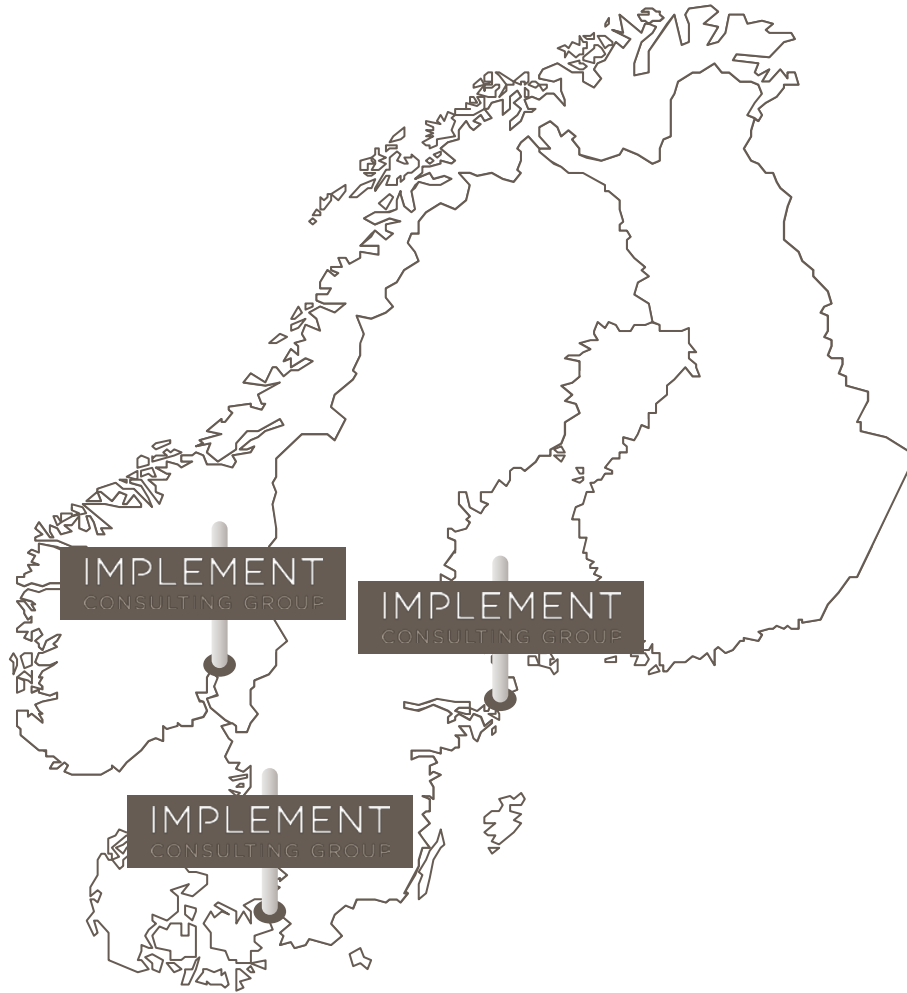

Commercial Excellence Forum

The Challenger Sale

IMPLEMENT
CONSULTING GROUP



Commercial Excellence Forum 2015



Meetings 2015

March 6, 2015

Challenger Sale

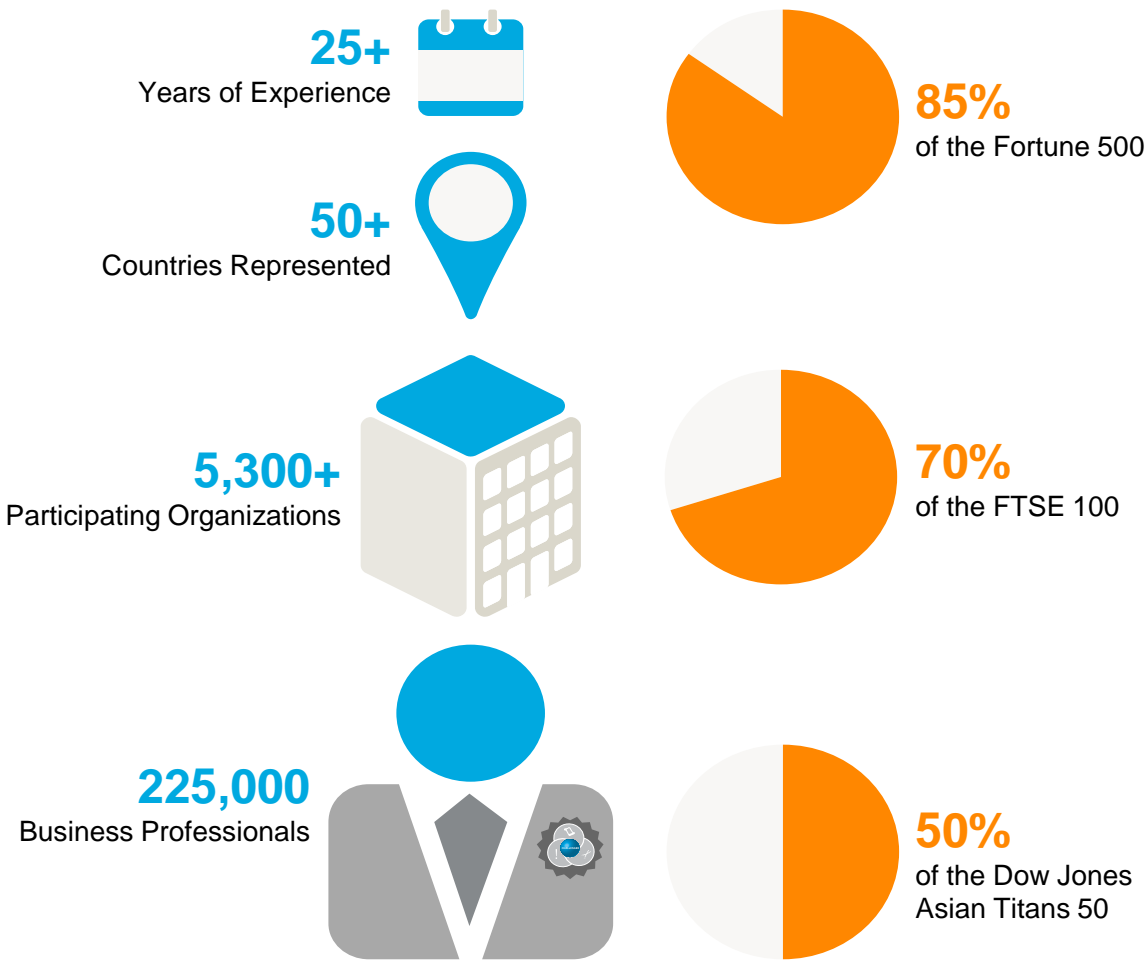
June 12, 2015

Differentiate to outperform competition

October 2nd, 2015

Sales Acceleration

About CEB



Who We Are

CEB is the leading member-based advisory company.

By combining best practices with advanced research methodologies and human capital analytics, we equip senior leaders and their teams with insight and actionable solutions to transform operations.

CEB enables executives to harness peer perspectives and tap into breakthrough innovation without costly consulting or reinvention.

The CEB member network includes more than 16,000 executives and the majority of top companies globally.

Finance

Human Resources

Information Technology

Innovation & Strategy

Legal, Risk & Compliance

Marketing & Communications

Procurement & Operations

Sales & Service

Challenger Sale – Based on Research and Hard Facts

Research

Source:

CEB research 2011

Quant snapshot:

6,000 B2B customers across geographies and industries to test the drivers of loyalty, including:

- Willingness to repurchase and pay a premium price
- Willingness to consider new offerings
- Willingness to recommend the supplier

+250.000 questionnaires and interviews conducted.

4.960 samples from loyal customers further analyzed.

+30.000 sales reps representing all major industries and geographical areas, to test the drivers of performance, including:

- Attitudes
- Skills/Behaviors
- Activities
- Knowledge

717 individual buyers across geographies and industries to test their approach to driving purchase decisions within a group.

