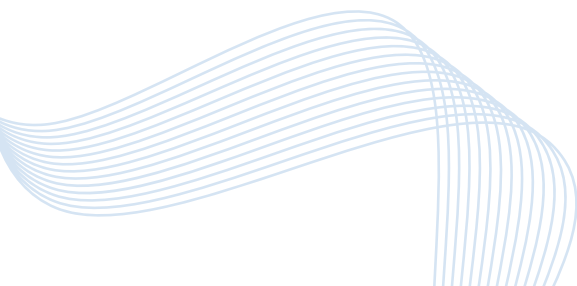
Finding ways to serve these multiple functions in as efficient a way as possible is crucial to scaling your business. You can achieve this by reducing the number of tools that you use and by making sure that the tools that you do use integrate with each other.
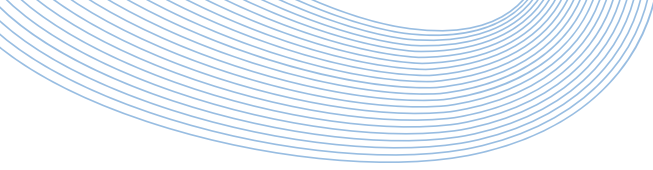
Failing to do either of these causes frustration for your sales team and makes their jobs more difficult to do. Let's take a look at an example of how this can cost your business:

If you are using one tool to view your customers but you want to know what competitors are in the area, you will often have to log into another tool and cross-reference the data. Then, if you are ready to send a quote, you are likely signing into yet another platform and starting that process as well. Not having this data and tooling in a single view slows down seller productivity and increases the likelihood of not leveraging all the available data to make the best selling decision.

Unfortunately, the current environment of many wholesale teams is one that's riddled with slow, manual, and inaccurate processes. In an ideal world, you would have a singular view of all of the data you need and, within the same platform, the ability to carry out all of your wholesale selling activities. This enables your sales team to spend less time on research and data management and spend more time on selling.

For OPTK Networks, they found value in simplifying their technology stack when they partnered with Connectbase by working through multiple steps in the process with one tool.

"One of the byproducts of bringing Connectbase into our organization to manage building lists is that we were able to start identifying locations for expansion. We were able to intelligently look at where we wanted to extend our network and then by utilizing the tool we developed a target market list, which was much more efficient. We were able to respond to RFPs and get the noise out of our system much quicker which was very important to us." Jason Axthelm, VP of Business Development, OPTK Networks.

OPTK Networks

This illustrates the point that to bring in more revenue for your business, you'll want a heightened focus on not wasting time with unnecessary complications like using too many tools and having tools that are not integrated with each other. Being able to manage your lists and then respond to RFPs in one central location is a far more efficient way to manage your sales process.

With this as a priority for your organization, along with the other four pillars we discussed today, you are ready to transform and scale your wholesale selling process today.

Start Scaling Today

Wholesale sellers of connectivity are tasked with many initiatives to balance, from communicating their serviceability and pricing to partners to managing those relationships to the most important, growing their revenue with those partners and new ones.

This industry has been rapidly changing and it's the responsibility of organizations to keep up while productively scaling their sales teams.

In this guide, we laid out a blueprint for managing all of these aspects while being able to strategically scale your revenue. As a quick recap, here is what you should take away from this today to drive more of the right deals in 2022.

1. Understand the full scale of your total addressable market, both on-net, and near-net
2. Adopt data-driven pricing strategies to set the right pricing for every product at every location and to create transparency, trust, and confidence in the process
3. Consider the buyers' experience by delivering on the needs of your customers with the least amount of friction possible
4. Participate in the right ecosystems and collaborate with partners to better serve your customers.
5. Put a premium on simplifying and integrating your technology stack so you can sell more efficiently

The goal should always be to close more of the right deals for your business because those turn into lasting relationships and create value for you now and in the future.

With Q1 of 2022 already in the books, you can get started on this process now and see the changes it brings to your sales team. Here's to a big year and beyond.

Connectbase

Learn How We Can Help You Grow Your Wholesale Operation

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