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THE CHANGE REPORT

SEVEN PROBLEMS FACING SALES ORGANISATIONS TODAY
AND THE CHANGES REQUIRED TO SOLVE THEM

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WHAT'S CHANGED?

When you look at the world in which we sell into now, what's very clear is that, probably for the first time in the last 100 years, we aren't on the brink of a significant change; we are smack bang in the middle of one. And it's the most significant change that the industry has seen in terms of the buyer-seller relationship.

If you consider the last one hundred years, and the steps that have been made in the way that companies have been able to develop their organisational capabilities and their businesses, the changes are clearly marked.

At the turn of the 20th Century came the realisation that division of labour and division of tasks would lead to increased output. It was around the time of Henry Ford, the protagonist of mass-production, who realised that if tasks could be broken down and undertaken by different people, the result would be increased output.

But the change wasn't restricted to manufacturing. Commerce and business also realised that the same was true for their people in non-manufacturing roles. American Insurance companies acknowledged that salespeople could only do so much. That they could only perform so many tasks in a given time. Whilst they could acquire new customers, once they had reached a certain number they couldn't continue to service them. This led to the realisation that by splitting out the acquisition of new customers and the management of existing customers between two distinct sales teams, they could fuel growth within their organisation.

And so we saw the rise of what some still call the Hunter Farmer Model – or sales versus service orientation.

Fast forward a generation and this model still applied. However, what also became apparent was that the function of selling was in fact a process – a series of reproducible steps. And that by breaking it down into its discreet steps, the individuals and teams could be trained and developed to perform each of those steps to a high standard.

It became very clear that certain activities, such as asking questions and handling objections, were in fact skills

which could be learnt and developed over time. Contrary to opinion, nobody was born with the innate ability to sell – it was the result of their formative knowledge and conditioning, and the skills that they had developed.

By breaking the process down into independent components, people could be developed and their performance improved through training. Sales training.

If you fast forward again to the next generation, the mid-1950s into the 1980s, again companies realised that by breaking down their business offering into their product or service's constituent features and benefits, and packaging them up in such a way that many of them were called 'solutions', this would perhaps offer them a distinct advantage in the marketplace. In other words, the company that could demonstrate that their particular set of features and benefits was more closely aligned to their customers' requirements, the better their competitive position would be in the marketplace.

If you look now, the economy that we currently sell into - which many call the connection economy, the information economy or maybe even the ideas economy - has overtaken all of the previous thinking about the drivers of sales performance.

The idea of just having different sales teams undertaking distinct roles, whilst still a viable organisational approach, is no longer sufficient to drive growth. The notion of simply breaking down the process into discreet steps and then trying to improve performance in each of those areas is, again, not sufficient. Elegantly bundling together features and benefits so that they align with a customers' needs is no longer enough to make a difference in the market.

Why? **Because everyone has done that already.**

And so for the first time in history, when there is so little to choose from between most of the top products available on the market, we now see a time when the single most important factor, and the primary point of differentiation in whether or not a company achieves the growth that is required and consequent success within the marketplace, is the salesperson.

The salesperson is able to achieve that differentiation by affecting the way that the customer sees the purchase experience.

The salesperson now provides the critical link between the company and the customer base, and as a result they have the opportunity to provoke thought and discussion, and to change practice **like no previous time in history**.

But in order to do this effectively, they must change the way they go about their role and the promotion of their products and services in the field.

In many instances the change required hasn't been

acknowledged within sales organisations. Having spent the last two years working with over 350 salespeople, it's clear that there are a number of common problems that arise within sales organisations that result in lost opportunities, lost customers, and lower than expected growth.

In the following pages, I'll explore seven key areas that require change in order to succeed within in the new economy, and to capitalise on the unprecedented opportunity that presents itself. **An opportunity that is only available to organisations and sales teams willing to make The Change.**

CHANGE NUMBER 1:

ACCEPTING AND ADAPTING TO THE CHANGE

When choices were limited and tolerance was higher, sales people had the opportunity to focus first on the transaction or the sale. If successful, they could then provide some sort of in-service training or support until finally, over time, they might reach a place where they were considered the valued or trusted advisor.

However, that no longer works. Customers expect the sales person to create value or significance first; the transaction or the sale then follows as a consequence.

The struggle for salespeople and their companies has been in identifying what creating value actually means in terms of the one-to-one personal interaction, and in getting beyond 'value' as an over-used buzzword.

Recent research by the Corporate Executive Board shows us that **53% of the drivers of customer loyalty are due to factors associated with the purchase experience**. Not price, not product or service or brand, but factors that the sales person can almost entirely control directly.