Book

Authors:

Matthew Dixon & Brent Adamson



CEB Sales Effectiveness Solutions

Not Just Theory/Proven Implementation Success

**250+
Challenger
Implementations**

**60,000+
Sales Professionals
Trained**

**300+
Commercial Insights
Created**

**Direct Measurable
Impact**
Billions of Euros in Documented
Revenue Increase

Some facts about value proposition that you might not know....

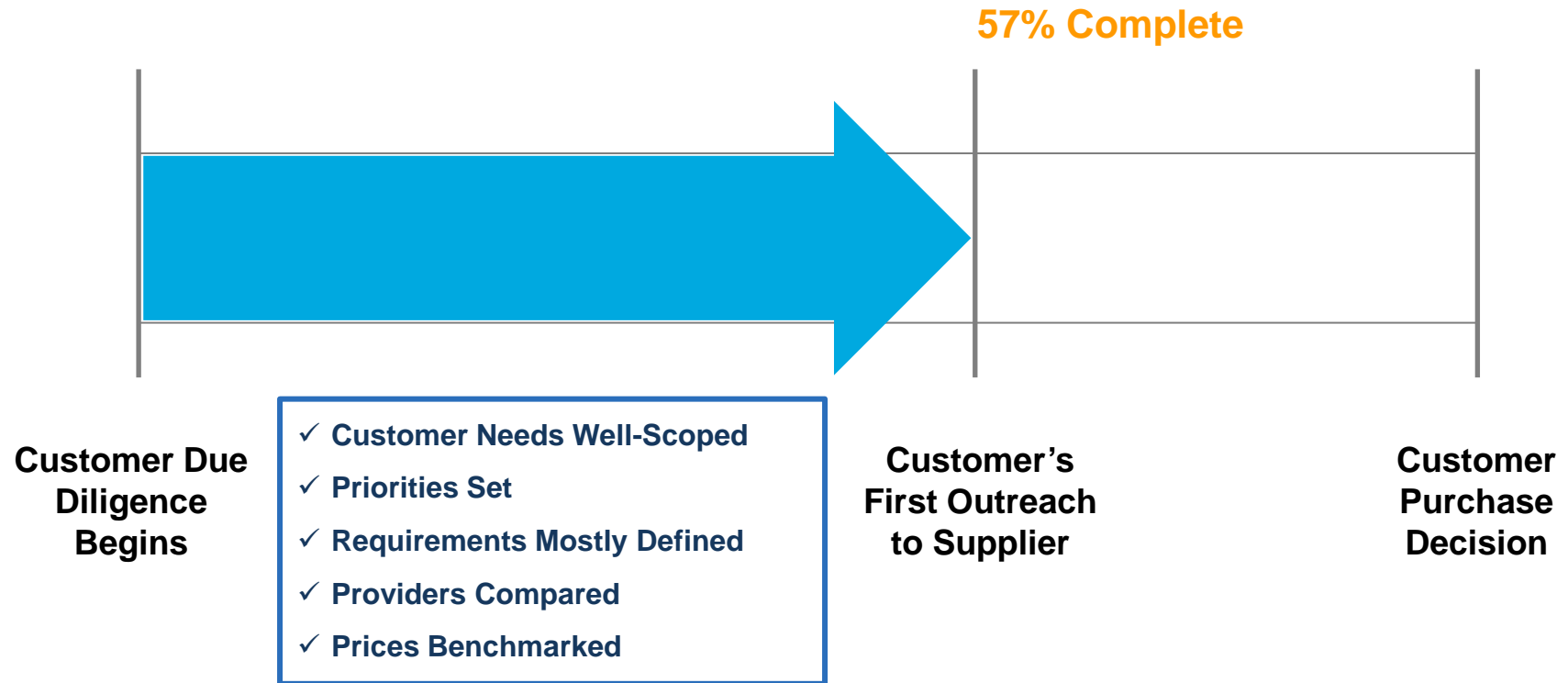


- **Only 47%** of the information used during customers' purchase decisions comes from a supplier.
- **Only 14%** of Customers perceive a real difference between supplier offerings AND value the difference enough to pay for it.
- **Only 13%** of CMOs agreed that "If I Removed the Identifying Information for Our Commercial Collateral and Pitch Material, Our Customers Could Easily Determine It Came from Us."

Source: CEB Research

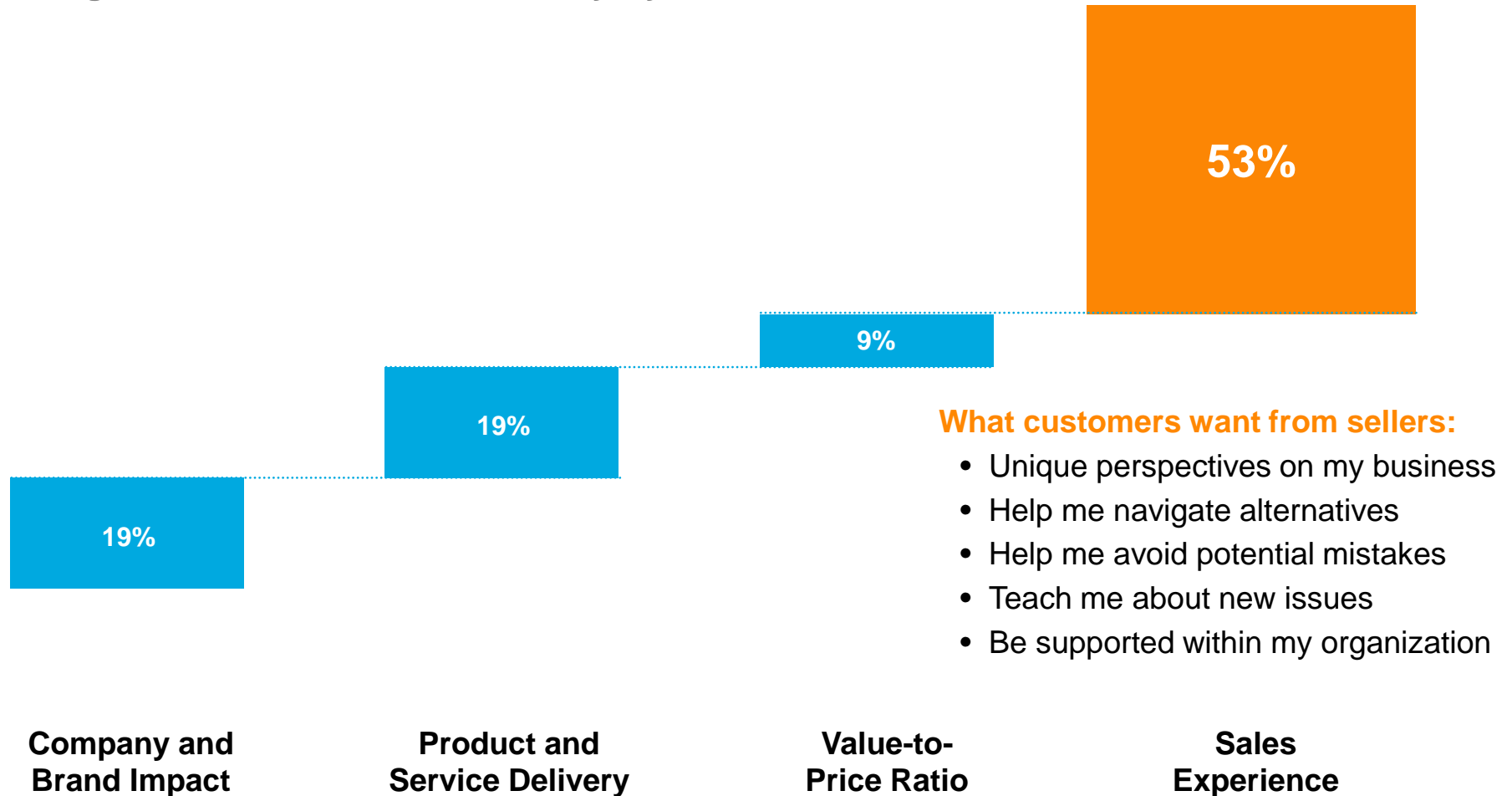
A Different Kind of Buying

Customer Purchase Timeline



What Drives Purchasing Decisions

Percentage of Contribution to Customer Loyalty



Profile of Today's Sellers

5 Behavioral Profiles Identified in CEB research of 30,000 sellers



The *Lone Wolf*

- Follows own instincts
- Self-assured
- Difficult to control



The *Relationship Builder*

- Builds advocates in customer organization
- Generous in giving time to help others
- Good interpersonal skills



