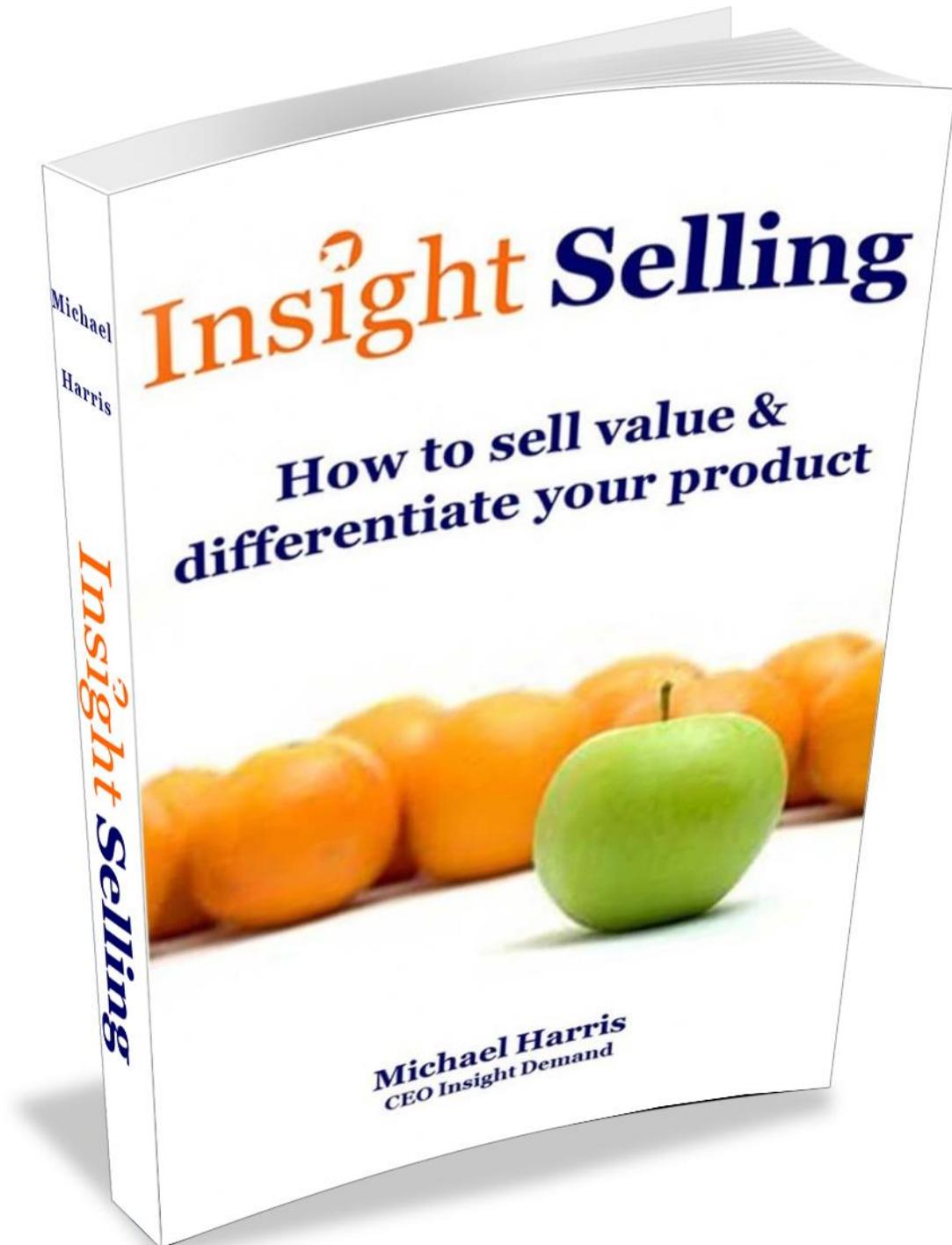


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Chapter One: Insight Selling- an empowered buyer changes everything ©2013



