executive briefing report

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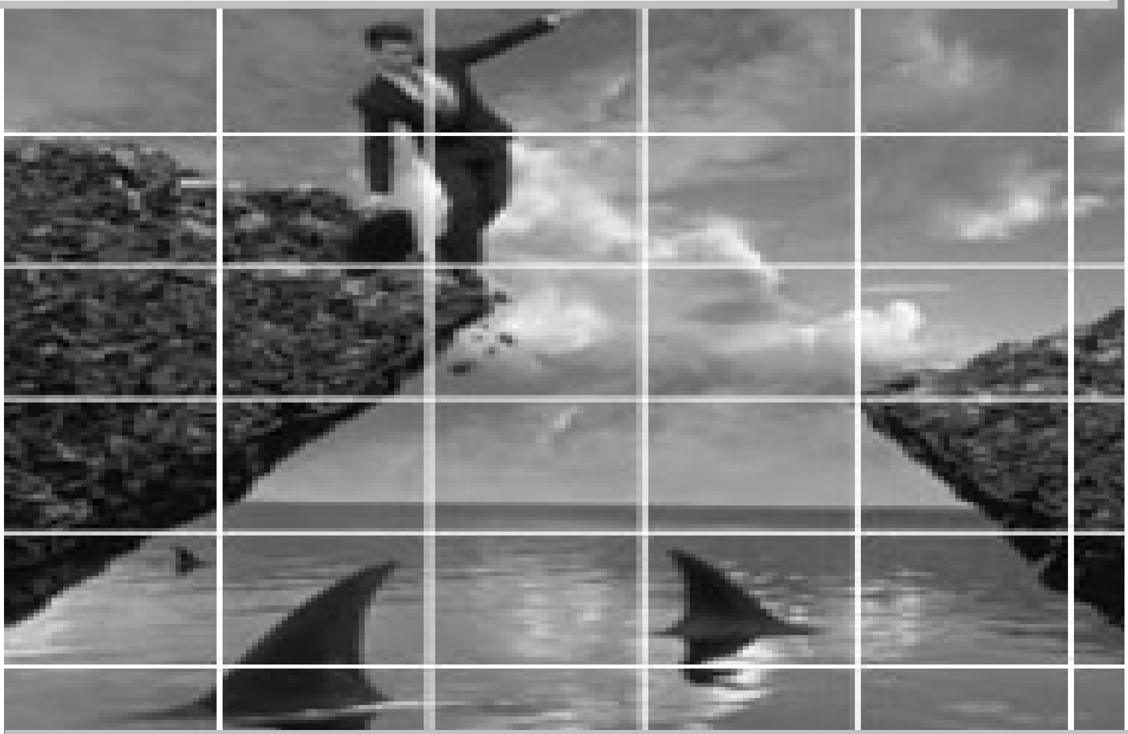

A Short Primer On:

Strategic Selling

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The NEW Strategic Selling

The following is an outline of the book from Miller-Heiman. Please read the information contained in this report for it will help us all be on the same page and move us closer to our objective – winning business.

This short booklet of 20 plus pages contains the key points from the book Miller Heiman "The New Strategic Selling." The intent of this is to use to familiarize you with the key points, the idea and concept of sales strategy and get you and your sales team to become great sales strategists.

THIS IS NOT MEANT TO BE A SUBSTITUTE FOR READING THE BOOK.

Section I

In order to win business in today's world you cannot approach sales as a "one person – one meeting" greet and propose. Clients with a business problem, tend to have multiple people involved in making a decision, formally or informally. They tend to create buying criteria, formally stated or informally inferred. They tend to take longer and analyze the impact to their company and analyze the meaning and impact to their careers as well.

Selling complex solutions is defined as - more than one buyer, more than one sales call, with a service and solution that is not cookie cutter. Selling complex solutions and services require that you have a complete understanding of how the client decides. Take your own company for instance. Look at the number of people who are involved in making just about any buying decision. Some people are more involved than others. Even when people are "just kept in the loop" they have an awesome impact on the decision being made just through asking simple a question or making a "innocuous" suggestion.

So, magnify this when some large expenditure or buying decision has to take place - or when the buying of a product or service can have a big impact to the business. Look at how many people get involved then. You will see people taking an active role to make sure the product or service meets their objective and that the risks to not meeting that objective are minimized and making sure that they as individuals don't lose turf or cannot be blamed for a poor decision.

This document is designed to help you understand the same dynamics that go on in your clients' organizations and position your sale to meet the issues and objectives of both the client organization and the client's individuals who are involved in the purchase.

Your Starting Point: Position

To the military strategist, position is a critical element in any campaign or battle plan. In selling, as in war, position is critical as well. What Position or "Setting a Strategy" really means is doing whatever you have to do to put yourself in the best possible position to accomplish your objective.

STRATEGY & TACTICS

Both *strategy* and *tactics* are derived from the ancient Greek works *stategos* and *tactikos*. *Stategos* was the word for "general" or "art of the general". Strategos translates to setting up your forces in their best possible positions before the battle.