The *Challenger*

- Personalizes sales message to the customer
- Knows how to drive the customer to a decision
- Delivers new insight to customers



The *Problem Solver*

- Reliably responds to internal and external stakeholders
- Ensures that all problems are solved
- Detail oriented

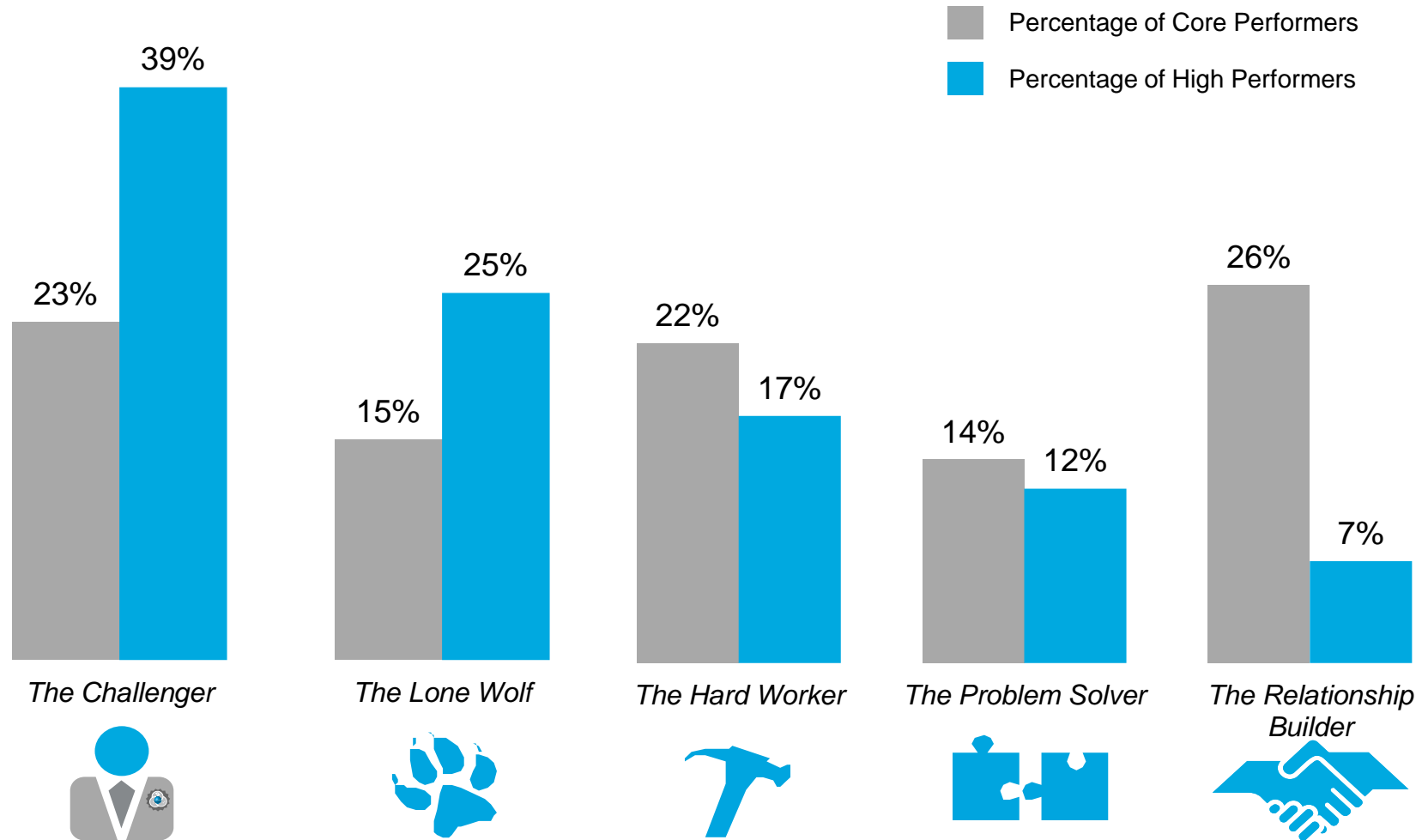


The *Hard Worker*

- Strong process management skills
- Doesn't give up easily
- Self-motivated
- Interested in feedback and development

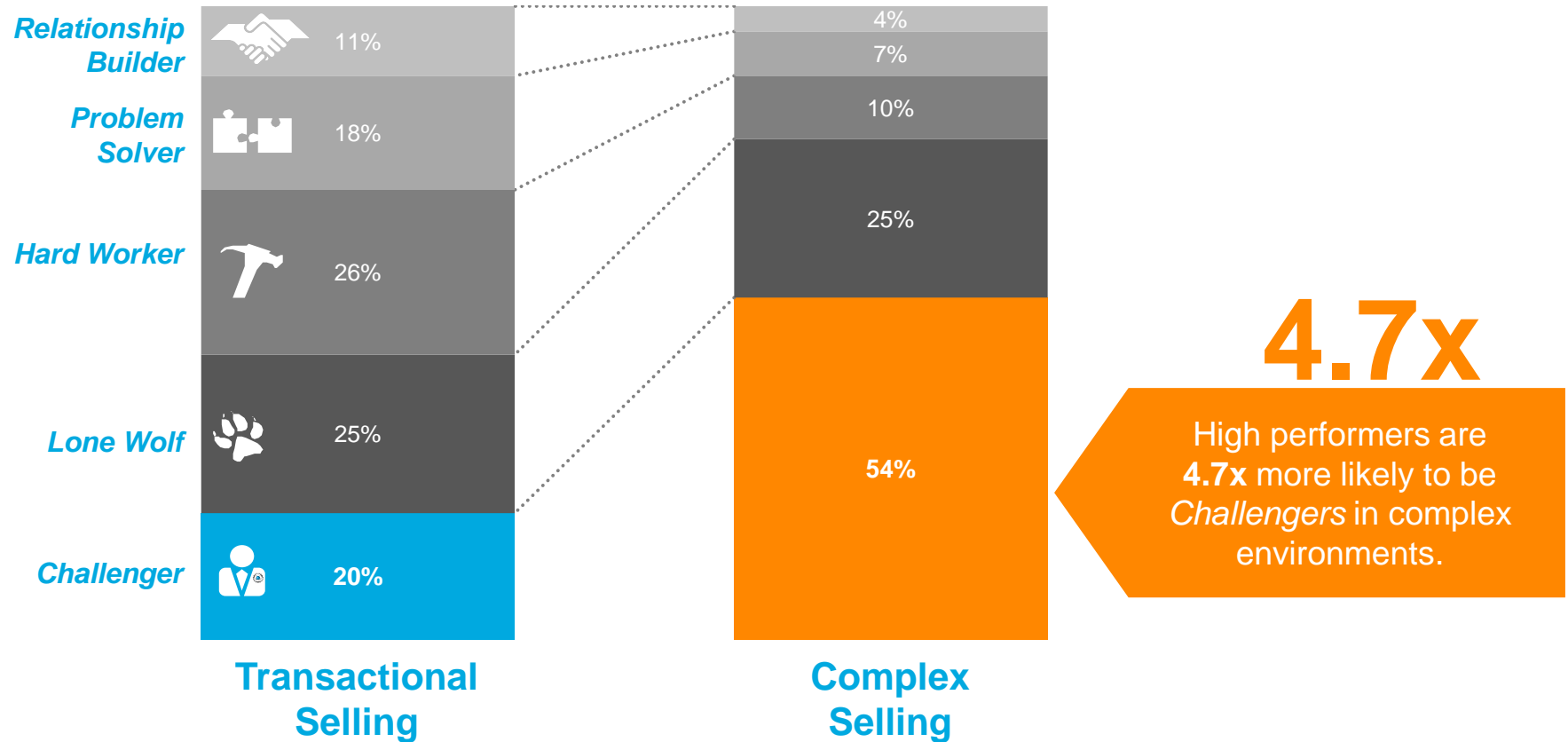
Challengers Most Likely to Win

Percentage of Population



Complexity Widens the Gap...

