

Sales Strategy From The Inside Out

How complex selling really works

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FORWARD

I read “Sales Strategy From The Inside Out” and enjoyed it. Then I went back to highlight key parts. When I was done, I realized that I had highlighted the whole book.

At Sundyne Corp. we sell pumps, compressors and other products to the industrial market. Ninety percent of our sales efforts are “complex,” meaning that our field salespeople must call on multiple decision makers at different buying levels at a prospective account. Sometimes the decision makers even work for different organizations, since large companies outsource some of their engineering work to consultants, and we call on the consulting company as well as the end user.

The reason I got so busy with the highlighter is that Duane Sparks has packed his new book with rich insights into the kind of selling we do. Sundyne already uses the *Action Selling* system that works so well for Carrie, Ron, and Darrel, the sellers who speak in these pages. It works extremely well for us, too. But even though I know the system, many insights were fresh to me, or struck with new force.

Perhaps the most fundamental one is this: Regardless of the complexity of the situation, or which decision maker we’re dealing with, the sales process is the same. We can use the same 9 Acts with an engineer or a CEO. Talk about a useful strategic roadmap!

Readers familiar with *Action Selling* will know what I mean by “9 Acts.” (Those who don’t are about to have their eyes opened.) This brings up another point I highlighted: Language matters.

Before Sundyne adopted *Action Selling*, our greatest difficulties in planning effective sales calls came from communication challenges. Now we have a common language to speak with our sales force and channel partners. We used to focus on presenting product features. Now we are focused on “Commitment Objective” and “Asking the Best Questions.” In product knowledge training we now emphasize the needs that the product satisfies and what questions to ask to uncover those needs. We break it down by types of decision makers, so we develop questions that we will ask to decision makers with different levels of authority.

Then there’s the concept that selling must be a team sport. If you want to drive sales results regardless of the economic environment, then management—not just salespeople—must be educated on *Action Selling* and able to speak the language. I love the peer-to-peer phone calls made in this book. In the future, I’m going to have our VP call the VP of prospective companies just to provide assurance that we are very aware of their needs and that we have our best people working on the project.

Several Sundyne salespeople have said that *Action Selling* changed their lives. This is a book that could change yours.

Alan Brown
Sales Manager, Americas
Sundyne Corp.

Introduction

Wrong strategy? Why didn't you ask?

In this book you will meet six fictional characters who tell the tale of a business-to-business sales process, each from his or her own point of view. But let me begin with a story that is not fictional but real.

On August 1, 2007, the heavily trafficked I-35W bridge in Minneapolis collapsed and fell into the Mississippi River. When the initial shock of the tragedy wore off, the Minnesota Department of Transportation hurried to replace the bridge. The contract to construct a new one went out to bid.

The business was won by a Colorado outfit, the only bidder that had never built a bridge in Minnesota. Its proposal carried the highest price tag and one of the slowest delivery times. Its local competitors were so outraged that they filed an unsuccessful lawsuit.

How did the out-of-state firm win the \$250 million contract? The committee that made the decision explained that price and speed of delivery were not the only criteria it considered. Eight other factors were on the committee's wish list. The competitors cried foul. "You never told us that!" they roared.

"You never asked," the committee replied. "The winning bidder did."

In other words, the outsiders clinched a huge deal for one simple reason: They asked the best questions. The competition assumed they knew what mattered to the buyers, and pitched products accordingly. The Colorado people assumed nothing—except that their job was to find out what mattered and why. The insiders saw the deal as a straight bidding affair. The outsiders recognized the situation for what it was: a complex selling environment.

I love that story because it demonstrates what I believe is a great truth about selling. Real professionals don't sell with great pitches. They sell by asking great questions. The more complex the sales environment—with multiple decision makers and multiple buying criteria—the more important this principle becomes.

Here's another truth. When you ask the best questions and use what you learn to create the best sales strategy, "complex" sales get a lot less complex.

How hard does it have to be?

That is the message I have tried to convey in this book. Complex sales don't have to be complex at all. No matter how many decision makers are in the picture, no matter how many criteria arise, a sale still boils down to fundamentals. Those who ask the best questions earn the right to ask more questions. They discover more relevant information than anyone else. And they sell themselves in the process.

That is always your first major task as a salesperson: to sell yourself. If you can do that, you will find it much easier to fulfill the primary duty of every salesperson, which is to gain commitment from customers.

Commitments must be gained at each step in any sales process, up to and including the final buying decision. A "complex" sale in a business-

to-business environment has more steps and more players than a simple person-to-person transaction, but you don't need a whole new set of principles or techniques to gain commitment at each step. The same behaviors that persuaded Decision Maker A to take the previous step will persuade Decision Makers B, C, and D to take the next ones.