The objective of strategy is setting yourself up in the right position – that *is, to be in the right place with the right people at the right time with the right equipment (solution) so that you can make the right set of moves to accomplish the objective.*

Position: Determining Where You Are

Step 1: Identify Relevant Changes

Write the word "change" on a piece of paper in the top left hand column. Then list all the changes going on in your account and outside your account that affect your account. They include general topics like issues and trends which in turn relate to government regulations, competition, globalization, oil prices, politics, war, key management movement, internal cultural shifts, quarterly or annual P&L changes, shareholder meetings that are pressuring management, etc.

But be specific – you should have at minimum 15 to 25 changes. The less you have, the more you need to know about your account. (The book states this should be changes affecting you)

Step 2: Define these Changes

Define these changes as threats or opportunities by placing a "T" or an "O" next to the items. You must define these right now as only one or the other – not both. So are they primarily positive or negative relative to your current position with your account? For example, if the client is moving toward narrowing down their list of vendors – is this a threat or an opportunity? It will probably be a threat – unless the client told you explicitly that you are the one vendor being considered to take on all the work of the others. Put this aside for now.

Step 3: Define your Current Single Sales Objective

Now on the right hand side of the same page, write down what it is you are trying to sell within your client's account. You may call it a deal, order, or opportunity. This is called the *single sales objective* in Strategic Selling. Also define the order amount in dollars and the date you expect to close. You must be specific.

Now look at the changes in the left hand column and ask "How does each change on my list affect my current sales objective?" and "Are the changes I have marked as threats creating problems for me in attaining this objective right now?" Are the opportunities making it easier for you to attain it? The purpose here is to help you define specifically the connections between general changes and your immediate goal.

Step 4: Test your Current Position

How do you feel about your single sales objective now? Specifically – how do you feel about closing it in the time frame you stated?

Euphoria	Great	Secure	Comfort	OK	Concern	Discomfort	Worry	Fear	Panic
5	4	3	2	1	-1	-2	-3	-4	-5

It's as dangerous to be blissfully happy about your account as it is to be in a panic mode.. This is just a "gut check".

Step 5: Examine Alternate Positions

Once you know where you are you want to next decide where you want to go. Discover how you might reposition yourself to attain this single sales objective through alternatives.

Think about the areas of possibly change – areas in which something you can counteract the environmental changes that are causing you distress.

Turn to another page and write out alternative positions then list out the things you can do to improve your position.

Save the list for later.

Section II

Blue Print Strategy

There six key elements to a sales strategy. The first four are critical. The last two are important to identifying where your business should be coming from. We will cover all six elements in some detail in this section

The six key elements are:

- Buying Influences
- Red Flags and Leveraging From Strength
- Response Modes
- Win-Results
- Ideal Customer (Client) Profile
- Sales Funnel

Key Element #1: Buying influences

The complex sale is one where there is more than one person - who have to give their approval or input for the sale to go through. Identifying all the people and understanding their roles in terms of your sales objective is key.

Not identifying the people involved, their roles and their personal and professional objectives as it relates to this Single Sales Objectives is one of the major reasons why sales people lose deals. You as a manager or sales person or delivery person must identify all the players and understand their roles. We call these people *Buying Influences* or *Buyers* for shorthand. These are NOT purchasing agents!

The Most Common Reason Why Sales People Lose Deals:

By not identifying the people involved, their roles and their personal and professional objectives as it relates to this Single Sales Objectives is one of the major reasons why sales people lose deals.

There are four types of Buying Influences:

- Economic Buyer
- User Buyer
- Technical Buyer
- Coach

Economic Buyer

These give <u>final</u> approval to buy. It is the person the committee or key person goes to in order to gain final approval or “yes”. ***They can say “yes” or “no” - even when everyone else has said “no” or “yes”.***

User Buyer

They make judgments about the potential impact of your solution on their job or work related performance.

The use or supervise the use of your solution or service. ***This means their personal success is directly tied to the success of your solution.*** There may be several people in this role.

Technical Buyer

Their role is to screen out possible providers. Their focus is on the service itself and determining how well it meets specifications or is aligned to industry or company standards. ***They can't give a final "yes" – but they can give a final "no". There can be several people playing this role.***

Coach

This is a person leading you to other Buyers that you can't reach or don't know about. They are providing you information you cannot get normally. They are giving you information on what similar projects have been approved, what not to say, language to avoid, issues and people to watch out for and information as to why this project is important and who it impacts. The net net is: ***the coach's focus is on helping <u>you</u> make the sale.***

Key Element #2: Red Flags/ Leverage from Strength

The Red Flag is the symbol used to highlight areas that need further attention. Red Flags of course mean "danger" or "warning". Red Flags are not minor annoyances, but are hazards. ***Red Flags are <u>positive</u> because they help identify trouble before it finds you.***

Every sound Alternative Position eliminates a Red Flag or Leverage from Strength.

A "Leverage from Strength" is an area that differentiates you from the competition as a way of offsetting or minimizing threats to your strategic position.

Key Element #3: Response Modes

This key element is knowing how the Key Buying Influences feel about your proposal. You need to identify their current receptivity to change, specifically the change to their business that your proposal represents.