Percentage of High Performing Sales Professionals



The Challenger fingerprint

Relationship Builder

- Forms good relationships
 - Builds customer advocates
 - Builds cross-functional relationships
- Gets along with Others
- Can work with anyone
 - Is genuine
- Likeable
- Accessible to the customer
 - Gives time to help others
 - Respects the customer's time
- Generous with Time

Reduces Tension

Leading with differentiators

Challenger

- Offers unique perspective
 - Two-way communication skills
- Teaches
- Knows customer value drivers
 - Can ID economic drivers
- Tailors
- Comfortable discussing money
 - Can pressure the customer
- Asserts Control

Builds Constructive Tension

Leading to differentiators

A Challenger disrupts the customer's thinking through 3 key skills

Challengers™ deliver a unique sales experience by using specific skills to create a rational and emotional case for change for their customers.



Teaches for Differentiation

...delivers **Commercial Insight** in rational and emotional compelling way through two-way dialogue



Tailors for Resonance

...customizes sales messages for businesses and individuals



Takes Control

... guides customers to recommended action by reinforcing the value of change

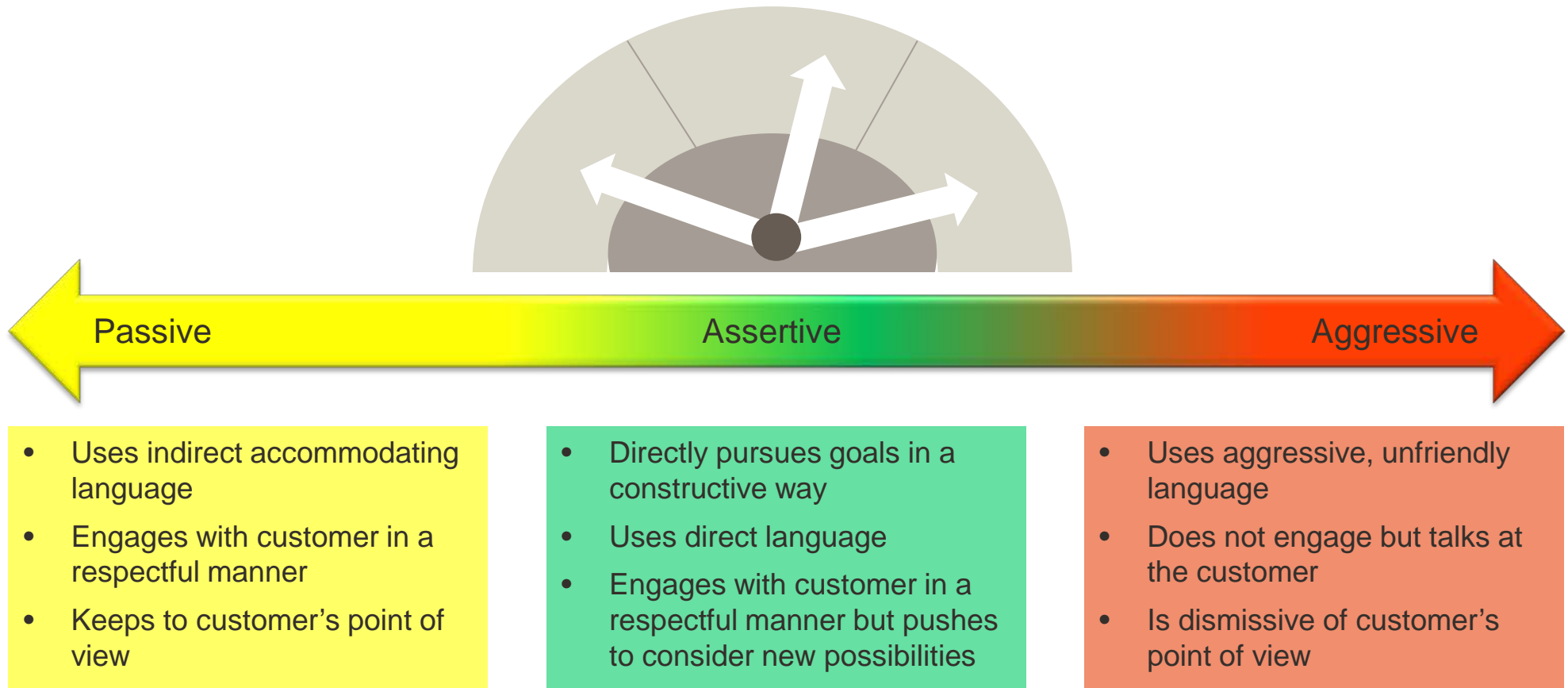


Leading to: **Constructive Tension**

*A productive force that compels customer action
It is generated from exploring unfamiliar topics with the customer*

Are we creating constructive tension ?

Sellers more often remain on the left side of the spectrum, leaving customers in a comfort zone that does not inspire action



