

## “THE THREE VALUE CONVERSATIONS”

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### *A SUMMARY*

Salespeople are the number one asset when creating brand differentiation. The three elements needed for customer conversations are –

1. The right message – make sure it’s relevant to something a prospect cares about.
2. The right tools – using the right vehicle, such as a whiteboard.
3. The right skills –

There are also three value conversations in every buying cycle you must be good at –

1. Creating value – differentiation. Recent research states that 68% of salespeople give lack of differentiation as the reason for losing a price battle.
2. Elevating value – according to IDC, by 2016 senior decision makers will be involved in 80% of buying decisions. Most salespeople don’t know how to communicate with these buyers. Such senior buyers want salespeople to demonstrate business and financial competence.
3. Capturing value – put off the price discussion for as long as possible. Then you need to articulate value.

### **Create a buying vision –**

Recent research claims that on average, buyers have completed at least 60% of their buying cycle before contacting a salesperson. However, Sales Benchmark Index indicates that nearly 60% of sales opportunities end up in “no decision”. This begs the question as to the accuracy of buyer’s judgement concerning how far along the process they really are.

Most buyers are undecided whether to make a change at all. Salespeople need to reinforce the need to change buyers from the status quo. Furthermore, 74% of buyers indicated that they buy from salespeople who can establish a buying vision for them to change. The avoidance of loss is more valuable to buyers than the achievement of gain.

Salespeople must help buyers to translate the ever increasing tide of information into meaningful insights to solve their problems. The IT Services Marketing Association (IT SMA) found that 70% of buyers want to engage with salespeople before they identify their short list.

Prospects current situation triggers a need to change more than anything. Start with a Status Quo Profile based on exactly what the status quo is. Then tailor your message and conversations to their SQP which will probably be shared by several decision makers. This will answer these questions –

1. How are your prospects addressing the challenges your products/services can resolve?
2. Why do your prospects believe their current approach is working? Is anything changing?
3. Since they have implemented this current approach, what issues have come to light?
4. What are the holes in their current approach?

You have to make prospect's problems appear more painful than the pain of change. You need to find problems unknown to them. Here are 3 unconsidered needs to get you out of being a commodity –

- 1) Undervalue needs such as problems outside their company.
- 2) Unmet needs – those they don't know they have.
- 3) Unknown needs – similar to number 2.

Appealing to unconsidered needs is superior to responding to stated customer needs. Share published independent statistics with the prospect. Tell them what might keep them awake in 6-12 months' time.

Brainstorm for the three most important talking points. Think about all aspects of your products/services and any differentiators. Write them all down. If they are truly unique, score 2. If they are only better, score 1. If they are the same, score 0.

Then lose the 0 subjects and focus on the 2s. Which of them can you connect to unconsidered needs? After all, your offering is only different if the prospect says so. Then move to the 1s. These can be about improvements and showing prospects the need to change. Identify your Value Wedge –

1. Are you identifying an unconsidered, undervalued or unmet need that is real to the prospect?
2. Can you attach that “new need” to a unique strength that isn't available from competitors?
3. Can you defend your differentiator to others?

## Whiteboard v PowerPoint –

According to research called the Picture Superiority Effect, people will only remember 10% of what you say within two days of you saying it. However, that figure can jump to 65% with the addition of a visual while talking. Whiteboard presentations win over PowerPoint in the following ways –

1. Engagement – a 9% improvement.
2. Credibility – an 8% increase.
3. Presentation quality – 8% of participants said whiteboard is clearer, easier to understand and more enjoyable.
4. Recall – 16% improvement in memory.
5. Persuasive effect – 8% more.
6. Impact – after two days, the whiteboard out performed PowerPoint by 14% on recall and 17% on impact.

When a presenter draws, writes and describes a story, the impression the audience gets is that the presenter really understands what they are talking about. Three recommendations for whiteboard visuals –

1. Context – your prospect needs to see their status quo is unsafe. Picture the gaps and deficiencies in their current state.
2. Contrast – your image should show a clear contrast between their status quo and what you are offering. Show how you fill the gaps and overcome their deficiencies. Put these side by side on the whiteboard.
3. Concrete – show the need to take action.
  - 1) Start with a memorable insight – use numbers to tell a story about something your customer doesn't know about a problem he was unaware of.
  - 2) Show the customer that the status quo is unsafe. Use visual storytelling.
  - 3) Contrast that unsafe situation with a new safe situation. Continue with visuals.
  - 4) Prove it – use customer's own numbers or an independent source to prove your claims.

