

A SUMMARY OF “INSIGHT SELLING” BY MIKE SCHULTZ AND JOHN E. DOERR

<http://www.rainsalestraining.com/resources/books/insight-selling>

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Solution Sales is not dead but is insufficient by itself for success. Understanding needs is now more important than diagnosing them. Factors that separate winning sellers from the rest are –

- 1) Educate buyers with new ideas.
- 2) Collaboration.
- 3) Persuade the buyer their results will be achieved.
- 4) Listen.
- 5) Understand.
- 6) Help buyers to avoid pitfalls.
- 7) Craft a compelling solution.
- 8) Depict buying process accurately.
- 9) Connect personally.
- 10) Offer superior value.

Sellers need to help buyers visualise how their solution is going to change their situation and increase their competitiveness. Sellers need to focus on buyer’s aspirations and goals. Then they can influence the buyer’s agenda.

Sellers must focus on aspirations or gain as well as afflictions or pain. To demonstrate understanding in a meeting, summarise and repeat what you have heard. Ask “What if” questions. Ask “Before each transaction, are you talking to an advisor to help structure the deal? If so/not, could you include me in those conversations?” Ask –

1. Why?
2. How?
3. What have you tried that has not worked?
4. Have you considered?
5. What would be the impact if you did this?
6. What will happen if you don’t act?
7. What’s possible in terms of results, action or choices?
8. How do you know that?
9. What do you think is missing?

Sales winners convince buyers they can achieve maximum return and that the risks are acceptable. Winning sellers convince buyers of –

- 1) The ROI is worth pursuing.
- 2) The risk is acceptable.
- 3) The seller is the best choice.

In a study by Bain & Co, 375 companies were asked if they delivered a serious value proposition to clients. 80% said yes but only 8% of their clients agreed. If the buyer isn’t convinced of both maximum ROI and minimum risk, the seller loses to no decision. Sellers need to know what each buyer believes to be important and the work towards that.

Listeners remember stories 22 times more than just facts and figures. Bring an educational approach, eg. “Have you ever thought about (whatever)” and “Let me tell you about a client who faced a similar situation and here is what happened.” Before a meeting, fine out –

1. The prospect’s strategy.
2. Your contact’s agenda.
3. Their stakeholder’s agendas.
4. Where the company is going.
5. Trigger events.
6. Buying process, priorities and competitors.

Ask your contact, “Before our meeting, can you connect me with someone who can share relevant background so I can make our time together as productive as possible?”

Format your story using the 7 components of the Convincing Story Framework as follows –

- 1) Connection – establish credibility by demonstrating keen insight into the buyer’s world. Use an overview of industry trends influencing buyers and of technology issues that change (whatever). Relate to the buyer.
- 2) Dissatisfaction – name the adversary. Establish what the current state is and why it’s not good enough. What is the buyer’s desire to be in a different place? Research concludes that fear of loss is a greater motivator than the desire of potential gain. Let the buyer know the impact and cost of inaction. Challenges could include –
 - a. Better margins without more headcount.
 - b. Add more value.
 - c. Meet and exceed sales targets.
- 3) Desire – your ability to help the buyer imagine a specific aspiration is critical. Leave behind an unsatisfactory situation in favour of a new improved one. Ask, “How capable is your sales force in defining and communicating your ROI? Satisfied desires include –
 - a. Profitable revenue growing without adding headcount.
 - b. Higher closing rates.
 - c. Selling cycle shortening.
- 4) Dissatisfaction layering – to achieve this, weave back and forth between the undesirable current state and the desirable future state. You want to make the status quo unappealing. As you do this, describe stories of what companies have tried that failed. Describe common objectives to moving forward that were overcome.
- 5) Breakthrough – when buyers see what others have achieved when changing, they will want to achieve the same. The concept is envy.
- 6) Results – the better you can customise ROI and show previous similar results, the more confidence your buyer will have.
- 7) Action – next steps? Add collaboration as well. Invite discussion. Ask only for collaboration at this point. This helps the buyer take ownership. Collaboration creates shared experience which can lead to trust. See presentations on website.

Those sellers able to collaborate with buyers to achieve their goals meet with success. When buyers perceive sellers as providing new ideas, sellers have a huge advantage. However, only 21.5% of buyers felt sellers gave them new ideas. If a buyer sees a seller as a team member aiming at a common goal, buying is more likely. Although buyers have more information, they don't always have knowledge. They also need insight.

According to the Information Technology Services Marketing Association (ITSMA) and CFO Magazine, 70% of technical buyers want to engage with sellers before they finalise a short list of vendors. Also, 47% of buyers want to engage with sellers when they are searching for insight on what to do and how to do it. However, a Forrester Research study showed that only 39% of buyers found meetings with sellers valuable.

The more buyers see sellers as a source of insight, the more buyers see how sellers can help them succeed and the more inclined they are to include sellers early in the process. This helps sellers to win but they must bring insight with them.

The collaboration process is 10 times more effective than pitch only persuasion. Actively involve the buyer in the process of framing their solution. When collaboration happens, sellers –

- a. Deepen relationships and trust.
- b. Deepen understanding of need.
- c. Increases the strength of the solution.
- d. Sparks insight, ideas and innovation.
- e. Helps the buyer to see the distinction between sellers.
- f. The more sellers collaborate with buyers, the more the ownership of ideas shifts from seller to buyer.