These factors require the sales person to adopt three approaches: as a teacher, a coach and a facilitator. They are required to teach customers about issues which affect the customers' market, and provide unique insights and perspectives. They need to be able to help customers avoid potential pitfalls, risks and consequences, much like a coach would. And they need to help customers connect with other likeminded stakeholders and peers who can support them in the achievement of their customer objectives.

If sales people and their organisations can identify activities linked to these three themes which can be undertaken daily, then they can create a groundswell of support which, over time, is far more likely to result in the use of the salesperson's product or service.

CHANGE NUMBER 2:

IDENTIFYING THE RIGHT CUSTOMER

If you think back to times gone by, often the sale was a very one-dimensional process.

In other words, the person who the sales professional would sell to could, at times, not only be the buyer but also the order taker, the user, and the decision maker, all rolled into one.

As a result of this dynamic, it was often the case that the salesperson would walk into a pre-arranged meeting with a set of literature, a number of sales messages including appropriate features and benefits, and a good understanding of the product, and be able to sit and have a sales conversation with the customer.

The end of this process would result in them being able to 'ask for the order'. On achieving the sale, they could then provide any training and education needed to support the product and ensure its initial and (sometimes) on-going use.

But the world we now sell into is, in 99% of cases, not that one-dimensional world anymore.

In fact, there is often a myriad of potential customers, decision makers and stakeholders involved in the process; all of them with different levels of power, different levels of interest in the commercial objective and different levels of influence.

As a result of these factors, identifying who is the right person in order to ensure that the commercial objective progresses is an ever more increasingly difficult task.

In fact, one of the most common pieces of feedback that we hear from salespeople is that they find it difficult to progress their commercial objectives because **they can't identify the right person.**

As budgets are often very linear and demarcated, it requires a salesperson to identify and access a more senior person within that organisational structure in order to move their commercial objectives forwards.

But that is often very difficult to do because of the complexity of the buying structures that we sell into. And it's often the same old people who we call on a daily basis because they're the people we know.

However, if we don't identify the right person then we often come up against issues that result in commercial objectives stalling or failing to progress, as there is an insufficient mandate of support for the product or service in question.

So how do we do something about this?

How do we change it?

The answer is to adopt a method of either stakeholder mapping or behavioural segmentation. In other words, we need an agreed and documented process that allows us to identify all of the possible stakeholders involved in a commercial objective, and then consider them in such a way that allows us to assess their relative interest, power and influence before considering who are the ones most likely to make a difference to the salesperson's commercial objective.

CHANGE NUMBER 3:

WINNING TIME WITH KEY DECISION MAKERS

This is, to some extent, linked to the previous problem and the next change required.

Even in those instances when the salesperson can identify who the right person is that they need to see, they struggle to get face time with them. This is often because they are a more senior person within that organisation and they may not have a policy of seeing sales professionals. Equally, it may not be something that they do as willingly or as often as the more junior stakeholders who are lower in the hierarchical structure. Regardless of the reason why, it often remains a challenge for some salespeople to gain access to the person that they need to see.

Here's what we know about our customers.

- There are more choices than ever before available.
- They have far less tolerance than ever before for the sub-optimal, mediocre or just plain average.
- There is more information flooding into them on a daily basis and more requests for a meeting.
- They have far less time than ever before to process and decide on the best course of action.

Let's rewind.

In times gone by the model was simple. Sell the product or service. Deliver some sort of in-service. Create value. But that model has now flipped.

In order to stand out, to be differentiated and to make progress we must look for ways to create value first.

And so, frustrating as it may be when the person you've identified as your key decision maker appears inaccessible, it also provides a great opportunity to turn the theory of 'creating value' into something practical.

We know that on average, a customer or consumer will require six 'touches' before they're willing to commit to action. And that doesn't necessarily mean the action of buying. It can also be the action of a first meeting, demonstration or evaluation. In fact, it could be anything that would allow the commercial objective to progress.

And a 'touch' is anything that lets the customer know that you're there which, coupled with the intention to 'create value', ensures that you begin to position yourself as someone who can make a difference to the customer and their organisation.

The way to create value comes in the form of a system of touches that can then be delivered periodically over a 12-week period. And the touches can include a range of activities including but not limited to the following:

- Update someone on the latest industry trends
- Give someone a book you think they'd like
- Update someone on the latest news
- Update someone with articles related to their field of interest
- Send links to videos or blogs
- Update people on the latest product news
- Update people on the latest promotions or offers
- Offer someone a referral
- Provide someone with networking opportunities
- Provide information about a congress or educational event
- Share with them the latest relevant smartphone applications
- Find out what kinds of hobbies people have and send them articles, links, or ideas on the subject
- If you are going to an event, take someone with you
- Pay for someone's lunch or dinner
- Connect people who you think can benefit from each other
- Highlight relevant opportunities
- Share your knowledge with others. Don't keep your best ideas and strategies to yourself
- Give someone the opportunity to meet a key opinion leader or thought leader

The types of 'touches' you can use are unlimited but the key here is beginning to position yourself as a credible expert - **the credible expert** - and someone who can create value and significance to the customer. And 12 weeks is just the right amount of time and frequency of touches. In essence, it means you're creating value for your potential customer every other week.