Process produces strategy

But what should the next step be? That's where salespeople lose their way in business-to-business selling situations, because very few are really good at sales strategy. Most understand product features and benefits. Some understand how their products serve clients' business needs. But only a handful grasp the real reason why people buy in a complex sale: because their personal needs are met.

A sales strategy that is not based on uncovering and serving the personal needs of the buyers involved is doomed. And when I say buyers, I mean all of them. If your so-called strategy for a complex sale is to brush aside lower-level "influencers" and fight your way straight to the ultimate decision maker, you are going to lose a lot more deals than you win.

When it comes to strategy, what most salespeople lack is a comprehensive process—a system—that provides a reliable way to 1) gather information, 2) uncover buyers' business and personal needs in a way that builds trust, 3) use the information to determine the next logical step on the path toward a sale and, 4) use the trust to gain each buyer's commitment to take that step.

Easy to say, but how does it work? What does it look like and feel like when sellers employ such a process in a complex sales environment? I have seen it many times. This book is my attempt to capture and describe it, from both the buyers' and sellers' points of view.

Like my four previous books, this one tells a story. But it does so in a different form. You will hear from three decision makers at a fictional organization called Amstand Corp. and from three players at GoTeam Unlimited, a company that would like very much to make a major sale to Amstand.

What the sellers do

The system that these sellers employ—and to which the buyers react—is Action Selling. I humbly submit (all right, not so humbly) that Action Selling provides the best available means both to devise an effective strategy for a complex sale and to execute that strategy successfully.

In my earlier books, the Action Selling system is described in some detail. That is not my purpose here. On pages X & XI, immediately following this introduction, you will find a bare-bones explanation of the system’s basic elements and vocabulary: its 9 Acts and the 5 Buying Decisions that the Acts are designed to target. Our three fictional sellers will use some of that vocabulary, and readers unfamiliar with the system will find it helpful to see how the pieces fit together.

But my goal in this book is not to explain the system. Instead I have tried to get inside the heads of the people involved in the transaction to show how and why a genuinely strategic sales approach works. After all, it is inside the buyers’ heads that any sales approach succeeds or fails.

Let me say this, however, about the framework that guides the sellers’ activities. Action Selling is not something I made up one day out of thin air. Here’s a bit of history.

Since the need for a “sales force” first arose during the Industrial Revolution of the 19th Century, a great many thinkers have tried to

figure out the best ways to sell—and to teach people how to sell effectively. I researched more than 500 books on the sales process before I devised Action Selling.

The 5 Buying Decisions that every customer makes? They were identified in 1936 by Burton Bigelow in his book “The Knack of Selling More.” But Bigelow had them out of sequence (his order: Brand, Price, Firm, Salesperson, Time). That error was corrected in 1953 by R.W. Husband in “The Psychology of Successful Selling.” R.W got it right: Salesperson, Company, Product, Price, Time to Buy.

The 9 Acts of Action Selling? In 1898, E. St. Elmo Lewis formulated the idea that the sales process can and should be broken into discrete steps. He was onto something, but he focused on the “pitch,” a word that I hate almost as much as I hate the idea it implies: that selling is mostly about talking, rather than listening.

The emphasis on identifying and then satisfying customer needs, which is the heart and soul of Action Selling? Need Satisfaction Theory, the fundamental basis of all “consultative selling” approaches, was formulated in 1915 by Tipper, Hollingsworth, Hotchkiss, and Parsons. (It took four guys to figure this out back then.)

I tell you all of that only to assure you that the system I am recommending has its roots in a considerable body of thought and research. Knowing the history will not help you sell more effectively in a complex, business-to-business environment. But if I have achieved my goal, reading this book will.

Duane Sparks
Chairman, The Sales Board
Author of Action Selling

ACTION SELLING IN BRIEF

The 5 Buying Decisions

Action Selling is built upon this research-proven fact: A customer's "buying decision" is not really singular but plural. In choosing whether to purchase something from a salesperson, customers actually make five major buying decisions. What's more—this is crucial—they always make those decisions in the same order. And no, price is not number one.

1. Salesperson

You can't sell a product before you sell yourself. Unless customers first decide to buy you, the salesperson, they will not buy anything from you. The decision hinges on whether they find you likeable, honest, credible, and, above all, trustworthy. Selling yourself first is so crucial that the first four Acts of Action Selling are devoted to it.

2. Company

In deciding whether to "buy" the salesperson's company, the customer weighs matters including its reputation, expertise, policies, and whether it is a good match for the customer's company.

3. Product

Which of the customer's needs will the product address? Will it solve important problems? Create opportunities? Does its quality stack up well against the competition?

4. Price

Is the solution worth the cost? Is it a good value compared with competitive offerings?

5. Time to Buy

When does the customer need the results that the product will deliver? How soon must he make up his mind?

A sale is made *only* when the customer makes the first four decisions in your favor and determines that the time to buy is now. If any of these decisions go against you, the sale is lost.