You need to understand how the Buying Influences feel about change. This will in turn help you and your team predict their level of buyer receptivity.

There are always four possible reactions to change which we will call **Response Modes**. They are determined by:

1. The buyer's perception of the immediate business situation.
2. The buyer's perception of <u>how</u> your proposal is likely to change their situation
3. The buyer's perception of whether or not that change will close the gap or discrepancy between what's seen as the current reality and the results needed.

No matter how good a proposal you create and the objective needs, no Buyer will be receptive to change unless he/she recognizes a gap between where they are now and where they want to be. This may also be called a discrepancy.

The four possible response modes are:

1. Growth

The Buyer does perceive this to be an essential discrepancy and feels that the gap between current reality and the desired results can be closed only if the quantity can be increased, quality improved, or both.

Your proposal will resonate with this Buyer if you can show through the proposal how the Buyer can do more or better.

2. Trouble

The Buyer in this case sees a discrepancy or a gap as well. The Buyer has a problem or deviation or discrepancy from where they prefer to be and where they are or where they are heading. The Buyer wants a proposal that will help them change the course of their organization back to where they need to be.

If the proposal helps them eliminate or mitigate their problem, this person will be a good candidate for a sale. And the quicker the better.

3. Even-Keel or Confident

This Buyer sees no discrepancy between current reality and hoped for results. They are perfectly satisfied with the status quo and have no intention to change. Selling them “change” in your proposal has no affect on them. ***No problem, no growth need, no sale.***

4. Overconfident

This is a Buyer who perceives reality as being far better than any hoped for results. ***These Buyers are also unreceptive to a proposal that brings about change.*** Changing business conditions can move a Buyer from “Overconfident” to “Trouble” mode extremely quickly. However, be ready to capitalize on such shifts.

Key Element #4: Win-Results

You as a Strategic Seller of services have to look beyond the initial sale and see that this initial sale is the way you will be treated in the future (or viewed) by the client.

Therefore, trickery or deception on your part may result in a WIN for you and your firm in the short term, but in the long term will result in a loss for future business.

The opposite is also true. Caving into low rates or having your proposal cut up into pieces and farmed out to multiple vendors will result in a LOSE-WIN scenario. You lose and the client wins.

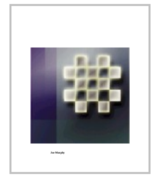
Again, this LOSE-WIN in a short term is a one sale tactic. You cave into pressure to make the sale but the Buyer has no respect for you or your services because they don’t see your value- they see you as a cost or commodity.

The reason for emphasizing this is because you are interested in:

1. Satisfied clients
2. Long term relationships
3. Recurring revenue
4. Projectable business

5. Repeat business
6. Good referrals
7. Good references

The only way you'll get these is to make the sale WIN-WIN and not allow anything else. Even explaining this to potential clients sends them a message. All businesses understand this WIN-WIN message and the aim of the seven reasons above because they want the same from their customers.



The four outcomes of every buy-sell encounter are:

1. **WIN-WIN:** Both you and the Buyer "WIN." You both know you have achieved what you needed, but not at the expense of the other.
2. **WIN-LOSE:** You win at the Buyer's expense. A short term scenario, because the Buyer always finds out and the likelihood of you doing business there again is nil.
3. **LOSE-WIN:** Here the Buyer wins at your expense. Now you are categorized as a commodity because you "bought the business." Buying the business may seem like a good strategy, but usually it isn't. You should always get something in return if you give something up. Never negotiate giving something up without getting something in return.
4. **LOSE-LOSE:** Both the Buyer and Seller lose. You make the sale, but neither one of you feel good about what happened to make the sale occur.

Obviously your job is to sell. But you want to do more than just sell- you want to bring about a WIN-WIN situation or "partnership" scenario.

Many sales training programs act on the premise that people buy when you demonstrate to them that you can meet their immediate business needs. These programs are *product-oriented* and trainers tend to spend more time on the features and benefits of the product, and then send the Sellers out to demo and get orders.

But people buy for one of two reasons – 1) they have a problem or 2) they see an opportunity for growth by applying and using your service or solution. The result is the impact on their business is positive.

The WIN is buying psychology. It's a personal gain that satisfies the personal self-interest of the Buyer. WIN-RESULTS are tied together and are the real reasons why people buy.

Key Element #5: The Ideal Customer Profile

Think of the qualities of the best accounts you have ever had and compare them to the worst. Wasn't the sale easier and the relationship so much better in one over the other? What were the characteristics of both? Were you dealing in one with User Buyers or business people in one? Did the account have a different culture where they sought valued partnerships versus low price? What other characteristics?

These good characteristics formulate the profile of your ideal customer. Ideal customers are the accounts you should be targeting. Other than ideal – the impact to you can be:

1. Longer sales cycles
2. Harder to manage relationship
3. Low margin business
4. No reference-ability

5. No referrals
6. A source of frustration
7. No repeat business

Key Element #6: The Sales Funnel

The sales funnel allows you to manage your prospective clients in such a manner that it leverages your most precious commodity – your selling time. The sales funnel is a metaphor that helps you see where the account is in terms of the buying cycle and insures that you always have business "in the hopper" so that you never go into the Sellers "dry spell."