Because of the noise and bombardment customers regularly receive, **the only way to stand out in the market place is to create more value than the person beside you** and to acknowledge that for the first time in sales history, it is the sales person who offers the greatest point of differentiation – not the product.

CHANGE NUMBER 4: MOVING BEYOND FEATURES AND BENEFITS

Previous generations of salespeople - and even the current generation - have, for the most part, been taught to learn the technical complexities of their products and to be able to articulate key features and benefits to a customer.

But whilst knowing the key elements of our product or service are a pre-requisite, they are only table stakes. In other words, they provide us with the minimum required to compete in the market place – but only that. And moreover, in the current economy, there are a number of downsides to that as the primary selling model.

The most obvious one is that the more senior the people are that you are able to access and see, the less they care about the technical features and benefits of your product. Even if the salesperson is able to access and then spend time with these more senior people, ultimately when they're in front of them, they may revert back to their old feature benefits sale, which means that their ideas just don't resonate with the customer.

Any customer expects that you frame the discussion from their perspective. So the more senior the stakeholder, the more the frame needs to change to one that moves beyond the technicalities of the product or service in question.

In other words there is a minimum requirement that, prior to any discussion, before meeting any senior stakeholder within an account, the sales professional is able to identify

up front some of the topical or critical issues that are impacting that customer.

They need to be able to identify the macro factors affecting their role, department or organisation. Equally, they should understand the current strategic objectives of the organisation and its key priorities for the year ahead.

As in any business, these are the issues that make a difference to more senior stakeholders. Whether they are political, economical, social, technological, legal and regulatory or environmental challenges. Whether they are issues around the achievement of particular strategic objectives within that organisation or fundamental key priorities related to performance, product, profile or price, these are the issues that customers at a more senior level want to engage in.

Therefore, the sales professional and the sales organisation has to be able to demonstrate how their product or service offering can alleviate the tension which exists between those forces which act upon that particular organisation, department or individual, and what it is that they want to achieve over the longer term.

This is the missing link.

And it is the most important thing that the sales professional and their organisation can do in order to pitch at the right level.

CHANGE NUMBER 5:

STANDING OUT AGAINST THE COMPETITION

If you have ten products which are all equivalent, then the relative features and benefits of one versus the other nine becomes something that is, for the most part, irrelevant.

Getting into an argument about the features and benefits of one versus the other is a sure fire way to kill rapport and destroy trust as a valued advisor. It just becomes a scrap.

There is so little to differentiate the performance of most of the top products today that looking to them for a significant point of differentiation, particularly with more senior customers, is a struggle. It is a battle that will be lost as many times as it is won.

And so there has to be a realisation at every level that **the most significant point of differentiation is the salesperson.**

They must be selected for this, they must strive for this and they must be developed to become the point of differentiation.

They must be willing to stand out as a credible expert in their field. They must strive to be seen as the individual who can demonstrate and raise issues which are objective, which are important to the customer and which demonstrate his or her credibility and insight.

They must complete research prior to meetings and discussions so that they understand the problems of their customers inside out, and be able to list the **three most important problems** facing their customer – before even meeting with them.

They have to know the customer better than they know themselves.

But, of course, this requires a massive step change not only in the way that salespeople view themselves, but in the way that sales organisations view their salespeople.

For many years there was a belief that hindered this approach - the belief that the salesperson couldn't be the point of differentiation.

The concern was that, if the salesperson was the point of differentiation and they left, the customer might move with them. So something tangible, something fixed, something recognisable as an asset – the product, the service, the brand, the company, the supply chain, or the price – had to be the point of differentiation.

But none of these things really are the point of differentiation now. They may offer table stakes, but it's highly unlikely that they will offer the biggest point of differentiation, because there is less and less to differentiate the performance of most of the top products.

So whilst the salesperson has to acknowledge that he or she is now the point of differentiation, **the company must also do everything it can to set them up in a way that allows them to be so** – and that means a change from what is regarded and acknowledged as the standard working week: being in front of customers for eight hours a day, five days a week, to an appreciation that the sales person must now set aside critical thinking time to do the hard but mandatory work of understanding their customers and their key challenges.

Salespeople now more than ever need to see their territories as their own business. They need to do the diligent and hard work required to ensure that when they get in front of the right customer, they are able to demonstrate their credibility as an expert in their field. And this takes time.