Chapter 1

Insight Selling- an empowered buyer changes everything

Complex selling has changed, because buying has changed. In the past, Buyers had to approach Sellers early in the sales process, because the salespeople held the keys to the information kingdom. But now, the days of the walking brochure salesman are dead. With the proliferation of information and advice on the Internet, Buyers no longer need information from salespeople. What they need is insight. According to the recent research, Buyers are now 60% of the way through a sales cycle before they engage a salesperson. Why? Because they prefer to do their own research on-line.¹

In simple sales, these empowered Buyers now approach Sellers with a clear buying vision of their needs, the solution they want, and what they're willing to pay. And because they are able to form an accurate buying vision on their own, the Buyer is successful at buying the right solution.

In complex sales, however, this new buying paradigm is often not successful for either the Buyer or the Seller. Buyers are not successful, because they don't have the time or expertise to form an accurate buying vision on their own. They find it difficult, for example, to figure out how the generic value of the Seller's product will apply to their specific business and job function. And with a limited understanding of the value of the Seller's product, Buyers either decide not to buy and live with the problem, or they buy on price and end up with a suboptimal solution. And the Sellers are correspondingly not successful, because they achieve lower win rates and reduced margins.

To better understand how the Internet has changed complex sales, just ask yourself what you do when you're a buyer of health care? When you get sick, for instance, do you go onto Web-MD before you visit the Doctor? So when you show up at the doctor's office, all you want him to do is to write you a prescription for what you feel you need? And if the market for buying prescription medicine was truly competitive, wouldn't you also be looking for a better price?

Don't you think customers do the same thing before they speak with a salesperson?

Now if customers and patients could go on-line and buy the right solution, they wouldn't need experts. But doctors and salespeople will tell you that they don't make good decisions on their own. Imagine a doctor, for example, asking a patient, "what's wrong?" And the patient says, "I was bitten by a mosquito, and with the West Nile virus in the area, I'm concerned. According to Web-MD, I believe that I have the identical symptoms, and the recommended treatment is penicillin." "I see," says the doctor, "let me write you a prescription right away." Of course this would never happen. The doctor's job isn't to provide patients with what they think they need.

¹ Corporate Executive Board: A CEB study of more than 1,400 B2B customers across industries revealed that 57% of a typical purchase decision is made before customer even talks to a supplier.

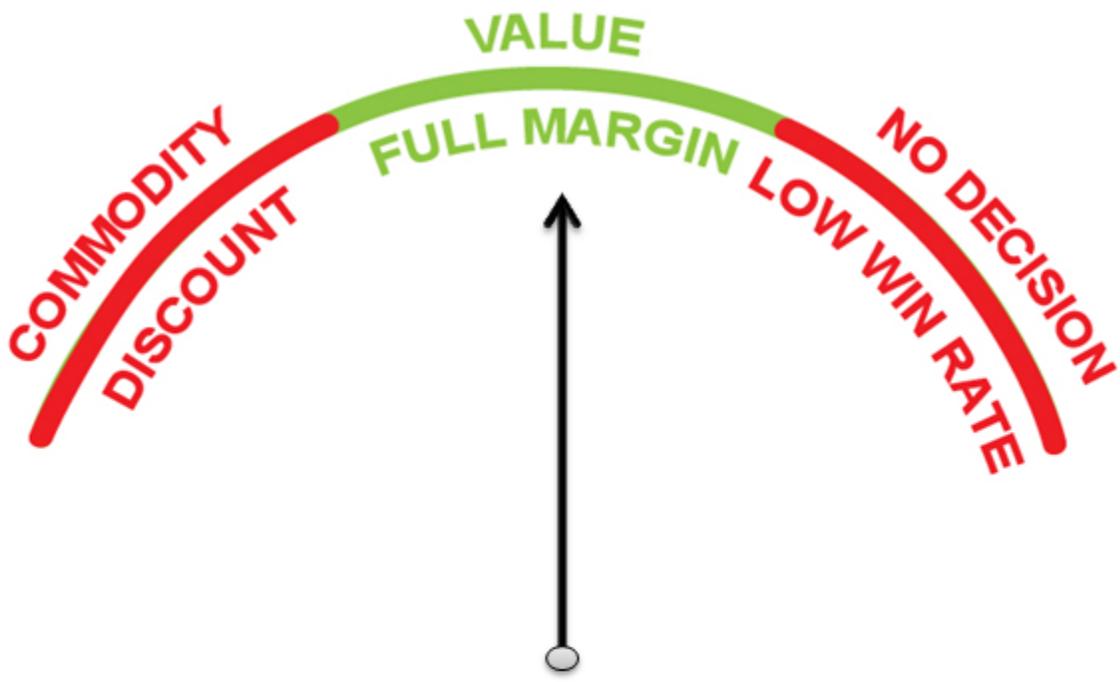
Doctors must provide the optimal solution, and this often requires the doctor to challenge their patient's self-diagnosis. Doctors, for instance, have to re-teach what their patients have learned on-line so that their patients end up with the right treatment.