Engaging customers through commercial teaching

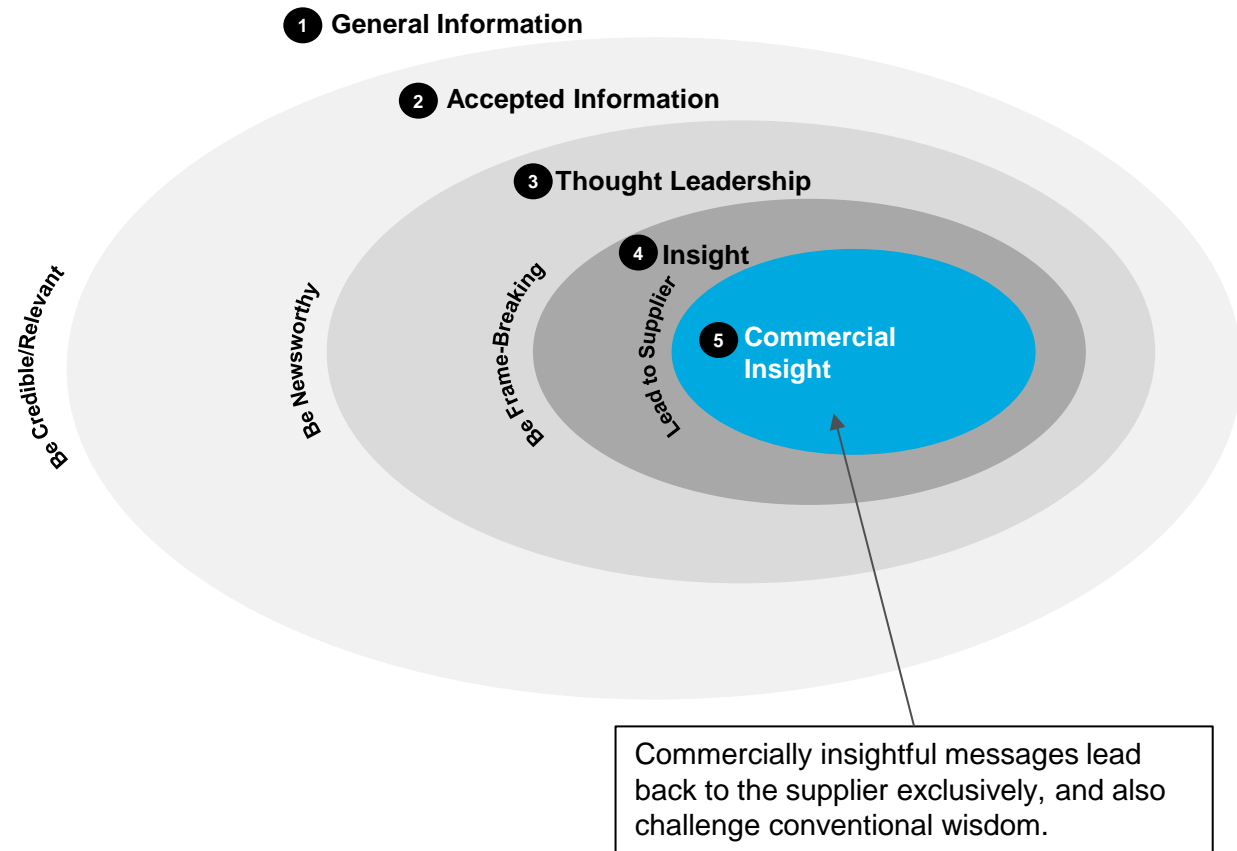
Café exercise

➤ Only Commercial Insight can disrupt customers' buying criteria in suppliers' favor.

A Commercial Insight has the attributes of an insight, but also centers on a better course of action based on the company's unique capability or strength.

COMMERCIAL INSIGHT IS UNIQUELY POWERFUL

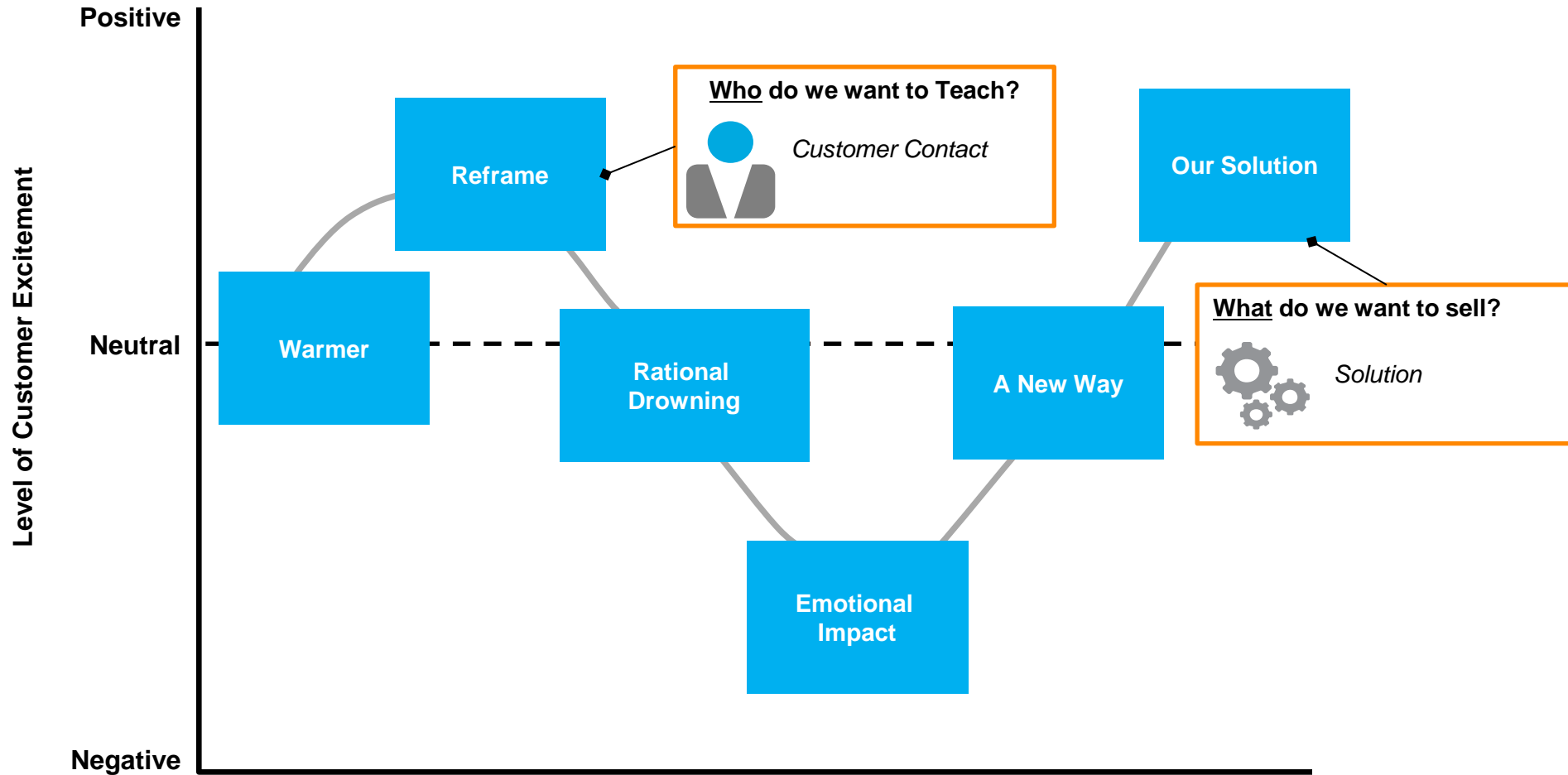
Hierarchy of Information Conveyed Through Commercial Messages
Illustrative



Source: CEB research.

DELIVERING COMMERCIAL INSIGHT

Challenger™ Messages follow the best practice Commercial Teaching Choreography.



Remember: **Challenger** Messages lead with insight that leads back to your **solution**, enabling your team to sell more.

IT'S WITHIN YOUR CONTROL

DENTSPLY

Case in Point: Unrecognized Driver



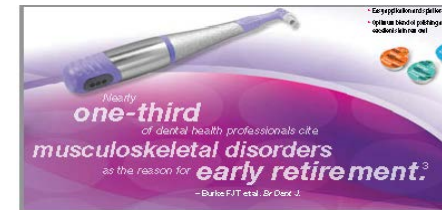
Dentsply teaches customers about a problem that customers' previously thought was unsolvable.

Acknowledge the customer problem:

Dentists have struggled with hygienist absenteeism and early retirement due to Carpal Tunnel Syndrome.



That has long been considered a cost of business in the dental industry.



Teach customers how the problem is more manageable than previously thought:

While most dentists believe such wrist conditions are unavoidable, in most cases, they are preventable.



Recent studies have demonstrated that a very specific cause: the weight and ergonomics of the instruments hygienists use.



Present a new way forward, that only Dentsply can offer:

To solve these challenges, hygienists need tools that are lighter and more comfortable.



Only Dentsply offers ergonomically correct and light enough dental tools.