CHANGE NUMBER 6:

HELPING CUSTOMERS PICTURE THE FUTURE

Part of the problem with the shift in the economy that we now sell in is that customers are no longer interested in features and benefits and the solution sale.

Customers want to be encouraged to think differently.

They want to learn about new ways of doing things; they want to have their thinking challenged. They want salespeople who can help them to avoid risks or pitfalls and who can help them to remove the challenges or barriers that exist.

Part of the problem, of course, is that they don't know what they don't know, and so it's incumbent on the salesperson to be able to help them to see what the future might look like in working as a partner with their organisation.

Of course no customer wants to be told that they have a whole list of problems or issues or challenges without somebody who can link that to experiences and provide examples of times when similar problems have been alleviated.

Therefore salespeople need to be able to describe situations where similar organisations have seen their big problems and challenges alleviated or solved.

This requires the salesperson to describe and articulate their (or their company's) experiences in a way that demonstrates not only their credibility as a potential partner, but also exactly how they have been able to help other customers in similar positions to achieve what they want to achieve.

We know for the most part that people find it difficult to create these future visions of what things might look like and so we, as salespeople, have to help customers do that.

We have to be able to picture and see what a future relationship might look like.

Salespeople need to do that through stories, experiences and examples of specific incidences when they have worked with other organisations, when they set out to achieve a particular aim, the specific steps that they went through and the end result or the outcome.

It also has to be presented in a way that will resonate with the customer and link back to those issues that have been identified and that exist in the customers' world.

CHANGE NUMBER 7:

GAINING MESSAGE CLARITY

Too often, there isn't the ability to be able to define with absolute clarity the key message about how your company, product or service is different from the competition.

In other words, can you answer the question: **why should a customer work with you?**

If you were to line up all of your sales team or if you were to stand in a line with all your colleagues and be asked the question, 'How are you different from the competition?' will there be a clear, consistent, compelling answer that you know would resonate with your customers?

Because, in terms of trying to stand out in the marketplace today, it's absolutely imperative that there is clarity about why customers should work with you and how you are different from the competition.

If we accept that we now sell into these more complex buying structures, then it follows that a large proportion

of what these customers do internally is to sell and resell ideas, and so be the advocate for the selling organisation within the buying organisation.

In order to do that effectively they need to be able to articulate the answers to these questions:

How are you different from the competition?

Why should someone work with you?

The simple premise for this: if you aren't able to articulate with clarity, as a salesperson or sales organisation, why someone should want to work with you and how you are different from the competition, then you can't expect your customers to be able to do the same thing for you.

Therefore you must go through a process to be able to create compelling answers to those questions and to be able to deliver them in a way that is clear, consistent and compelling, so that your customers can, in turn, go and redeliver the same messages for you internally.

FINAL THOUGHTS

We are standing, not at the start of a change, but right in the middle of the change. And this change represents the single biggest opportunity for sales organisations and their people in the last 100 years.

Those people who can become the point of differentiation in their customer's eyes have within their grasp untold opportunity. Those companies who can see this change, acknowledge the requirement, and provide their people with the resources to grasp this opportunity will undoubtedly realise huge dividends for their work and investment.

For the first time in history, sales success is no longer predicated on organisational structure, objection handling or feature-benefit packaging. Rather, sales success is truly reliant on the salesperson and their ability to provoke thought, discussion and change in the world around them.

For if salespeople can develop relationships where they are seen as the credible expert, can help customers achieve their objectives, and create value as a teacher, a coach and a facilitator, then *they* will become the point of differentiation.

They will become The Change.

ABOUT THE AUTHOR

Michael Smith is Co-Founder and Group Director at Developed Edge, a training and development organisation that works exclusively with medical companies. Developed Edge helps identify the best way for their customers to sell, and then creates a customised, 12 month, competency-based training programme for their customers' sales teams.

It publishes content, runs events, and delivers training programmes. All of the Developed Edge team have spent their careers working with global businesses.

Michael graduated from the University of Leeds after completing a BSc in Medical Biochemistry. After taking up a sales role in a medical device company, he quickly established a successful career in the industry, which saw him appointed to numerous sales and marketing management roles across three multi-national companies, most recently as Director of Sales for Europe.

In 2010, Michael was awarded an MBA with distinction from the University of Warwick where his final dissertation focused on strategies for market entry. In 2012, Michael completed his Professional Certificate in Coaching at Henley Business School.

In 2014, Michael published his first book which went on to become a number-one bestseller. He has also written two e-books, and over 100 articles on sales and marketing. He has also created three industry-specific professional qualifications.

You can also read his weekly blog at gonakedselling.com and see more about Developed Edge at developededge.com

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