It's the same with complex sales. Today, Buyers are more empowered. They use the Internet and social media to research opportunities, and potential solutions. And once they're armed with this information, they attempt to self-diagnose and prescribe. But with the wealth of information available, Buyers quickly become flooded by too much information. Once overwhelmed, it's easy for Buyers to underestimate the cost of their current behavior, or the potential of future alternative. With these challenges, it's not surprising that these empowered Buyers form an inaccurate buying vision.

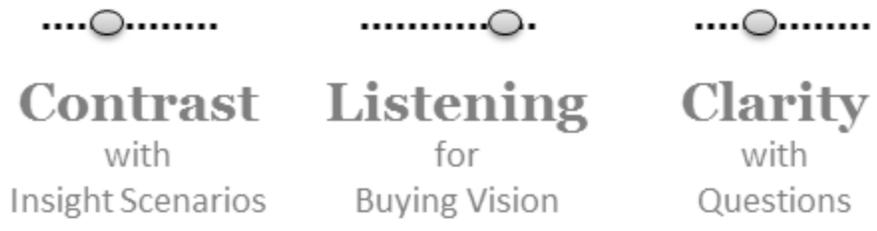
So, if salespeople want to sell value and differentiate their product, they are going to have to deliver insight to re-frame the buying vision so the Buyers end up with the right solution that helps them overcome their challenges and achieve their goals.

But how do salespeople do this?

Figure 1



Reframe the buying vision with insight



By adjusting what we call the three insight dials of 1) contrast; 2) listening, and; 3) clarity, we will show in this book how salespeople are able to re-frame the Buyer's buying vision so that it more accurately reflects their current situation (see figure 1):

Contrast: Through the use of insight scenarios™, the Seller is able to increase the contrast between the before and after picture of owning the Seller's product. And as the Seller increases the contrast, they thereby increase the value of their product.

Listening: Because the buying vision is like a movie that plays in the Buyer's head, the only way a Seller can see this image is to see with their ears.

Clarity: After the Buyer has shared an image of the before and after picture, the Seller can then ask questions to help the Buyer tailor this picture to their particular business and job function.

So when the Buyer's buying vision becomes big and crystal clear, it's almost as if it becomes a buying simulator® that the Buyer can step into so that they're able to take your product out for a virtual test drive. As a result, Buyers don't just think your product is right, but for them it also feels right because they've been able to internalize why your product is the right fit for their needs.

Leading with vs. leading to value

In simple sales, we've discussed how salespeople can make sales by leading with their value proposition, because customers are able to form an accurate buying vision on their own.