Section III

Key Points – Learning Experiences and General Notes

Buying Roles

1. You must determine all the people involved in the sale and understand how they fit into one of the four roles. Your inattention to this will make the sale longer, will impact your ability to determine if this is a good prospect for real business, and is the most often cause for losing the sale.

2. You have to meet with all the Buyers in a complex sale. "You" equals yourself or one of your teammates or management team. If the sale is a big ticket item this becomes more critical. The rule is the bigger the cost of the transaction, the deeper the relationship you must have with the Buyers in order to position yourself and your firm for the win.

3. Another rule is your management must be mapped with their management and the larger the cost of the transaction, the higher up you should map your management.

4. **The Economic Buying Influence** is the person who gives final approval to buy your service or solution. The role of this person is to release the funds to buy. This person is critical to the sale. The focus for them is not price, but price-performance. There is one Economic Buyer per sale. The role of the Economic Buyer may be played by a Board, by a selection committee or another body acting as a single entity. But even in those bodies, there is someone who is more equal than the others

5. How to find the Economic Buyer:

    a. The larger the dollar amount to be spent, the higher up they are

    b. In hard times, the purchasing authority levels are tightened, so the person usually making this decision will probably have to seek approval higher up

    c. Experience with you and your firm may allow the decision to be made at a lower level – if you delivered in the past.

    d. Experience with your service or solution may mean the decision can be made at a lover level, however, two key points: 1) without experience and the more risk, the higher up the decision will be made and 2) the more experience with your service it may mean more competitors will be asked to bid.

    e. Potential organizational impact means the more potential impact, the higher up the decision will be made.

6. **<u>The User Buyer Influence</u>** makes the judgment about the impact of the service or solution on their jobs. <u>On their Jobs</u> is the key phrase – they are concerned about everyday operations.
7. The User Buyer Influence will ask you about the services or solutions reliability, your record of proper implementations, how easy it will be to work, what changes will be made to their department, safety, maintenance and morale.
8. It could be a manager playing the User Buyer Role role or the worker bees. There is always at least one person who will play this role. They will "live" with your solution, and their daily success is linked to it.
9. **<u>The Technical Buyer Influence</u>** can be sticklers and seem to be difficult, but they want to make sure your solution meets the specs, standards the company has outlined, purchasing limits, budgeting constraints, technical compliance, technical specs, and of course legal or contractual terms or other metrics, measures and criteria.
10. Don't confuse the Technical Buyer Influence as the person who comes out of IT because of the word "technical". This person may come out of purchasing, legal, finance or other areas of the business.
11. Technical Buyer Influences act as a gatekeeper or screener, and their job is to throw blocks in your path – or at least it seems to be.
12. The Technical Buyer's task is to limit the number of players through technicalities. The people identified in this role are from IT, Legal or Contracts people or Purchasing Agents. You must identify them or they'll shoot you down.
13. The Technical Buyer Influence people playing these roles are usually harder to spot. One reason is if someone doesn't want you or your solution, they will use specs or standards in order to block you or block the entire sale. The other fact is that an outside agency or group may be acting as a screener, such as in the role of a company under Chapter 11 – outside creditors may be the technical buyers.
14. A Technical Buyer may act as a person with the final buying authority when they in fact are not. An Economic Buyer may give the Technical Buyer semi-final authority by saying "you decide how this will work and what we should do."
15. **<u>Your Coaches</u>** (notice this is plural) is key to any sale. You must develop at least one coach who can poivde insight and information. It is best if you have several people giving you information. The role of the coach is to guide you through the sale.
16. A coach can:
    a. guarantee you get the order
    b. clarify and validate your Single Sales Objective
    c. identify and meet the people who are filling the other Buyer Influence roles
    d. Assess the situation so that you are most effectively positioned with each one
17. You must sell to all your Buying Influences. Don't make the mistake of selling just to the people you know or feel comfortable with.
18. The first three Buying Influences exist whereas the Coach needs to be developed.
19. The Coach can be found in your organization or the client's organization.
20. The best Coaches are:
    a. those working for the client

b. someone who is credible and knows the client organization
c. has credibility with the Buying Influences for your Single Sales Objective
d. the best coach in terms of credibility is to turn your Economic Buyer into your Coach
e. someone or people who want your solution

Degree of Influence (a new concept to Strategic Selling)

21. You must pay attention to the Degree of Influence that each of the Buyers exert on your objective. For example:
22. If your Coach or the other Buyers refer to the technician's expertise or outside consultant's knowledge and expertise, you should pay attention to them more and therefore your strategy should reflect that.
23. Your Economic Buyer may be the critical person in the decision. In other cases he or she may have just delegated the decision responsibility to someone and he turns into a rubber stamp. Remember that you may find the Economic Buyer has delegated responsibility, but he/she can always pull it back in a moment's notice – so be aware.
24. Degree of Influence is High, Medium or Low.

There Are Five Critical Factors (Degrees) of Influence

1. **Organizational Impact** - Where does your proposal help? If its project-ability to the corporation, then the CFO or even the CEO can be a critical person because of the impact to an area that really concerns them.