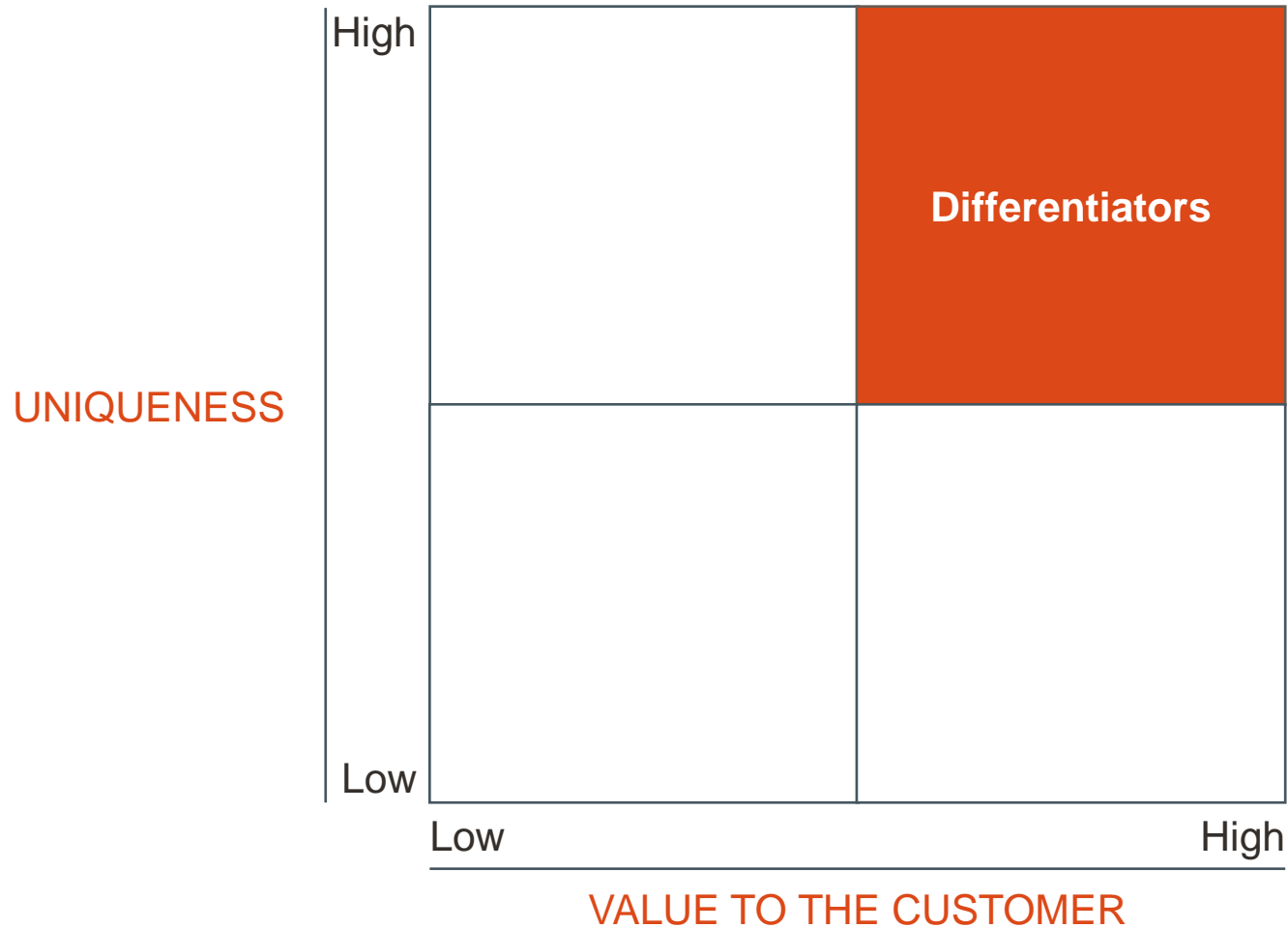
COMPANY SNAPSHOT Dentsply International Inc.

Industry: Health Care Products
2011 Sales (USD): \$2,537M
Employees: 11,800

From the SALES EXECUTIVE COUNCIL

Source: Cargill; Sales Executive Council research.

Base your approach on differentiators that drives value for the customer



From differentiator to challenging customers

Differentiator	Delta to competition	Value driver influenced	Impact %	Ideal customer characteristics	Reference cases
95% transport reliability	20% higher than second best	Buffer stock costs	20 % reduction	Fashion retailers with Asian production and European sales	H&M

The challenger pitch – the acid test



- ✓ It gives the customer a new and different perspective on their business
- ✓ Challenge customers assumptions
- ✓ Based on facts
- ✓ Linked to customer needs
- ✓ It creates constructive tension
- ✓ Drives toward action
- ✓ Lead to your unique strengths

Tailoring to your customers

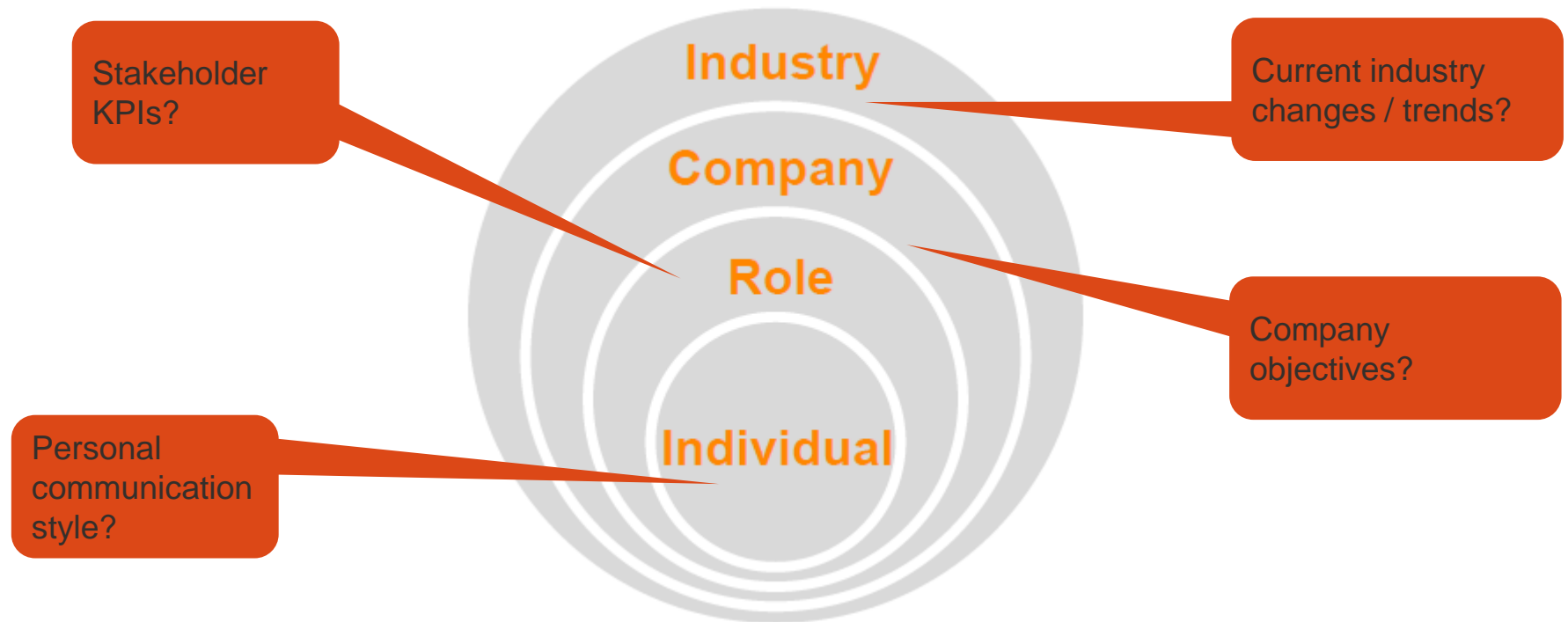
Café exercise

What does tailoring mean?

