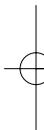
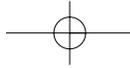


PART ONE

Principles





CHAPTER ONE

Looking for Solutions

When I ask salespeople and sales executives whether their company provides solutions, they answer yes—virtually every time. Yet, when I ask these same salespeople what solution they provided for their last customer, their answers tell a different story. I hear all about their products and services, complete with dazzling brand names and mind-boggling acronyms.

My point is that everybody claims they're in the solutions business, but for the most part it's just empty words. The word solution is used so much that no one knows what it means anymore. So, when salespeople say they sell and deliver solutions, buyers ignore these words, because to them it's just more sales and marketing hype. Businesses are recognizing this problem and are starting to change their approach.

Most companies and salespeople who claim to provide solutions are engaged only in product selling, which leads me to ask this question: What is the definition of the word solution? The typical response is, An answer to a problem. After some discussion, we expand on this and agree that the problem has to be acknowledged by the customer, and both the buyer and seller must agree on the answer to the problem. So,



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a solution is a mutually agreed-upon answer to a customer's recognized problem. In our experience, even companies that do provide solutions don't always measure the effectiveness of their solutions. Therefore, we add that a solution must also provide some measurable improvement, improvement the customer can visualize and understand and want. By measurable improvement, I mean there's a before (a baseline) and an after (the baseline plus a delta). Now we have a more complete definition of a solution: It's a mutually shared answer to a recognized problem, and the answer provides measurable improvement.

Recently, an executive of a \$13 billion company came to me and said, We want to be in the solutions business and deliver what we've been promising for years. One of our marketing messages is, 'We sell and deliver solutions,' but we really don't do that. Just because all our promotional literature, advertising, and messaging has been saying this for years doesn't make it true.

He went on to say they wanted to find a way to transform—notice the key word transform—their company from product selling to solution selling. When I asked why, the answer came back emphatically, Because our customers are demanding it.

I helped him realize that the transformation he was after takes time and has to occur simultaneously from the top down and the bottom up. It takes a total commitment from everyone in the company to develop, sell, market, and deliver solutions. The entire organization has to adopt a new philosophy, a new discipline—a new culture. It means that everyone involved with the customer needs to be on board and do some things differently than he or she did in the past. I helped him realize that their new hires and their existing salespeople need to improve their customer-interfacing skills. Specifically, their salespeople need to be able to define and diagnose customer problems and create visions biased to his company's unique offerings and capabilities. I told him that being in the solutions business means that they have to commit

to actually solving problems and be willing to stay engaged until their customers realize measurable, positive change.

The executive convinced me that they could reach their transformation goal and make the difficult shift from product selling to solution selling. This is currently a work in progress, and the early results indicate very good progress on a journey that will take longer than they expected.

WHAT IS SOLUTION SELLING?

It's a sales process. (I'll develop this more fully throughout this book.) It's the most widely used sales process focused on executable selling in the world today. By executable, I mean selling activities that involve direct contact with the customer. For many individuals and their companies, Solution Selling is their total end-to-end sales process. For others with more complex sales situations, it's the executable portion of their selling process. Solution Selling not only helps with what to do, but it specifically focuses on how to do it.

Solution Selling's sales process consists of the following components: a philosophy, a map, a methodology, a sales management system, and a sales architecture. Solution Selling does not become another thing to do (on the list of mounting chores). It becomes the thing to do for salespeople, marketers, and managers.

It's a Philosophy

The customer is the focal point. Helping customers solve their business problems and achieve positive, measurable results is the basis of all actions. The steps within the Solution Selling sales process are aligned with how buyers buy.



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It's a Map

Solution Selling provides a map of how to get from where you are to where you want to be. Solution Selling provides an end-to-end series of next steps to follow. End-to-end means from the beginning of a sale right through to winning it. This includes precall planning, creating interest, diagnosing the problem, vision processing, controlling the sale, closing, and postsale tracking. It includes the ability to identify, analyze, report on, manage, and coach individual opportunities using the process. It also provides the ability to predict sales performance success or failure.

It's a Methodology

Solution Selling is a system of methods that includes tools, job aids, techniques, and procedures that help salespeople and sales teams navigate the selling steps that close more sales faster. It results in higher levels of customer satisfaction and increased sales productivity.

It's a Sales Management System

Solution Selling provides sales and executive management with a process to analyze pipelines, qualify opportunities, and coach skills, thus increasing productivity and predictability. It results in a high-performance sales culture.