But in complex sales, salespeople cannot lead with their value proposition, because the buyer has neither the time nor the expertise to figure out how the Seller's generic value will apply to the Buyer's specific business and job function. That's why it's better to lead the customer to your value proposition, so that the salesperson can help the Buyer to convert the Seller's generic value to the Buyer's specific value.

Historically, Sellers have tried to do this by asking questions that lead the customer to the type of problems that their value propositions solves. With the right questions, the belief is that customers will be able to understand the problems that they need to solve, and the solutions that are required to solve them.

The problem with this approach is that it assumes that the answers are there within the Buyer waiting to be unlocked through the salesperson's questioning skills. But without a doctor's insights, wouldn't a patient question the value that their doctor adds when Patients can do this today on-line through sites like web M.D.? Likewise, without a salesperson's insights, wouldn't customers question the value that the Seller adds when the questions the salesperson asks are no more valuable than what they can discover on-line?

And if your product helps the Buyer to do something new, then the customer has no frame of reference to answer your questions.

So in complex sales customers don't want a salesperson to "show up and throw up," and talk about features and benefits. And they also don't want the salesperson to show up and deliver a series of open ended questions, death by interrogation, because that also offers no value. What the Buyer wants is for the salesperson to be able to deliver insight that will help them form an accurate buying vision.

In conclusion, by not leading the Buyer to the Seller's value propositions with insights, the Buyer will unfortunately receive a watered down solution, and the Seller will experience compressed margins.

What are insights?

When Insight Sellers deliver insights, they shock customers by breaking their thought patterns, and then they rescue customers by replacing the broken pattern with one that is new and improved. That's the Aha experience. And it's also how a salesperson re-frames the customer's buying vision when Buyers are already more than halfway down the road of their buying cycle.

The reason breaking the customer's thought pattern is so effective at re-framing the customer's thinking is that it's hard wired into our DNA. Our survival has depended on it. Imagine, for example, if Lucy, a hominid, 3-million years ago on the plains of Africa mistakenly sees a tiger in the grass, and she runs for cover. No big loss, right? But imagine if she didn't see the pattern of the tiger until it was too late. What happens? She's taken out of the gene pool. So, our survival is contingent on correctly identifying patterns. We're always seeking the meaning behind patterns, because accident and chaos terrifies us. So when we see a new pattern, we tell ourselves a cause and effect story to try to predict its outcome so that it can't hurt us. But when we see an established pattern, we discount it as common sense, because without this filter we'd drown in information.

The response a salesperson is looking for from the customer isn't "Yes, that's exactly what I was thinking." Because clearly the salesperson hasn't re-framed the customer's thinking. The response the salesperson is seeking is "Hmm, I hadn't considered that."

By delivering insights that refocuses the customer's thinking, the customer will start to tell themselves a new story where new choices makes more sense.

But to re-framing the customer's thinking, the salesperson must have insight to deliver. So how do you find and create insight?

Finding insights

Salespeople find insight by trying to figure out what's counterintuitive about their core sales message? Where's the gap between what the customer believes today, and what they need to believe to buy your product?

A marketing company, for example, could present their client with research that shows that B2B companies on average win 24% of sales opportunities, their competition wins 16%, and 60% of sales opportunities are lost to no decision. Based on this research, the marketing company could re-frame their client's thinking that their biggest competitor isn't another company, but it is in fact customers who have decided not to buy. With this insight, the marketing company could help their customer improve their win rate by providing better reasons why their client's customers should consider changing from the status quo, before they position why their client is the best choice for change.

Unfortunately, you may discover that you find insight only a small percent of the time. Most of the time, you'll have to work at trying to create insights.

Creating Insights

We suggest you try to create insight by simply increasing the contrast between hell if the customer remains with their current broken pattern, and heaven if they adopt your new and improved pattern. And then ask questions to help the customer to fill in the picture with personal details so that their image is crystal clear.

With this approach, you're betting that the customer doesn't yet have the insight to see this image at its maximum contrast and clarity. And this is generally a good bet, because customers lack both the time and expertise to do this on their own. As a result, their buying vision is small and vague.