- The **opportunities** you focus on
- **How** you present your Insight
- The **metrics** you use in your discussions



Tailor your Challenger Pitch



The death of sole decision making



Facts about decision making (from CEB research);

Number of persons involved in decision process in average;

1990; 1,7

2000; 2,2

2012; 5,4

Decision makers and loyalty

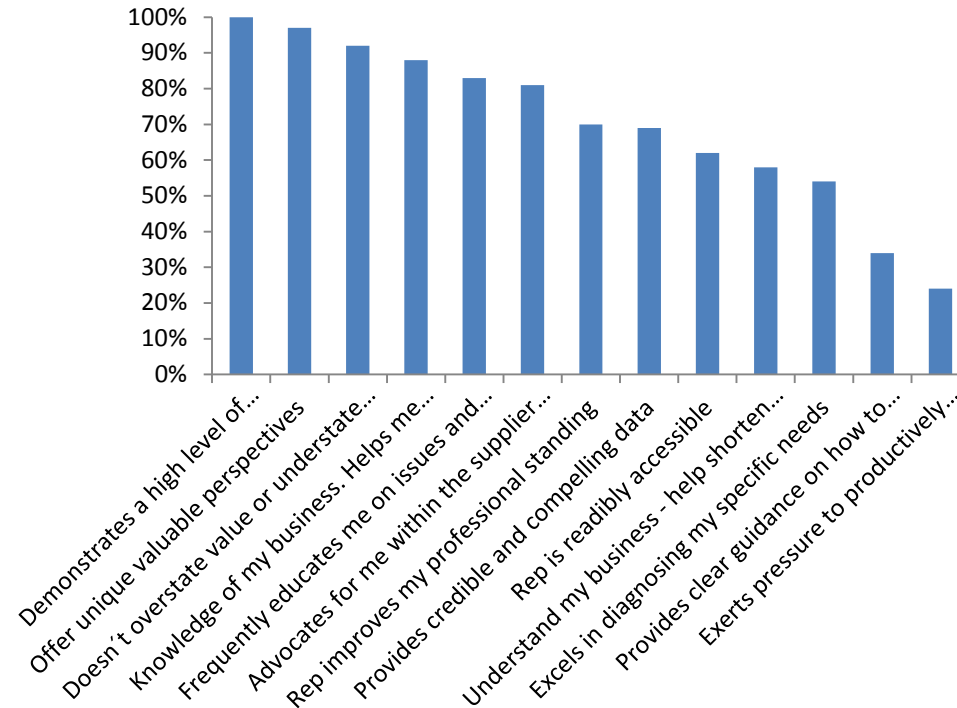


Facts about decision making (from CEB research);

- Decision makers think of themselves as buying from organizations, not from individuals (aspects of the overall sales experience are nearly twice as important as individual sales rep attributes)

Influencers / End users and loyalty

Drivers of sales representative loyalty for influencers and end users (indexed)



Facts about decision making (from CEB research);

- Influencers and end users place much more emphasis on the individual sales rep selling to them, they buy from people !

Taking control to achieve results

Café exercise

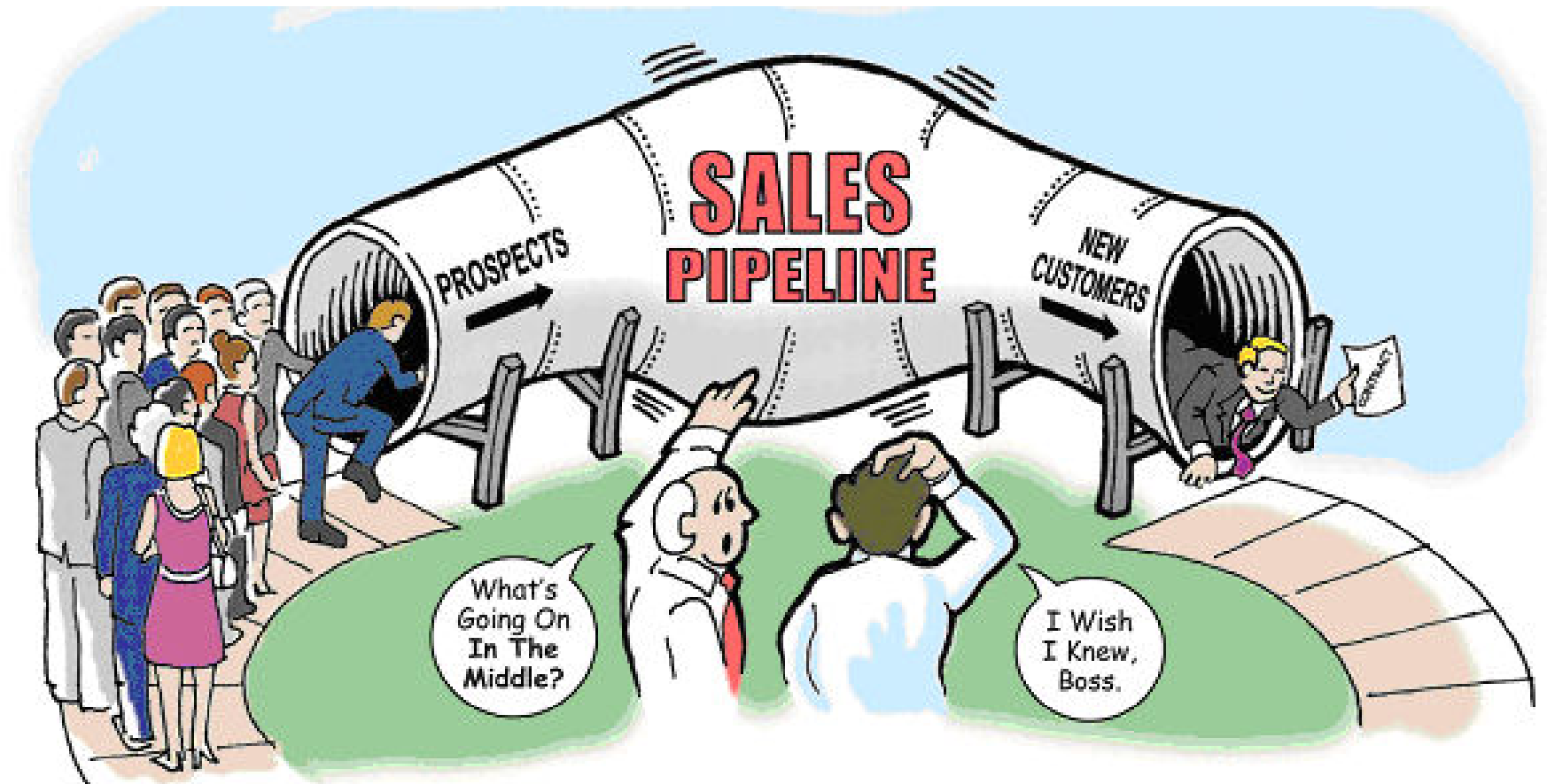
Facts about (not) taking control

In average **51%** of sales persons pipeline are stocked

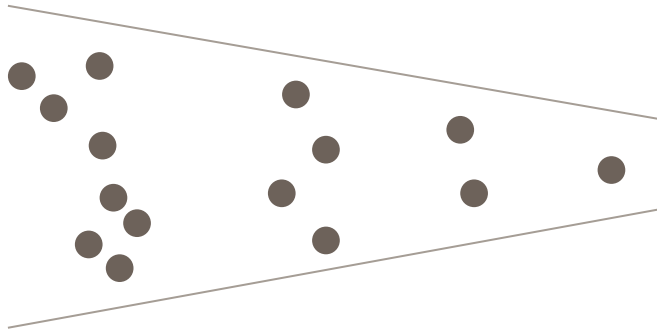
Typical reason / indicators

- Repeated discussions
- No vision / customer has not defined success criteria
- Confusion about next steps
- No action / customer neglects commitments

Pipeline management ?