It's a Sales Architecture

Solution Selling provides a complete sales architecture and framework,

helping companies interface better with their customers and with the members of their own organization. This architecture is flexible, scalable, and modular. If you want to change a particular module or add a new capability, you don't have to abandon your original investments in other sales methodologies. Solution Selling is designed for change and adaptability.

We're often asked what type and size of companies use Solution Selling. Today, Solution Selling is operating in companies in almost every industry. It is used in small start-up companies and in some of the world's largest and best-run sales organizations. For example, IBM, Microsoft, EDS, Pitney Bowes, and SAS have used or are currently using Solution Selling to transform their companies and create high-performance sales cultures.

WHY SALES PROCESS?

Not all salespeople are created equal. Some people are born sellers. They have that amazing talent that is hard to describe. We look at this group of intuitive and talented individuals, approximately 20 percent of the sales talent pool, and we call them Eagles. Sometimes these intuitive salespeople are called unconscious competents. They're good, but if you ask them why they're good, they'd have a hard time telling you why. That's the classic response of the unconscious competent.

We call the second category of sales talent Journeypeople. This group makes up the balance of the talent pool, or about 80 percent of the sales talent in the marketplace today. These people are ready, willing, and able to sell, but they do it quite differently than the Eagles. Journeypeople can, and many of them do, become good salespeople. However, the real key to their success is having a process to follow and knowing what to do next.

Executives and sales managers frequently tell me they would love to

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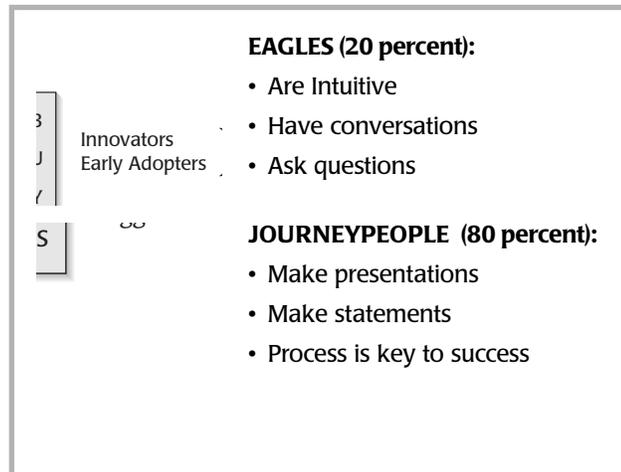
Part One: Principles

have their sales force comprised totally of Eagles. My response to them is, Are you sure? The facts are that if you did have all Eagles, it would be prohibitively expensive. Also, you'd have a chaotic environment. It's difficult to find and keep intuitive, top-of-the-line Eagle salespeople because of competition for their services and sometimes because of burnout.

Eagles are the high flyers, the rainmakers. They are the ones who do things independently and who generate business. But they can't be expected to deliver all the business we need; there aren't enough of them. The 20 percent of the revenues that the Eagles don't deliver has to come from somewhere, and it must come from the Journeypeople. A company's overall sales success depends on the success of its Journeypeople. We need to help them become successful. Figure 1.1 shows the differences.

What is the typical career path of Eagles? What do most companies do with their best salespeople? If you answered, They promote them to managers, you'd be correct. But this creates a problem. Usually, when you promote Eagles (who don't consciously know how or

Figure 1.1
Talent assessment
(Alternate version)



why they excel) to sales management, they can't help the Journeypeople they now manage. Often they simply tell their salespeople, Just watch me and do what I do. Eagles resort to this tactic because they don't have a sales process to follow. After all, a sales process provides both what to do and how to do it. To compound the problem, when an Eagle is promoted to management, a good revenue producer is lost from the sales force.

In the end, both management and the new sales manager become frustrated because of the lack of results. If management doesn't end up firing them, these people usually quit and go to work for another company doing what they're good at, selling. If you're party to something like this in your company, stop it. The key to stop promoting the wrong kind of people to sales management is to implement a good sales process.

Eagles are an important reason why I'm so passionate about sales process. When you convince an Eagle to use an effective sales process, you have the best of all worlds—he or she is unstoppable. On the other hand, I'm equally passionate about Journeypeople and their need for sales process. Journeypeople using a proven sales process can win most of the time when competing against an Eagle without a process. A good sales process allows Journeypeople to emulate Eagle selling behavior, maximize their individual sales performance, and learn how to become tomorrow's sales managers.