2. **Level of Expertise** - Which of the Buying Influences is most knowledgeable in your solution? Who do the people turn to get advice?

3. **Location** - Where is your Buying Influence sitting? At the corporation with the other Buying Influences? If one is in London and four are in New York, guess which one will have the least influence?

4. **Personal Priority** - Who will be affected positively the most personally? The higher priority your Single Sales Objective has for a Buying Influence personally, the greater likelihood that he/she will try to exert a significant degree of influence on the outcome.

5. **Politics** - Internal politics is probably the most common and single most irritating factor. There are hirings, firings, and shifts in reporting structures.

Section IV

Workshop: Buying Influences

Step 1: Draw your Buying Influences Chart

Write small enough, because you'll be adding additional information about each Buyer.

Economic: Release $$$	User: Judges impact on job
Technical: Screens Out	Coaches: Guides me on this sale

Step 2: Identify all your Buyers

Write down the names of the people in each role. The wrong way to do this is to simply list all the people you are calling on and fit them into the four slots- don't force fit people into these roles.

The right way to identify your Buyers – the way that will clarify for you how the Buying decisions are going to be made for your specific proposal – is to search for people who are playing the four roles for your current objective.

Ask these questions:

1. Who has the final authority to release the money for this sales objective? (Economic Buyer)
2. Who will personally use or supervise the use of my product or service on the job? (User Buyer)
3. Who will make judgments about the specifications of my product or service as a way of screening out vendors? (Technical Buyer)
4. Who can guide me in this sale? (Use this question to find the people you can most effectively develop as Coaches.)

Step 3: Determine Degrees of Influence

Referring to the five critical factors, write an "H" if high, "M" for medium and "L" for low degrees of influence.

Step 4: Test your Current Position

Look at each name and ask yourself where you stand with that person right now. Ask these two questions:

1. Have I identified all the Key people who are currently playing each of the four Buying Influence roles for my sales objective?

2. Have I “covered the bases” with every one of these players?

<u>“Covered the Bases”</u> means – have I contacted each of these people? Have I identified their issues/ concerns/ needs/etc.?

Red Flags/ Leverage from Strength

The high performers consistently have the most Red Flags in their accounts when they begin their strategic analysis.

Automatic Red Flags

1. **Missing Information** - If you have a Buyer whose role you don't fully understand or cannot find a key player, etc. Always consider missing information about Buyers and their roles as a signal your sale is in danger.

2. **Uncertainty about Information** - It's just as important to reassess that position when you have information that is hazy or uncertain. When you have a "piece of information" that you already know and you try to make it fit you run the risk of force fitting what you already "know" into your analysis, and ignoring what you really need to know.

Red Flags to be Used with

3. **Any Uncontacted Buying Influence** - Any Buyer ignored is a threat. You don't have to contact each buyer yourself, in fact- that's not always the best strategy. But getting to them – contacting them – is a principle element of your responsibility as a "strategic orchestrator" – that is your role as a manager of your complex sale. Cover your bases by the person who is best qualified to do so. In some cases it may be another person within your organization – in other cases it may be your coach. At some companies, there is a formal strategy where like-ranked execs are matched to the client's organization.

4. **Any Buying Influence New to the Job** - This is an automatic Red Flag, especially if you haven't contacted those people. They don't have to remain as threats. Indeed, one of your roles as a sales professional is to transform as many new faces as you can into sponsors.

5. **Reorganization** - The new Buying Influence is easy to spot. The more difficult Red Flag is reorganization because it may impact your sale in ways you cannot determine. Titles and their supposed roles and functions remain the same – but in reality their roles and functions may have changed. The proper procedure after any reorganization is to re-identify the players in the Four Buying Influence roles.

Leverage from Strengths

When you know where a Red Flag is, you can work to eliminate the problem that it identifies. The idea is to turn Red Flags into opportunities for strategic improvement. A strength is not a feature or benefit that they can crow about – any aspect of their product, service or solution. There are no inherit benefits – only benefits as the client perceives them. Your solution is only an advantage when the client perceives it that way. That is, when the client perceives the value that you're bringing to their business.

A Strength is an Area of Differentiation

Differentiation enables your client or prospect to identify a difference between the solution you are offering and all alternative options. The client must see why your "difference" makes a difference to him/her, or your snazzy features may be worthless.

A Strength Improves your Position

The use of a strength increases your chances for success in the immediate sales objective. If it doesn't do that, by definition it isn't a strength.
Rule #1: Anything that increases your understanding of the selling situation – provided it's an area of dysfunction – might be seen as a strategic strength.
Rule#2: Anything that inhibits your understanding should be seen as a Red Flag.

A Strength is Relevant to your Current Sales Objective

In setting out Strategic Action Plans, we always focus on one manageable piece of business at a time. Therefore, your Strength must matter to the client in terms of this single Sales Objective.

Summary of Strengths

1. They differentiate your solution, your company.
2. They are opportunities to improve your position (strategy)
3. Must be relevant to this sales objective
4. Diminish importance of price competition

Eliminating Red Flags: Dos and Don'ts

Many people, even the very best of good sales people, don't Leverage from Strength as often as they could or should.