This approach is also a good bet, because other salespeople are often only able to paint a superficial picture of the problem, such as the customer's current system is prone to error or lacks timeliness. Because they lack the customer knowledge needed to help the Buyer complete the picture, the Buyer walks through the sales cycle with a buying vision that is small and vague.

According to a recent McKinsey report , "While insight conjures up visions of research, data crunching, and "aha" moments, real strategic insight also rests on a seemingly mundane and easy-to-overlook factor: a thorough understanding of how and why a company, its competitors, and others in the industry value chain make money. Absent dumb luck, a strategy that doesn't tap directly into such an understanding will under-perform."²

But a salesperson has to ensure they don't just do free consulting. That's when a salesperson re-frames the buying vision only to then have the Buyer buy it cheaper from a competitor. To avoid free-consulting, the salesperson has to try to insert a few unique capabilities into the insights that they deliver.

Delivering Insights can be difficult

We may think it's easy for a Doctor to challenge what their patients learn on-line, but a family doctor recently complained to me how patients come into her office demanding antibiotics, because they've gone onto WebMD, and they're convinced they have an infection. Even though she's wearing the white coat, and the stethoscope, she's generally not successful at convincing them that they just have a virus, because they want to believe all they have to do is take a pill and they'll get better.

² McKinsey Insights & Publications, "Mastering the building blocks of strategy," Oct 13, 2013.

Another friend of mine is a chiropractor, and he says he's really good, because he doesn't hurt anybody. "In the time it takes to drive to my clinic," he laments, "my patients could have saved both time and money if they just did the exercises I recommended. But no, they'd rather drive to my clinic, and insist that they get an unnecessary adjustment. I try to talk them into their exercises, Because I'm gentle when I give unnecessary adjustments I don't hurt anyone, and that's why I'm the best. And sometimes I'm even able to talk them into doing their exercises."

So, in both cases, the patients didn't want to do the work to heal themselves, because they'd rather get the magic quick fix of a pill or an adjustment.

Are customers any different? Constrained by time and expertise, do customers want to do the work needed to fully diagnose their problem, and then appreciate all of the suppliers' unique capabilities so that they can then decide on the optimal solution? Or will they become overwhelmed, and then strip out the unique capabilities so that they can feel in control and compare apples to apples?

If doctors struggle to re-frame their patients' thinking, imagine how hard it is to re-frame a high powered executive's thinking, especially when you have salesperson written on your business card?

So how can a salesperson challenge the customer's thinking, without challenging the customer?

If you thought that Insight Selling was simply using data, facts, and your brilliance to shock and awe Buyers about the error of their ways, then you may want to rethink this approach, because how you deliver the insight will determine if you are perceived as provocative or arrogant.

There are four ways to challenge customers with insights, but we will show that insight scenarios are the best way to deliver insights:

Directly: This can come across as an attack. And because the customer is both judge and jury, this is an argument that the salesperson will rarely win, because the customer may feel attacked, become defensive, and then shut-down.

Questions: They work best at firming up an established belief. It's difficult, however, to lead customers to insights with questions, because they have no frame of reference that they can turn to for the answers.

Research: Because it's objective, customers don't feel attacked, so it's effective. Unfortunately, it's scarce, so it's seldom available.

Insight Scenario™: Because an Insight Scenario is about someone else, the customer doesn't feel attacked. It simply presents a scenario that allows the customer to draw their own conclusions. Without feeling pressured, the customer can now relax and listen to your story, and possibly gain enough insight that they start to tell themselves a new story, where new choices make more sense.

So through a combination of insight scenarios, listening, and questions, we will show how salespeople can effectively deliver insights that will re-frame their customer's buying vision, so that they can sell value and differentiate their product.