THE 64 PERCENT DILEMMA

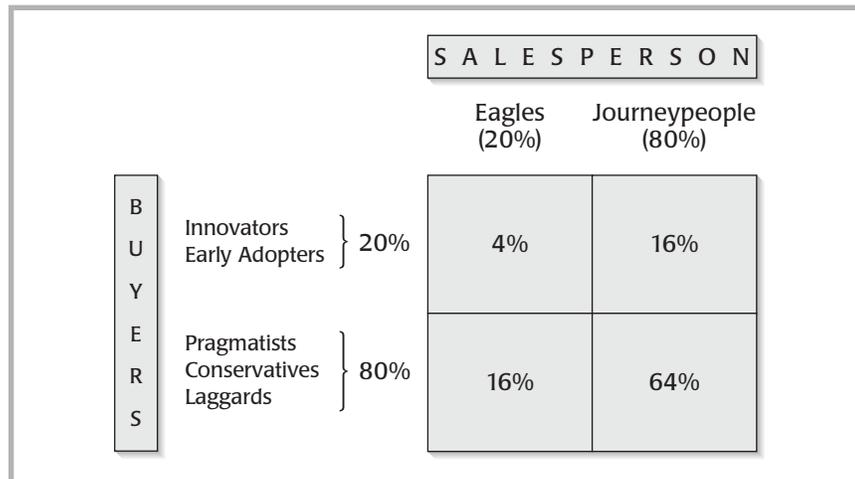
Would you consciously assign your least capable salespeople to sell to your most difficult prospects? Probably not, but I find a number of companies doing exactly that. We call this challenge the 64 percent dilemma (see Figure 1.2).

The concept is based, in part, on Geoffrey Moore's analysis as explained in his book *Crossing the Chasm*. In Moore's book, buyers

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Figure 1.2 Business development prompter, menu approach



are separated into market segments based on their behavior.

Depicted on the vertical axis of Figure 1.2 is a group of buyers called innovators, or early adopters. This group makes up about 20 percent of the market. As a group, they typically want to be the first to have new things, and they're the easier group to sell to.

Also depicted on the vertical axis is a category of buyers called pragmatists, conservatives, or laggards. They make up about 80 percent of the marketplace. These are slow-to-act, conservative buyers. They demand things like references, proof, and ROI (return on investment) analysis before they will make a decision. As a group, they're the most difficult to sell to.

On the horizontal axis, you have Eagles (20 percent) and Journeypeople (80 percent). When you combine the two categories of buyers with the two categories of sales talent, you have a classic matrix with some interesting findings.

Look at the 64 percent quadrant. This is the challenge, and it's why we call it the 64 percent dilemma. This is where companies have Journeypeople selling to the most challenging and difficult-to-sell-to buyer segment. In other words, 64 percent of the time you've got less

than your very best salespeople selling to the toughest buyer segment. Why do that? The solution is a no-brainer. Companies and individuals should stop kidding themselves and stop the insanity by putting a sales process in place to help solve this dilemma. I hope that by now you're convinced of the importance of sales process. Just in case you aren't, keep reading.

SITUATIONAL FLUENCY

Buyers want to do business with salespeople who understand them—their job and their problems. They want to do business with someone who has situational fluency—in other words, a person who has a good understanding of their situation as well as a good working knowledge of the capabilities necessary to help them solve their problems. What buyers don't want are pushy salespeople interested only in selling their products and services. Buyers want a consultant who is going to add value to their situation. Otherwise, buyers would just go to your website for product information and price quotes. Salespeople must add value to the situation or they won't survive.

Figure 1.3 illustrates the four elements that help salespeople gain situational fluency with their buyers.