### **The “why you” whiteboard –**

1. Show the prospect the unconsidered, unmet or underappreciated challenges they face once they have decided to change.
2. Contrast that challenge with your differentiated approach to solving their problem. The greater the contrast, the greater the value perceived.
3. Prove it – like the “why change” story.
4. Rinse and repeat for the other two stories in your Value Wedge.

Sirius Decisions research found that executive decision makers prefer discussions about business trends, issues and insights four times more than traditional sales conversations. Forrester Research supports this by stating that salespeople only talk about business issues 24% of the time.

TrainingIndustry.com found that high performing companies emphasised executive selling skills training and business & financial acumen training, twice as much than average performing companies. In other words, high performing companies spend much more effort developing business expertise and financial acumen among their salespeople. Salespeople need to –

1. Increase their competence in business and financial acumen.
2. Increase their confidence when meeting C level decision makers. They can practice on their own C level executives as well as existing customer’s executives.
3. Increase the quality of the story to make it more compelling. This is to encourage prospects to invest in a better future state. Demonstrate the business impact of your solution rather than just a value proposition.

### **Developing customer insight –**

Learn about external factors and how they are affecting business. If you can address and external factor before your prospect had found a solution for it, you will create great value in the C suite.

A company’s business initiatives are key for shareholders. If you can attach your solution to a known business initiative, you open the door to the C suite. Such initiatives may be related to any area of the business. Also, C level executives can create budgets.

Financial metrics – other than increasing revenue and cutting costs, can you improve a company’s cash flow? Get firms to pay their bills faster? Cash is king.

### **Where to research –**

1. Management presentations – investor relations.
2. Annual reports for shareholders.
3. Financial statements.
4. Social media.
5. Trade journals.
6. Press releases and articles – Google Alerts.

If you're dealing with a smaller company, and can't find all the information you would like, try their competitors. Say to the prospect, "These are the external factors I see in this industry, how does this match up with what's affecting your company?"

74% of closes go to the salesperson who creates a buying vision.

### **You need your prospects to –**

1. Describe their current situation.
2. Describe how they will operate with your offering.
3. Quantify the difference between these two descriptions.

### **Financial Statements – P&L A/C –**

Changes in gross profit margin (gross profit expressed as a % of sales) are usually as a result of either a shift in unit prices, costs or in the mix of products or services sold. Compare any changes in a prospect's numbers to competitors in their sector. Try to help prospects to –

1. Decrease time to market.
2. Enable upselling and cross selling.
3. Enable acquisitions and their effects.
4. Reduce customer turnover.
5. Increase basket size. Can prospects sell more per transaction?

Costs of sales = labour costs, material costs and overheads, which include buildings, equipment and utilities. Any ways of reducing these help prospects.

Senior executives what to know your ideas for improving gross margin, as well as how to make their marketing and sales more effective.

Ask your prospect how they measure ROI.

## **Senior Executive Engagement**

Before seeking a meeting with a senior executive, ask yourself –

1. What external factors or business initiatives have I tied this to?
2. How am I enabling the executive to do something he can't do internally?
3. How am I proving my case with numbers and references?
4. Why does this need an executive's attention? Why shouldn't this be delegated?

Voicemail – under 30 seconds to show you've done your research and understood their potential needs.

When conversing, come armed with good insights and high level questions no one at a lower level can answer. Go easy on the challenging aspect!

## **Need v Want –**

If your prospect is controlling the conversation, they will tell you what they want. This is a commodity trap. You must concentrate on needs which are the reasons or causes of a buying decision. What are the prospect's personal needs? The more needs you uncover which only you can meet, the higher the price you can charge.

## **Price pressure –**

Try to defer the price discussion until later in the process. Until all the facts are uncovered, you can't really say.

Don't start discussions by asking loads of diagnostic questions. Remember, you're meant to be talking more people like your prospect than they do. If you're the only one who learns something from a conversation, it's very one sided and not good for the prospect. When talking to senior prospects, refer to details on their website and in the press.

## **Afterword –**

Prospects want salespeople who will tell them what they should want. They want you to filter all the information available and give them an insight and opinion about what they are missing and how you can fill the gaps.