Insight scenario- the best way to deliver insight

We believe insight scenarios are the best tool that your salespeople can use to sell value and differentiate your product. And to support this claim, we present you with six reasons why insight scenarios are the best way to deliver insight, and we will explore these reasons in greater detail later in the book.

1- Puts the customer's ego to sleep

With an insight scenario™, you can deliver insights that will only challenge the customer's thinking, and not the customer. Because insight scenarios are about someone else, the customer doesn't feel like they're being attacked. A story simply presents a scenario that allows the customer to draw their own conclusions. Without feeling pressured, the customer can now relax and listen to your message, and possibly gain enough insight that they start to tell themselves a new story, where new choices make more sense.

2- Makes the customer care

Facts and figures are too abstract. You can't see them or feel them, so they don't feel like they affect you-either directly or indirectly. Without context, the customer is left to try to figure out why it makes sense for them to buy, or even worse, why they should care. An insight scenario, on the other hand, is like a buying simulator® that enables your customers to take your product out for a virtual test-drive.

3- Value generator

Before your salespeople can close the value gap for your product, they first have to open it. An Insight Scenario story does this by providing a clear word picture of the before and after of owning your product. Because customers generally discount claims for gains, the salesperson must help the customer to realize that they are not ankle deep in problems, but that they're really drowning in the middle of the lake before the customer is ready to see the value of being rescued by your product.

4- Memorable

A fact, wrapped in an emotional Insight Scenario story, is 20 times more memorable. Even if a salesperson persuades a customer how great their offering is with facts, they only did so on an intellectual basis, and buyers are not inspired to act on reason alone. To drive through a buying cycle, the customer needs not only logic as the steering wheel, but also emotion as the gas pedal.

5- Hard wired into our DNA

We've told Insight Scenario stories visually for 100,000 years, orally for 10,000 years, and in writing for 6000 years. All the way back to early man, stories were the technology that we used to share information vital to our survival. Early man, for example, might have said: "You better not eat those berries, because John, your uncle, ate them, and here's what happened..."

6- Sharpens the saw

Insight Scenario sales coaching allows you to find and fill the customer knowledge gaps in your sales team. Because an insight scenario presents a clear picture of hell if customers don't and heaven if they do buy your product, knowledge gaps are immediately exposed when the picture is out of focus. Without a helicopter view of the customer's world, salespeople are selling blind. And when they do stumble upon a customer's pain point, they can only refer to vague pain points (i.e. 'time consuming' or 'prone to error'), because their knowledge of the customer is superficial. The result is that too many salespeople are trying to rescue customers that are only ankle deep in problems. No wonder over 60% of sales opportunities end with the customer deciding to do nothing.

Case Studies

You may be wondering: "I already have case studies, so why do I need to go to the trouble of creating insight scenarios?"

We'd agree that once a Buyer has formed their buying vision, case studies are a great tool to use late in the sales cycle as proof. Early in a sales cycle, however, case studies are not effective at helping a Buyer to re-frame their buying vision for the following three reasons: 1) case studies are conversation-killing monologues that floods the customer with too much information; 2) they focus too much on product proof, and not enough on selling the problem before the solution, and; 3) they're too generic to deliver insight.

Insight Scenario Example

Here's an example of an insight scenario that an advanced planning software salesperson could share with the CFO of a customer to provide insight on what is needed for orders to be truly profitable.

Maxine, the Supply Chain Director of Asahi Glass, wanted a way to know what orders were truly profitable.

Up until now, the salespeople had been using a static snapshot of profitability.

Maxine, however, was disappointed to see profitable deals later become money losers, because the salespeople would place orders with no insight into how they impacted current capacity, nor if their rush order would negatively impact other orders.

Maxine needed to find a way to have a more dynamic view of profitability. Something that was simple for the salespeople to use. What she envisioned was something as simple as booking a flight on-line; with a number of scheduling options according to price for the customer, and true profitability for Maxine's company.