The 9 Acts

Though they usually aren't aware of it, customers always make the 5 Buying Decisions in the same order. The 9 Acts of Action Selling are designed and arranged to keep the sales process moving forward by maximizing the odds that the customer will make each decision in your favor. Together, the Acts comprise a step-by-step strategy for successful sales calls.

Act 1: Commitment Objective

The salesperson must have a preplanned Commitment Objective for every sales call. This is a goal to gain the customer's agreement to take the next logical step toward a final buying decision. What must the customer agree to *do* that will keep the process moving forward?

Act 2: People Skills

Open the call by using interpersonal skills to establish rapport with the customer and begin to build a trusting relationship. The single most important "people skill" is effective listening.

Act 3: Ask the Best Questions

Uncover needs and continue to build trust by asking thoughtful questions about problems and opportunities facing the customer's company and the customer personally. How does the company win or lose in its business? What would a personal win for this customer look like? What other decision makers have a stake in the situation?

Act 4: Agree on Need

Ensure that you have understood the customer's answers to your questions and gain explicit agreement that you have identified the customer's most important business and personal needs.

Act 5: Sell the Company

Using what you now know about what really matters to the customer, target those needs directly in explaining why your company would be a good partner to address them.

Act 6: Sell the Product

Present your product or solution, focusing again on its specific application to the customer's agreed-upon needs.

Act 7: Ask for Commitment

Ask the customer to take the step you identified as your Commitment Objective: buy the product, schedule a meeting with other decision makers, etc. Keep the sales process moving.

Act 8: Confirm the Sale

Assure the customer that he has made the right decision, tell him you appreciate the business, and schedule the next event. Take these steps to ward off buyer's remorse.

Act 9: Replay the Call

After every sales call, review your execution of the first eight Acts. What could you do better next time? Perform Act 9 faithfully, and you will never stop improving.

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PREFACE

Strategy is not a knack

In my 37 years as a salesperson, sales executive and sales trainer, I have known thousands of wonderful salespeople. But in all that time I have met only a handful whom I would consider naturally excellent at sales strategy. I can literally count them on one hand.

When I say “excellent at strategy,” I mean salespeople who could think through a complex deal and maintain a clear vision of how and why the deal would happen. Thanks to what I can only call an innate ability, these five individuals could figure out the power relationships in client organizations—which people had the influence, authority, and respect necessary to move the deal forward—and determine the necessary steps to bring those people onboard.

Above all, they were perceptive about the motives of buyers and influencers at various levels and knew what they had to do to help the buyers get what they wanted.

No, they weren’t clairvoyant. Their abilities had to do with asking great questions and thereby earning the right to ask more great questions. They wound up knowing who was who, and what was what,

and how various buyers stood to benefit from the deal because the buyers told them. The buyers told them because great questions build trust, and trust creates allies.

Those five people were naturals. Every other salesperson I've ever known had to be thoroughly trained to reach a comparable level of effectiveness.

A number of books have been written on sales strategy. Some of them are very good. A few years ago I met Steve Heiman, author of the great book, "Strategic Selling." I hold his work in very high regard. He documents, in great detail, the different types of buyers that exist in organizations and how to approach them.

What's lacking even in Heiman's first-rate book, however, is a vivid sense of how salespeople who really "get" strategy actually operate, and why buyers respond to them.

This book is my attempt to fill that gap. I wanted to get inside the heads of some sellers who excel at strategy, and let them describe why and how they do what they do. Likewise, I wanted to get inside the heads of some buyers at different levels in an organization and let those buyers describe what it is about these particular salespeople that makes them stand out from the crowd. Why do the buyers find themselves wanting to do business with these folks and not somebody else?

A complex sale can involve any number of players in the buying and selling companies, but I think that three voices from each side of the fence are enough to illustrate how and why a great sales strategy works. You're going to hear from three people at GoTeam Unlimited, a team of sellers, and from their counterparts in the corporate hierarchy at a client organization called Amstand Companies.

To imagine these characters as fully as possible, I made each of them a composite of some real people I have known. I want to make it clear, however, that no character is based on a single person, and no character is intended to represent any actual person, living or dead.

It is for the reader to judge how realistic I was able to make my characters seem. But I'd like to point out that one of them, at least, is deliberately imperfect. Carrie Overton, the GoTeam salesperson who makes the initial contact at Amstand, is not the most adorable or charismatic or customer-loving person you will ever meet.

This is because she doesn't have to be. One lesson I hope you will take away from this book: Great strategy, and the learnable skills necessary to execute it, do not depend on any special, innate charisma of the salesperson. They depend instead on employing a systematic approach to the sales process that enables people who aren't "naturals"—practically all of us, in other words—to do what the handful of naturals are able to do.