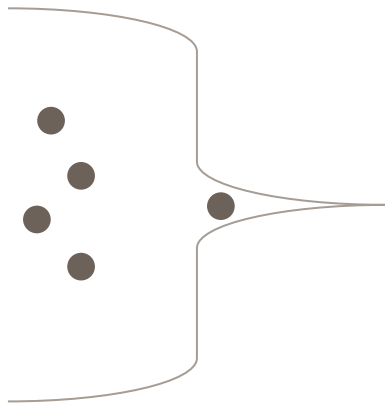


Challengers works differently with pipeline



Traditional approach

- Many opportunities
- Long period of disqualification
- General customer knowledge



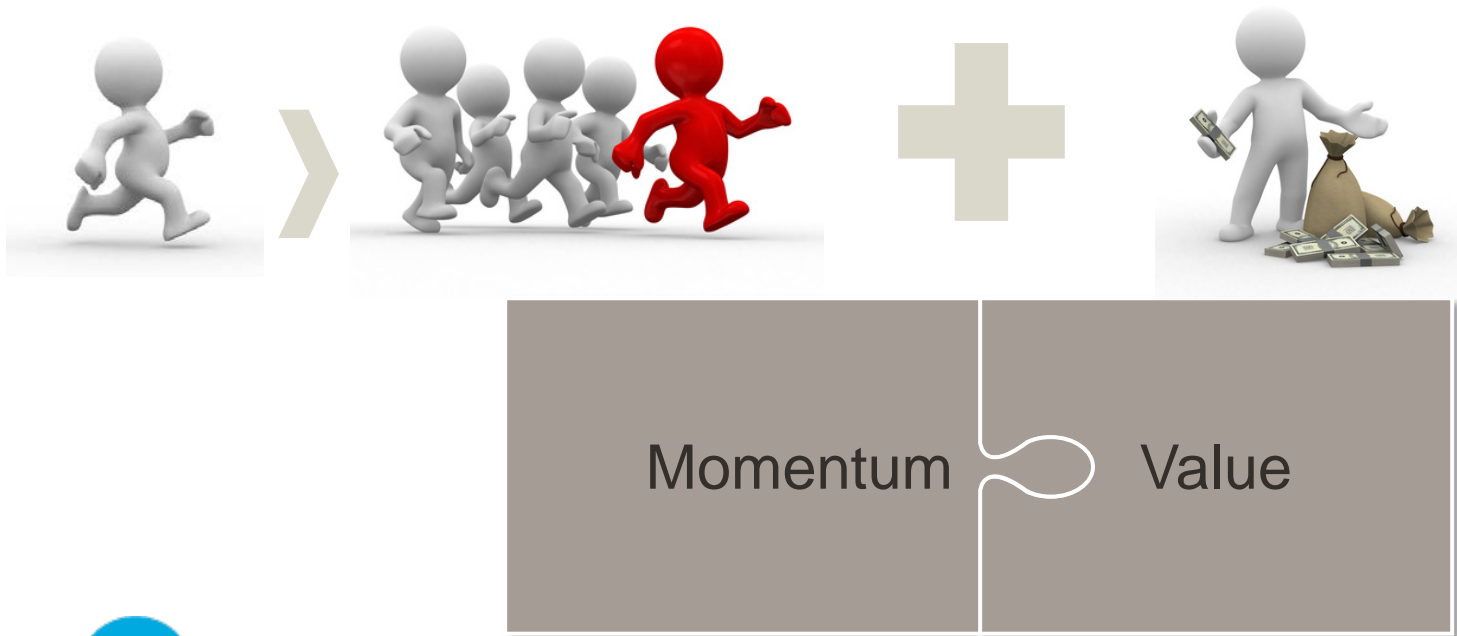
The Challengers pipeline

- Few opportunities
- Tough & targeted qualification
- Specific in-depth customer knowledge

How Challengers respond

Taking Control:

Taking control is respectfully and empathetically guiding the customer to a recommended action by discussing alternatives and reinforcing the value of making a change



Familiarize themselves with measures and use real numbers

Forward motion

Taking control of the buying process can be done by driving....:

Momentum

Applying pressure on the customer

- Set and manage deadlines and milestone
- Confirm agreement and move forward
- Define common goals
- Suggest next step

Value

Being comfortable discussing money

- Discuss ROI confidently
- Address money/finances directly
- Align company's value to the customer
- Address objections candidly

Taking control does not mean being aggressive. When Challenger take control they:

Appear calm, balanced and professional

Remain confident, bold and a few steps ahead

Possess a well articulated point of view

Are prepared to discuss a strong value proposition

We see three typical commercial barriers for truly living and executing a differentiated value proposition

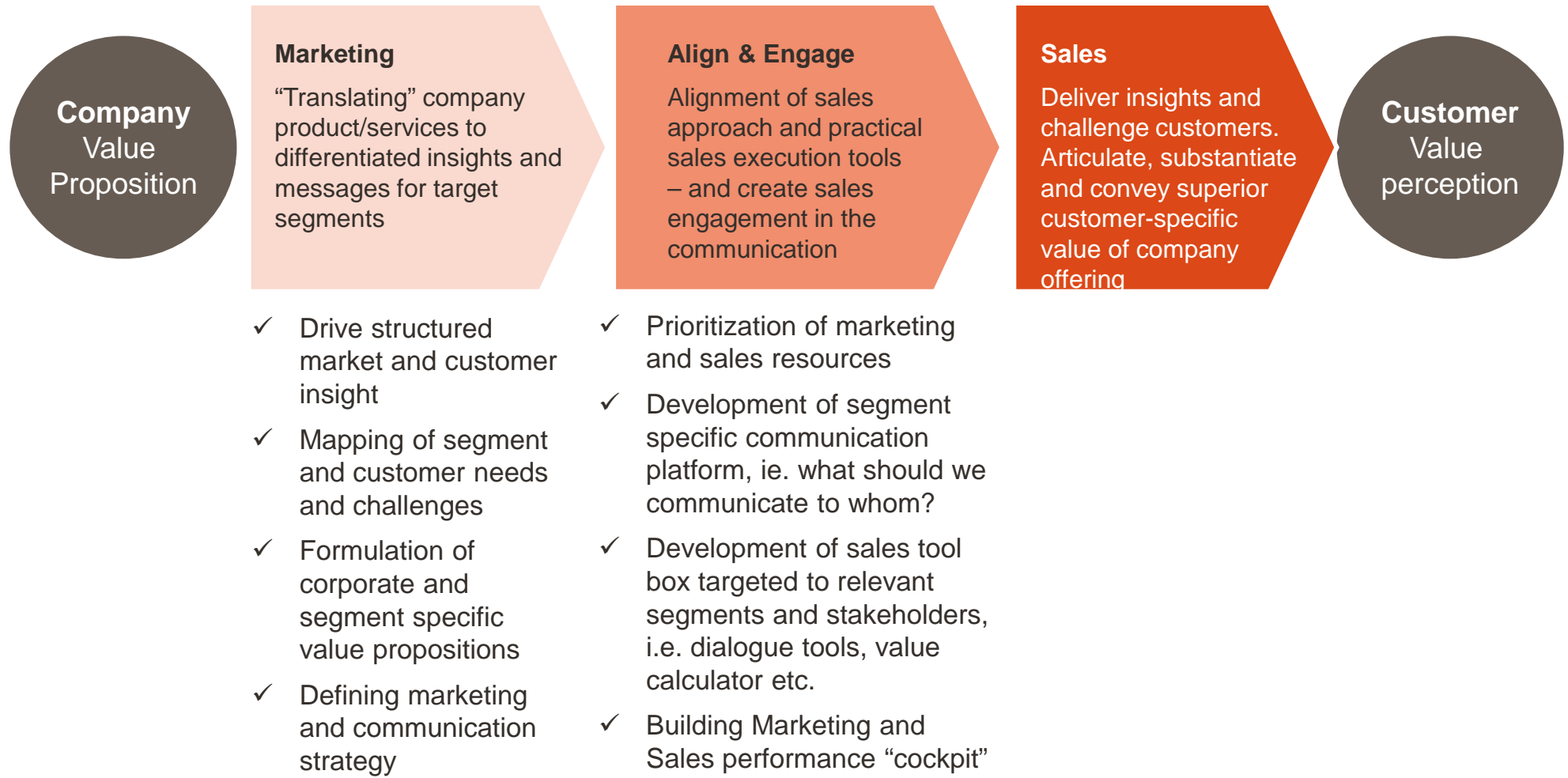
MARKETING-SALES CHAIN



You need a complete and integrated “marketing-sales chain” to define, communicate and execute your value proposition

Marketing has a strong role in driving the development value propositions – in strong cooperation with Sales

MARKETING-SALES CHAIN



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Stalk us on:



Implement Consulting Group

Implement Consulting Group is a leading Scandinavia based management consultancy, specialised in driving strategic transformations with a strong differentiator on “making change happen” – delivering documented Change with Impact.