Maxine finally had enough when a salesperson's profitable Toyota order quickly turned into a substantial money loser, because her company was forced to fly parts into the plant to avoid delayed order penalties.

Fortunately, the Toyota order inspired Maxine to look for a solution, and she found more than what she was looking for with Advance Schedule Corp.

We provided Maxine with the ability to see each potential order's impact on capacity, and then how it affected other orders.

But the sales team was over the moon that they could now do sales campaigns by pooling their orders along with price incentives, so that they could not just generate more sales, but more important, maintain profitability.

But that's Maxine's story, what's yours?

Insight Selling in action

Now that we've looked at what insight selling is and why it's effective, it's now time to look at how you would use insight selling in a client meeting, so here are the 7-steps.

1) Value assumption: After the initial introductions, a salesperson can start the meeting off by sharing 3 to 5 value hypothesis to initiate a discussion so that the salesperson gains visibility into the customer current buying vision.

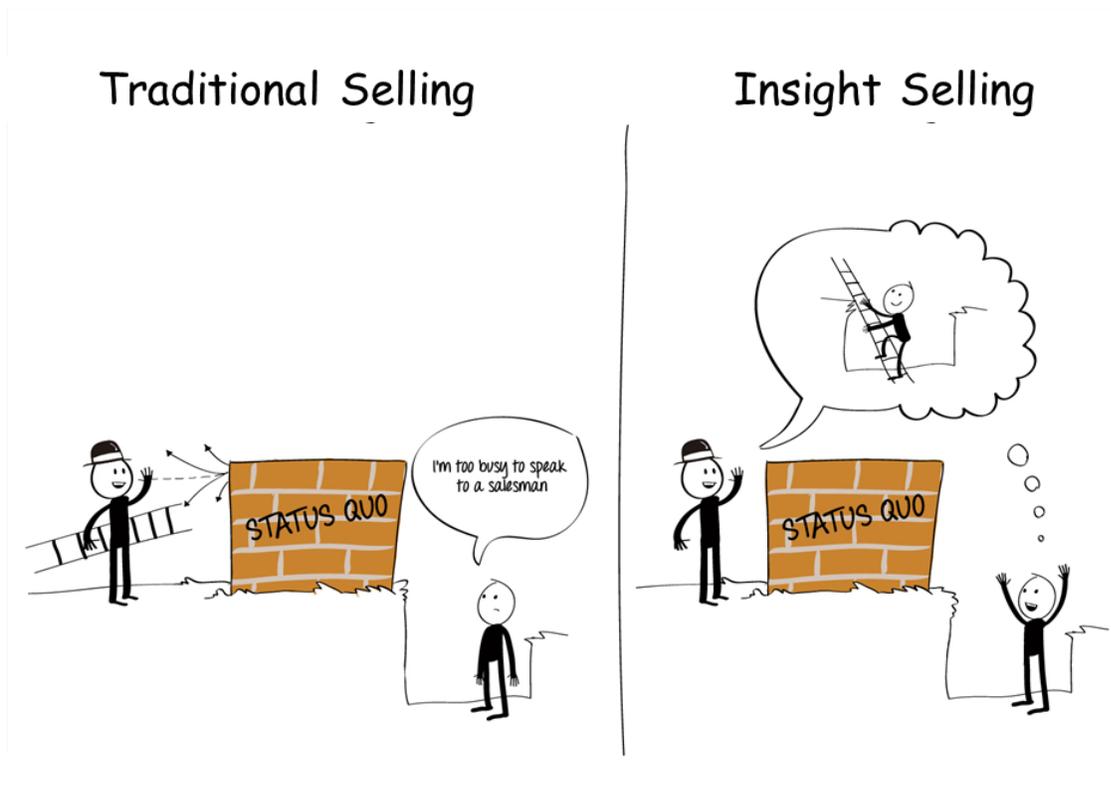
This approach came about through a conversation with a customer. A few years ago, a customer mentioned that Buyers no longer seemed eager to answer 20-questions so that they could teach the salesperson how to sell their product. Just like customers don't want people to "show up and throw up," they also no longer wanted death by interrogation where a salesperson asks them a series of manipulative questions.