1. Don't ignore Red Flags
2. Don't "be positive" and "word harder"
3. Eliminate Red Flags by Leveraging a Strength
4. Don't become depressed because you already have too many Red Flags.

Workshop: Red Flags/ Buyers

In this workshop, you are going to reassess your position using objective criteria.

Step 1: Identify Ref Flags and Strengths

Place a Red Flag in any box of the Buying Influences Chart for which you have not identified at least one player.
Place a Red flag next to the name of any of the following players:

- Anyone about whom you have insufficient data – about whom you have a question you can't answer.
- Anyone about whom the information you have is unclear or uncertain.
- Any uncovered base – any Buying Influence that nobody has yet spoken to
- Any new player
- Any player involved in a recent or current corporate reorganization

Once you‘ve identified your Red Flags, begin looking for areas of Strength from which you can use Leverage to remove them.
1. Which of your Buying Influences are most enthusiastic about your proposal?
2. Which of them can be utilized as a Coach?
3. Have you spoken to these people yet about helping you move to a stronger position?

Then place a Strength Marker at any place that you think your position is particularly solid. Then test your position:
1. Does this strength clearly differentiate us from the competition?
2. Does this strength relate directly to my current Single Sales Objective?
3. Will leveraging from this Strength improve my position regarding that objective?

These must be answered "yes" to have a true Strength. Be careful about being only comfortable around people you've known the longest. To be positioned to win, be sure you have covered <u>all</u> the key players filling all four of the Buying Influence roles.

Step 2: Revise your Alternate Positions List

You now take the information you've just acquired to revise and expand on the list <u>Alternate Position</u>. You will have worked over your list several times and will have transformed it into a working paper for the Action Plan. You will revise your Alternate Position list <u>several times</u>.
Advise: *Be inclusive, be specific and test your Alternate Positions.*
<u>Inclusive</u> means include as much as possible – don't worry about whether every one of your Alternate Positions is ideal for the situation. The Key Elements of Strategy to be introduced will help you thin out the list – so don't throw out too much.
<u>Be Specific</u> means your not being theoretical regarding your list. Each item relates specifically to <u>your sales objective.</u> <u>For example</u> – you can't give yourself a cheery pep talk and write "Do better." Instead state what you must do; i.e. "get Mr. Greene to show Ms. Farley how we can increase productivity 15%". This won't make the sale for you, but it does eliminate a Red Flag. If the Alternate Positions item is not important or isn't a high priority at the moment, you'll have to reassess it. Use the Leverage Principle over and over as you work your way toward your <u>sales objective</u>.
<u>Test</u> means you test each Alternate Position. You don't make an unwarranted assumption that any action will be a change for the better.
Every alternate Position you list should do one of the following:
1. Capitalize on an area of strength
2. Eliminate a Red Flag – or at least reduce its impact. Of course, the best Alternative Positions do <u>both</u> these things.

Don't bother listing Alternative Positions that don't accomplish at least one of these (above items).

Buyer Level of Receptivity

You must be able to assess the level of Buyer Receptivity to your proposal. You can fall into one of three fatal traps:

1. You can take your own perceptions of reality as the key to the sale.
2. You can assume that your perceptions of reality are the same as those of your Buying Influences.
3. You can recognize that the Buying Influence' perceptions of reality are different from yours, but nonetheless conclude that their perceptions are wrong or irrevelant.

This third Key Element is designed to help you avoid these common errors of judgement by focusing on what really counts in the sale: how each Buyer is likely to react to the change that your proposal is offering.

Change: The Hidden Factor

Every time you ask someone to do something you are asking them to change. People react to change in different ways and they view change as a Threat or Opportunity. The non-strategic salesperson often ignores the hidden factor of change. You cannot become so enamored with your own proposal that you ignore the Buyer's potential perception of viewing the proposal as a threat or unnecessary. No matter how obvious it is to you, or how many facts there are regarding your proposal, nothing matters except the Buyer's own level of receptivity to change.

Key Element 3: The Four Response Modes

Knowing when to call on a prospective client is as important if not more important than determining what to sell. Remember this main point: "*People buy when, and only when, they perceive a discrepancy between reality and their desired results.*"

The First Response Mode: Growth

A Buyer in Growth Mode is always ready to say yes to somebody's proposal – though not necessarily yours. The person believes the discrepancy between where they are and where they want to be can be eliminated by more or better results. Your proposal must be seen as the change that will reduce or eliminate the discrepancy. Don't make the mistake that we are talking about the company's desire for growth. We're talking about the individual's personal reaction to your proposal. The buyer wants more, better, faster and improved.