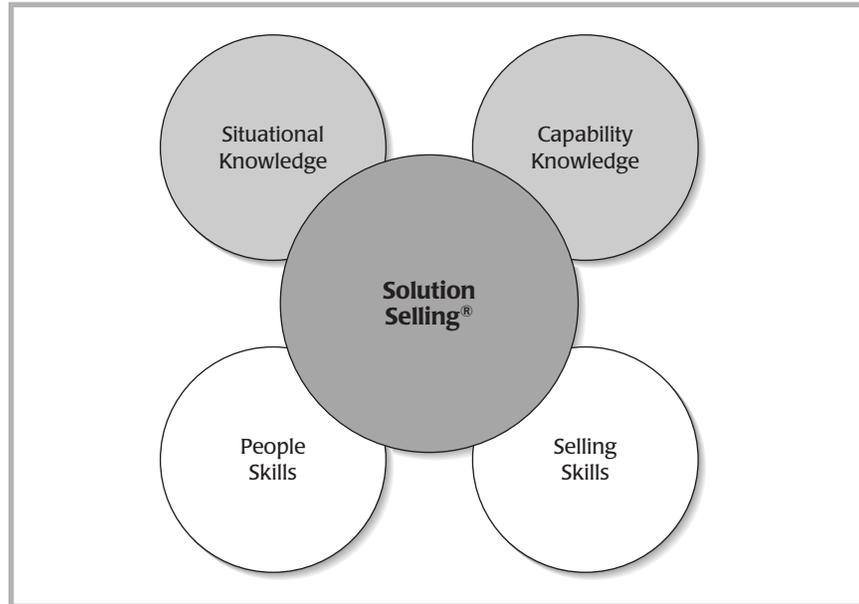
If situational fluency is what buyers are looking for in salespeople, what are sales managers looking for when they hire salespeople? What I hear them say is they want salespeople with great selling skills; they want great closers. They look for closing skills and people with successful selling track records. Granted, success in the past is important, but I try to get them to see that success in the past doesn't ensure success in the future. This is particularly true if it involves selling into a new industry and dealing with a lot of new products, new technologies, or new services. The good ole boy, backslapping, tongue-wagging salesperson doesn't get the job done anymore.

I am not minimizing the importance of good people skills and

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Figure 1.3 Solution Selling Situational Fluency



good selling skills. In fact, in Solution Selling we incorporate key selling skills as a part of the overall process. Solution Selling develops situational fluency by integrating the knowledge competencies (situational knowledge and capability knowledge) with people skills and selling skills. Solution Selling is the only sales process that integrates all four of these components.

DIFFICULTIES IN SELLING, SALES MANAGEMENT, AND EXECUTIVE MANAGEMENT

In addition to integrating both knowledge and skills, Solution Selling addresses specific selling, sales management, and executive management difficulties. What follows are some of the challenges we often see

and hear as we begin to work with our clients. See how many of these issues you can relate to.

Typical Selling Difficulties

- I'm having a hard time meeting, much less exceeding, my sales quota.
- Our product isn't competitive anymore.
- Buyers tell me our services cost too much and they can't justify them.
- They wouldn't let me in at the right level.
- If only my manager would have discounted.
- The consultant didn't do a good job.
- I lose control of our prospects at the end of the sell cycle.
- We got in too late.
- The prospect didn't know what they wanted.
- We missed the needs of certain committee members.
- I get an opportunity started and our resellers drop the ball.
- My manager tells me what to do, not how to do it.
- My competition's website is great, and we get outsold before we even get started.
- Management demands detailed written sales forecasts—do they want me to sell or fill out forms?
- Prospects can buy the same capabilities from someone else, so I have to outsell my competition to win the business.

Typical Sales Management Difficulties

- It's becoming increasingly difficult to predict revenue.
- My salespeople are comfortable calling on technical and end

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users but are ineffective with executive management.

- Many of our salespeople wing it.
- We lose more to no decision than to any single competitor.
- Only a few of our new hires develop into top producers.
- There must be something wrong with our hiring model.
- Salespeople take sales support or technical people with them on too many calls.
- Marketing efforts are out of sync with our sales efforts.
- Salespeople blame losses on the product.
- As soon as the pipeline looks good, prospecting stops.
- We're making our numbers but it's too tough. Life is too short to work this hard!
- It's difficult to find new opportunities, so we end up responding to RFPs or Tenders wired for our competition.
- By the time I'm asked to get involved, it's usually too late.
- Qualifying out of opportunities doesn't seem to be in our vocabulary.
- Quarter-end fire drills have become a way of life.

Typical Executive Management Difficulties

- Getting accurate revenue forecast is a nightmare.
- All our strategic initiatives are dependent on making our revenue goals.
- The sales group is a mystery. Other groups in the company are much easier to hold accountable.
- We make great products in this company. Why can't we sell them?
- Growing cost is not the problem; growing revenues is.
- We missed our quarterly revenue number. Fortunately, it was on the plus side. What would have happened if it had been on the negative side?



In the next chapter, we explore the underlying principles and concepts of the Solution Selling sales process, which will serve as a springboard to each step in the process and the rest of the book.