He said that he'd recently worked with McKinsey, and he was intrigued how they started each meeting with hypothesis based selling. I asked if they provided a laundry list of business pains, and then have the customer choose their most pressing critical business issue. He said no, because if you're just selling to known business issues, then you're not providing insight. "You've got to be bold, Michael" he said. "Because you're presenting value assumptions that may be hidden, the customer isn't able to pick a business pain that they don't yet know or fully appreciate that they have?"

So that's how we started mining for hidden value. Based on similar customers and pre-meeting research, we would start each meeting with 3 to 5 value assumptions. This would often lead into a 10-minute high-level dialogue with the Buyer. While discussing the 3 to 5 value assumptions, this was also an excellent time to bring up benchmark data, or information the salesperson had uncovered through their pre-call research.

2) Listening for hidden value: During this conversation, the salesperson would be listening for gaps between the ideal buying vision and the current buying vision. This would ensure that the salesperson could focus for the rest of the meeting on the value the customer had not yet fully recognized.

3) Increase contrast with insight scenarios: The salesperson would not directly present the value gap, because they want to avoid selling defensively. Trying to convince a customer that they have a problem often leads to an argument that the salesperson rarely wins. The last thing, for example, that an overwhelmed Buyer needs is another salesperson's solution looking for a problem. Instead, the salesperson will share a short insight scenario (250-350 words) that takes no longer than 90-120 seconds to deliver. This insight based story approach has two advantages: 1) Because the story is about another customer, the Buyer does not feel that they need to defend themselves, and; 2) Because a story simply presents a scenario, it leaves it up to the customer to form their own conclusion. As a result, the story approach removes one thing customers hate most from salespeople, and that is pressure. Without the pressure, the buyer can relax, and if the story is insightful and one that they can see themselves in, the buyer may start to tell themselves a new story where new choices make more sense. So, show, don't tell, and let the buyer take your offering out for a virtual test-drive. This approach will enable buyers to convince themselves, and in turn, take ownership of the problem.



To make your insight scenarios stickier, you may wish to present a clear before and after drawing (see drawing above). The before picture should show all of the problems and costs to your Buyer's business operations in the absence of having your unique capabilities, and the after drawing will show how they used your offering to solve their problem. By increasing the contrast between the before and after picture, you've increased the Delta/value of your product. Also, 72 hours after you leave the customer's office, a customer remember only 10% of the spoken word, but they'll remember 65% if it's accompanied with a picture³. In workshops, I've seen how these pictures really help salespeople become crystal clear in articulating their insight scenario.

4) Listen for clarity: A salesperson only shares an insight scenario with the buyer, so that they hear the Buyer's story. The insight scenario helps the Buyer find the oil spills in their own company. If the buying vision is big and clear, it's time for the salesperson to then start discussing the solution with the buyer.

5) Increase clarity with questions: If the buying vision isn't clear, the salesperson can follow up with a few questions to help the customer fill in the details so that the Seller's generic value becomes specific for the Buyer.

³ Brain Rules, Dr. John Medina, p. 234.

6) Solution: Hopefully by now, the Buyer has bought into the concept of your offering, and all that you need to do now is present your solution, and if needed a few proof points to help the Buyer to justify their decision.

7) Echo letter: The salesperson may then follow-up on the meeting with a letter that articulates the re-framed buying vision. This letter will not only confirm the salesperson's understanding of the new buying vision, but it may also be used by the Buyer to sell access to other key players behind closed doors. The salesperson may then meet with the other key players, and reframe the buying vision for the company.

So, there you have it. Instead of selling blind and trying to sell value, the salesperson can present a few value assumptions, discover the hidden value, and then fill in the value gaps with insight scenarios, listening, and questions.