The Second Response Mode: Trouble

This is not you who are in trouble. It is the Buyer who is. Nothing gets the attention more of a Buyer than when he/ she is in Trouble Mode. They are looking for some way to improve their problem, reversing misfortune or preventing a crisis. This Buyer wants to fix what is wrong – get things back to normal. They are not interested in the cheapest bid. Trouble takes precedence over all else- including Growth. But don't confuse Trouble for Growth when the Buyer makes a statement like: "*I need more right now!!*"

The Third Response Mode: Even Keel (pg 150)

The first two Response Modes were easy to understand, but these last two are not. The Buyer who sees no gap or discrepancy between the results they require and what your proposal does is **Even Keel**. The Buyer in this mode requires a Red Flag. There's no gap for your proposal to close and therefore no receptivity to change. The Buyer is wary of any kind of change. You must move this Buyer to Trouble or Growth mode. You can use pressure from another Buying Influence to move them to a different mode, or you can demonstrate through more information the gap or discrepancy.

The Fourth Response Mode: Overconfident

The same principle applies to Buyers in Overconfident Mode. This is the most difficult of Buyers to sell to. Usually, Buyers in this mode cannot be swayed. They don't realize that things are too good to be true. This person will require a Red Flag.

Workshop: Response Modes

Step 1: Identify each individual's response mode

Take out the Buying Influence Chart and focus on how each Buyer feels about the situation and the change your proposal brings. Ask yourself and your team – can your proposal close the perceived gap (discrepancy) between reality and results. Then on your chart, write the letters **"G"** for Growth; **"T"** for Trouble; **"EK"** for Even Keel; and **"OC"** for Overconfident. Alongside each of your Buyers to represent how they feel about the situation. You may be unsure of how they feel, therefore a Red Flag is in order. A Buyer may feel "EK" (Even Keel) today, but may feel "T" (Trouble) tomorrow, which is why you need to constantly evaluate the situation.

Step 2: Rate Your Buyers

Now that you've labeled each Buyers Response Mode, assess where you stand with each of them by asking yourself this question:
"How does each person feel right now with regard to my current sales proposal?"
Notice you are finding out how the Buyer feels about your proposal not you or your firm. Rate your Buyers -5 to 5
(see chart here).
Now look at this chart. Re-rate your Buyers again using this definition. Anyone with a -1 to a -5 rating requires a Red Flag.

Step 3: Analyze your Information

You have assessed each Buyer twice, once in terms of Modes and again in terms of overall feelings about your proposal. Now compare these two assessments. Look at your numerical ratings and the Modes and determine your current strengths and weaknesses based on your composite picture. Look for inconsistencies. If your Buyer is Overconfident and a 3+ rating, you have an inconsistency. If you have a Coach who is not in favor of your proposal, look at your data again. The best coaches are usually in Growth mode but they have to be in Growth or Trouble Mode. Look also for matches of Mode- both those that already exist and those that you might be able to create. Think about not only how the various Buyers relate individually to you, but how they're integral parts of a composite response to your proposal. Again, Buyers in Growth or Trouble Modes constitute one of your most significant areas of Strength.

Step 4: Revise your Alternate Positions List

You should now have a pretty good idea of how receptive each of your key individuals is, at this moment in time, to your current sales proposal. Revise your Alternate Positions List again. Review each option on the list and ask yourself this question: "*How does the level of receptivity of each of my Buying Influences affect the visibility of this option?*"

Consultant Questionnaire

Based on the answers you get to that question, drop those options that no longer seem workable. Modify those that should be modified and add any new options suggested by the lessons of these two chapters. Again, follow the instructions in the previous workshop.

1. Continue to consider all options (be inclusive)
2. Continue to be specific
3. Continue to test your Alternate Positions by making sure that each one capitalizes on a Strength, eliminates or reduces the impact of a Red Flag, or does both.

Key Element 4: Win Results (Chapter 10)

The "Win Results" concept rests on the following terms:

Murphy Point : At Least Aim

1. Selling: Selling is a professional interactive process directed toward demonstrating to all your Buying Influences how your product or service serves their individual self-interest.
2. Product: A product or service or solution that is designed to fix or improve one of your client's business processes.
3. Process: A process is an activity or series of activities that converts what exists right now into something else.
4. Result: A result is the measurable impact that a product has on one or more of your client's business processes. Results are objective and corporate, and they affect many people at the same time.
5. Win: A win is the fulfillment of a subjective, personal promise made to oneself to serve one's self-interest in some special way. Wins are always different for different people.
6. Win Result: A win-result is an objective business Result that gives one or more of your Buying Influences a subjective, personal win.

You must understand both halves of the Win-Results concept.

1. You can't ignore Results because a Result must take place before a Buyer will perceive a win.
2. The Result is the precondition to any win.
3. You may think a Result you bring to a Buyer is great, but if you don't think about the personal win, it may be irrelevant to his situation or could interpret it as a personal lose. So be careful. Something you see as a personal gain – he may see it as a lose.
4. This critical point (#3 above) happens all the time and is due to not thinking through the sale and the individuals who are involved in the sale. So avoid this problem – Think!
5. Last, companies get Results, but only People get wins.

Results

1. A Result is the impact of your product or service on one or more of your client's business processes.
2. A Result improves something or fixes something.
3. Therefore a Result is measurable, tangible and quantifiable.
4. Results are corporate

Characteristics of Wins

1. A Win is the fulfillment of a promise made to oneself
2. A Win changes and reflects the person's current perceptions, wants and needs.
3. Wins are intangible, not measurable and not quantifiable.
4. Wins are personal, not group goals. They benefit only the person involved.