The system that GoTeam uses is Action Selling. The three sellers will describe some of its workings explicitly. But the whole point of using these characters is to let them show you, rather than just tell you, how and why the system works in a complex selling situation.

I am a teacher and trainer at heart, however, so please allow me to spell out a few other lessons that I'm trying to illustrate.

- The GoTeam sellers are great at strategy not individually but in combination. They consult with one another about the Amstand account. They *talk*. It's part of what Action Selling calls "leveraging your resources." If I could find only five naturally great sales strategists in 37 years, maybe we need to put our heads together more often. (Selling happens to be more fun that way, too.)

- Other writers, including Steve Heiman, have suggested that salespeople find a “coach” in the client organization to help them navigate through a complex sale. Basically, the coach is someone to whom you can ask questions such as, “How does the decision process work in your company?” Or, “Who should I speak to about this topic?” I think the idea is great as far as it goes, but why make just one person a coach? Why not learn how to ask great questions and earn the right to ask more questions of every single decision-maker you call upon? Make them all coaches. Once you do, they will gladly give you the information you need to win.
- A related lesson: Lower-level “influencers” are not obstacles to avoid in your quest to get to the person who makes the ultimate buying decision. They are potential allies—every one of them. They should want to take you to the ultimate buyer. Too many salespeople think they’re being “strategic” when they find a way over, around, or through a department head, say, to get to a senior executive. When the exec listens to their pitch for five or 10 minutes and then gives them the heave-ho, they think: “Well, at least my strategy worked. I got to the top decision-maker.” This is so tragic that I don’t know whether to laugh or cry.

I explained in the Introduction that Action Selling is structured upon certain documented knowledge about every buyer’s decision-making process (the 5 Buying Decisions). The first of those decisions (“Do I buy the salesperson?”) is absolutely critical. As you read what our characters have to say, please notice how everything else flows from that first decision.

Once a decision-maker at any level “buys” the salesperson, he or she begins looking for reasons to buy the product, instead of reasons not to buy. The salesperson gains an ally who provides vital “coaching” information about how to travel the path toward a sale. In a complex

sales environment, how do you know what your next step or milestone should be? How do you get the information necessary to achieve that milestone? It all comes from people who have “bought you.”

This isn't to say that salespeople don't need to do any homework on their own. It's important to research a client company, and you'll find that lesson embedded in the book too. But if the client company is a maze, it's the buyers' maze. When they, themselves, are leading you through it, a complex sale isn't complex at all.

All 5 Buying Decisions are important. They all matter. But how crucial do I consider the first one: whether to buy the salesperson? You will discover that all of the characters in this book are speaking before GoTeam has presented its product—its proposed solution for Amstand's needs. The issue of price has not yet come up. The first buyer you meet, a middle manager named Nancy Winslow, is going to marvel that “GoTeam still hasn't tried to sell us a solitary thing.”

I would argue that Nancy is dead wrong. I think that GoTeam already has sold her the most important thing. I'll leave it to you to decide whether you think GoTeam is going to make a lot of money.

Duane Sparks

GET TRAINED AND CERTIFIED AS AN ***ACTION SELLING*** PROFESSIONAL!



Want to learn more about how Action Selling can help your organization realize its full sales potential? For information about training and certification for yourself or your salespeople, contact The Sales Board.

Founded in 1990, The Sales Board has boosted the performance of more than 350,000 salespeople from over 3,000 companies worldwide in virtually every industry. Action Selling provides a systematic approach to managing and conducting the entire sales process. Our complete training program provides all the necessary tools for students and instructors. Training is customized specifically for each organization's selling situation and even for individual salespeople.

Studies document that salespeople who become Action Selling Certified improve their sales performance at a rate that is 6 times greater than those without training. As for rookie salespeople, there is no finer system to start them off on the right foot and make them productive immediately.

Students participate in a highly interactive two-day training session facilitated by our talented trainers or by their own Action Selling Certified managers. Students then take part in Skill Drills to refine and reinforce their new skills in the field. Accountability is built into the process with management reinforcement, plus an assessment and certification system.

To learn more about the complete Action Selling training and certification system, please contact us or visit our Web site:

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ABOUT THE AUTHOR



Duane Sparks is chairman and founder of The Sales Board, a Minneapolis-based sales training company that trains and certifies salespeople in the system and the skills of Action Selling. He is the author of five best selling sales books:

Action Selling - How to sell like a professional even if you think you are one

Selling Your Price - How to escape the race to the bargain basement

Questions - The Answer to Sales

Masters of Loyalty - How to turn your sales force into a loyalty force

Sales Strategy From The Inside Out - How complex selling really works

The Action Selling sales training program trains and certifies salespeople in the critical sales skills that have the greatest impact on sales performance. And from the ground up, its programs are designed to ensure that those critical selling skills are not only learned but used, consistently, in the field. Action Selling is recognized worldwide for sales training that produces sustainable sales growth.