Vlerick Sales Centre Article Summary Series

The end of solution sales (by Brent Adamson, Matthew Dixon and Nicholas Toman, Harvard Business Review, July-August 2012)

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Introduction

Sales reps are adept at selling solutions, but customers have become skilled at finding their own; they don't need reps as they once did.

Traditional solution selling is based on the premise that salespeople should lead with open-ended questions designed to surface recognized customer needs. Insight-based selling rests on the belief that salespeople must lead with disruptive ideas that will make customers aware of unknown needs. Reps must learn to engage customers much earlier, well before customers fully understand their own needs.

High-performing salespeople:

- look for agile organizations in a state of flux rather than ones with a clear understating of their needs;
- seek out a very different set of stakeholders, preferring skeptical change agents over friendly informants;
- coach those change agents on how they buy, rather than quizzesing them about their company's purchasing process.

Strategy 1: Avoid the trap of established demand

Star performers place little value on traditional predictors. Instead, they emphasize two nontraditional criteria. First, they put a premium on customer agility: Can a customer act quickly and decisively when presented with a compelling case, or is it hamstrung by structures and relationships that stifle change? Second, they pursue customers that have an emerging need or are in a state of organizational flux, whether because of external pressures, such as a recent acquisition, a leadership turnover, or widespread dissatisfaction with current practices. These customers are looking for insights and are naturally more receptive to the disruptive ideas that star performers bring to the table.

In other words, place more emphasis on a customer's potential to change than on its potential to buy. The best salespeople are replacing traditional “solution selling” with “insight selling” - a strategy that demands a radically different approach across several areas of the purchasing process.

Strategy 2: Don’t target talkers

This analysis revealed seven distinct stakeholder profiles and measured the relative ability of individuals of each type to build consensus and drive around a large corporate purchase or initiative. The profiles are not mutually exclusive; most people have attributes of more than one.

Go-getters
Motivated by organizational improvement and constantly looking for good ideas. Go-getters champion action around great insights wherever they find them.
Teachers
Passionate about sharing insights. Teachers are sought out by colleagues for their input. They’re especially good at persuading others to take a specific course of action.

Skeptics
Wary of large, complicated projects. Skeptics push back on almost everything. Even when championing a new idea, they counsel careful, measured implementation.

Guides
Willing to share the organization’s latest gossip. Guides furnish information that’s typically unavailable to outsiders.

Friends
just as nice as the name suggest. Friends are readily accessible and will happily help reps network with other stakeholders in the organization.

Climbers
Focused primarily on personal gain. Climbers back projects that will raise their own profiles, and they expect to be rewarded when those projects succeed.

Blockers
Perhaps better described as “anti-stakeholders”. Blockers are strongly oriented toward the status quo. They have little interest in speaking with outside vendors.

Average reps typically connect with Guides, Friends and Climbers – types that are grouped together as Talkers. These people are personable and accessible and they share company information freely, all of which makes them very appealing. But if your goal is to close a deal, not just have a chat, Talkers won’t get you very far. They’re often poor at building the consensus necessary for complex purchasing decision.

The profiles that star reps pursue – Go-getters, Teachers and Skeptics – are far better at generating consensus. Refer them as Mobilizers. A conversation with a Mobilizer isn’t necessarily easy. Because Mobilizers are focused first and foremost on driving productive change for their company, that’s what they want to talk about – their company, not yours. Mobilizers are less likely to get behind a particular insight. Reps who rely on a traditional features and benefits sales approach will probably fail to engage Mobilizers. They ask a lot of tough questions – Go-getters because they want to do, teachers because they want to share, and Skeptics because they want to test.

Strategy 3: Coach customers on how to buy

Suppliers are frequently better positioned than the customer to steer a purchase through the organization. Suppliers can foresee likely objections. They can anticipate cross-silo politicking. And in many cases they can head off problems before they arise. The process is part of the overarching strategy of providing insight rather than extracting it. Whereas most reps rely on a customer to coach them through a sale, stars coach the customer.

Don’t waste a lot of time of asking customers about who has to be involved in the vetting process, whose buy-in we need to obtain, or who holds the purse strings. Know more about how the purchase will unfold than the customers do. Let them champion the vision internally, but it is the rep’s job to help them get the deal done.
Conclusion

It is the end of traditional solution selling. Customers are increasingly circumventing reps; they’re using publicly available information to diagnose their own needs and turning to sophisticated procurement departments and third-party purchasing consultants to help them extract the best possible deals from suppliers. The trend will only accelerate. For sales, this isn’t just another long, hot summer; it’s wholesale climate change.

Adaptive reps, who seek out customers that are primed for change, challenge them with provocative insights, and coach them on how to buy, will become indispensable. They may still be selling solutions – but more broadly, they’re selling insights. And in this new world, that makes the difference between a pitch that goes nowhere and one that secures the customer’s business.