Determining Wins

1. You can infer it through deductive reasoning by looking at their lifestyle, their attitude, what they say and what gets their attention.
2. You can ask them directly. Questions like the following allow you to do so without appearing like you are nosey or prying.
   a. How do you feel about this approach?
   b. What is your opinion on the system?
   c. Are you comfortable with the way this solution will allow you to achieve your goals?
   d. Does the proposal meet your personal objectives?
   e. If done right, what does the solution do for you?
3. The additional questions can provide you with some insight. They may seem prying, but done correctly and done one-on-one, the smart strategist gets some insight they usually won't have.
4. Additional questions also reveal the difficulties of the Buyer making a direct connection between your proposal and his personal Wins. These may turn into Red Flags for you to remove as part of your strategy.

Remember - if you feel uncomfortable asking these questions - that your chief objective is to uncover difficulties in achieving your sales objective.

5. Ask your coach for help.
6. Ask about Results first, this sets you up to ask Win questions without appearing nosey or prying.

Don'ts

1. Do not interpret Results as the Win
2. Do not assume your own Win is the same as your Buying Influence's Win.

Workshop 5: Win-Results

Step 1: Identify Results for Your Type of Business

The purpose of this step is to give you a fix on the Results concept as it operates generally in your business.

Write down all the corporate Results on a piece of paper you can think of based upon the industry your client is in, their specific situation or what your firm has done for past clients (or has helped past clients achieve).

Step 2: Test these Results

1. Are the Results quantifiable, measurable and intangible?
2. Are the Results corporate- that is, are these shared by more than one individual?
3. Is the Result business related?
4. If you can't answer "yes" to the above, you're looking at a "feature" or "benefit", not a true result.

Step 3: Identify Results for Your Current Sales Objective

You should know the Results of the three types of Buyers. Now you must choose which of the Results are related to your Sales Objective. List these Results on paper.

Step 4: Test These Individual Results

Are each of the Results specific and relevant to each person's situation. It's not enough to say that one Result you can give to a Buyer is to "make his job easier". You must look at the Results specifically for that Buyer and ask the following questions:

1. What business process of the Buyer does this Result address?
2. How does the Result improve or fix that process?
3. How does the Result relate to the specific business concerns of the Buyer's category of what type of Buying Influence they are (Economic, Technical or User).

Make sure you ask these questions of each Buyer you have.

Step 5: Draft a Win-Results Statement for Each Individual

1. Ask "How will this Result help my Buying Influence win?"
2. You must find the linkage – or else it's a Red Flag.

Step 6: Analyze Your Current Position

1. Look at your Win-Result chart and identify what it is you need to help improve your position (strategy).
2. Look at each Buyer and assess your areas of Strengths and your Red Flags (weaknesses, missing information or problems).
3. Ask the following questions to help with #1 and #1.
    a. What else do I know about this Buyer – aside from the Results – that can help me understand how those Results might help the Win?
    b. What do I know about the lifestyle, values and attitude that may tell me how she/he may win?
    c. Have I asked the attitudinal questions to determine or reveal the Wins?
    d. If I haven't met the Economic Buyer (or User or Technical Buyer), have I arranged for someone else to do so?
    e. Can my Coaches help? Have I asked them to explain to me how the Buyer will achieve a Win?
4. Remember - asking about the Result first will allow you to ask these questions more easily.

Step 7: Determine Your Present Position/ Status

1. Test how you are positioned with each Buyer.

2. Ask:
    a. Have I delivered or can I deliver the Results that each Buyer needs to win?
    b. Does every Buying Influence have confidence that I can do this? In other words, do they all know I'm playing Win-Win with them? (Win-Win means we both win by achieving our objectives through my proposal.)

Step 8: Revise Your Alternate Positions List

1. Revise your list and now test each item on your list against the concept of Win-Results.
2. Ideally, you want every items on this list to help you understand the Win-Results of your Buyers better, to help you deliver those Win-Results more effectively or to help you do both.
3. Revise your list with this in mind.
4. Remember – your goal is to determine self-interest of each Buyer because it determines all Buying Decisions, and it will remain a benchmark for you in assessing all future Alternate Positions.

This concludes the notes from the book. Some of the material may not be fully explained and will require you to refer to the book. The book title is called: The New Strategic Selling, by Miller-Heiman.

AUTHOR BACKGROUND and EXPERIENCE

Joe Murphy has a background of 20 plus years in helping clients get results. Joe has held various leadership positions that included P&L management, sales, consulting and delivering projects to both non-government and government sectors. He is a former a Chief Sales Officer and Senior Vice President and General Manager. He has managed national consulting organizations of over 400 consultants. He has worked with the Fortune 500 public and private firms, government and not-for-profits. He has helped organizations increase revenue, improve customer satisfaction and reduce the costs. He has helped IT organizations improve ROI and restructure their costs, advised CIOs and CFOs on offshore and onshore outsourcing and IT strategy and business alignment. His work has taken him to Europe, India, China and across North America. Last, Joe Murphy consults and advises business executives and IT leaders and regularly speaks and presents at conferences and panels.

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