The two keys to moving your opportunity up on the buyer's priority list are –

1. Desire – to have what you are offering.
2. Ownership – to get them to believe something needs to be done.

Traits among sellers who collaborate the best –

1. They prepare buyers to collaborate. This involves sharing unfinished ideas and needing the buyers help. This invites the buyer to be an active participant in the process and take ownership.
2. Ask the buyer for their thoughts and ideas. For example – “Here is what happened with another client. Imagine you implemented something similar and it is six months from now. What effects do you think you might see? This is why we think it's possible you could increase revenue by X% if you make these changes. We realise however, that you may be sceptical that it would actually happen. Why might it not work here? When they tell you, ask how you could fix that.
3. Ask disruptive questions to make buyers think about the status quo.
4. Shape the path forward together. Say – “Given what we have talked about, I think this could work. However, we still have questions about the detail. You mentioned (whatever). What do you think we can do to make (whatever) succeed?”
5. Define parameters – “What do you think we should do from here?” is too open ended. Better to provide a big picture vision of the best path and then allow the buyer to shape it.

Facilitating Collaborative Group Discussions. Paths of Action –

P = Premise is usually one of the following –

1. Let's solve a problem.
2. Let's explore a possibility.
3. If stuck, let's break the paralysis.
4. Let's talk about the present and see if we want to be elsewhere (and how to get there).

A = Assumptions –

1. What's the situation?
2. What are the challenges?
3. Who is involved?
4. What's the background?
5. What's not worked?
6. What's preventing progress?
7. What are the risks?

At this stage, don't get bogged down in detail. Get all the beliefs, fears and emotions on the table. See if there is an elephant in the room. Ask, "If the most sceptical person in senior management were here and wanted to throw in some roadblocks, what would that person say?"

T = Truths – a summary of what's happening. Are the assumptions true? On a white board, ferret out the important from the unimportant and boil down the assumptions.

H = Hypothesis – put something forward for the sake of argument –

"If we partner with marketing, we will increase quality leads and generate them faster."

"If we could cold call more, we will increase quality leads and generate them faster."

"If we outsource our lead generation, we will increase quality leads and generate them faster."

These hypotheses will be based on truths determined in the previous stage. At this point, your 10 truths will lead you to a whiteboard full of hypotheses but 3 should be the most attractive.

S = Solutions – which hypothesis will have the greatest impact on the buyer? Rank them in order of importance, discussing pluses and minuses. Once you have agreement that a particular solution is the best PATH to solve the problem, make the solution a reality by seeking commitment and action.

Salespeople must be comfortable talking about money. No caps on pay and over achievement commission, boosts sellers results by 9% and 17% respectively.

Sellers need to act as if they are part of the buyer's team. They must conceive, collaborate and drive change. There are two applications to insight selling –

- 1) To provide value in the form of ideas and how to sell something that the buyer doesn't have to buy.
- 2) To sell a particular idea, which comes in the form of new strategies.

Insight selling is about changing a buyer's perception and agenda for action. Buyers buy the vision of what a seller can produce. The seller does better in the first meeting to deliver an executive

briefing on what they do and why. Then ask questions. The seller must act as a change agent, selling ideas and bringing them to life.

Can you connect your value proposition to your prospect's value proposition? Value = monetary worth. A value proposition is a collection of reasons why a buyer buys. A value proposition should be a concept about why people buy something. You have to –

- 1) Resonate with the buyer's needs/wants. You need to make an emotional connection by bringing ideas and ROI. Buyers buy with their hearts (emotional) and justify with their heads (rational).
- 2) Differentiate by offering the best option. The seller, not the product or price, makes the difference.
- 3) Substantiate by convincing the buyer you can deliver. Buyers like something which makes a difference plus ROI, but is wary of risk.

Companies in the US spend \$3.4 to \$4.6 billion on sales training each year with outsourced sales training providers.

Between 85% and 90% of sales training has no lasting impact after 120 days.

According to research by Aberdeen Group, 82% of best in class companies require sales training compared with only 68% of laggard companies.

Assess the learning needs of your team. Figure out –

1. Where the sales team is now regarding skills and knowledge needed to succeed (Point A).
2. Each individual's improvement potential.
3. In which sales role each individual is most likely to succeed.
4. What things look like when they have succeeded (Point B).
5. What effort and time it's going to take to get from Point A to Point B.

According to Aberdeen Group, 85% of best in class companies use a formal sales method supplied by an external provider. These companies see better performances, for example –

1. 83% of their sales people reached quota versus 52% among the industry average and 6% for laggard companies.
2. A 15.4% increase in revenue was seen versus the industry average of 5.6% and a 1.5% decline among laggard companies.
3. A 5.3% increase in deal size or contract value seen versus the industry average of 0.7% and a 2.6% decline among laggard companies.

The best in class companies are investing more than double that of the average (and laggards) and clearly reaping rewards.

Sales training should help sellers learn to build goals and action plans.

However, most sales training focuses on a 2-3 day event where sellers learn new skills. The problem with this event – only training is that the effects fade. To reinforce training for lasting impact, sales coaching is required.

Best in class companies provide post training reinforcement.

Dr Lee W Frederiksen of Hinge says sellers vastly overestimate the role of price when closing a sale. 58% of sellers identified cost as a selection criteria, while only 28% of buyers did.

