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BUILD IT

Provocative Selling to Make Your Competition Irrelevant

Presented by:

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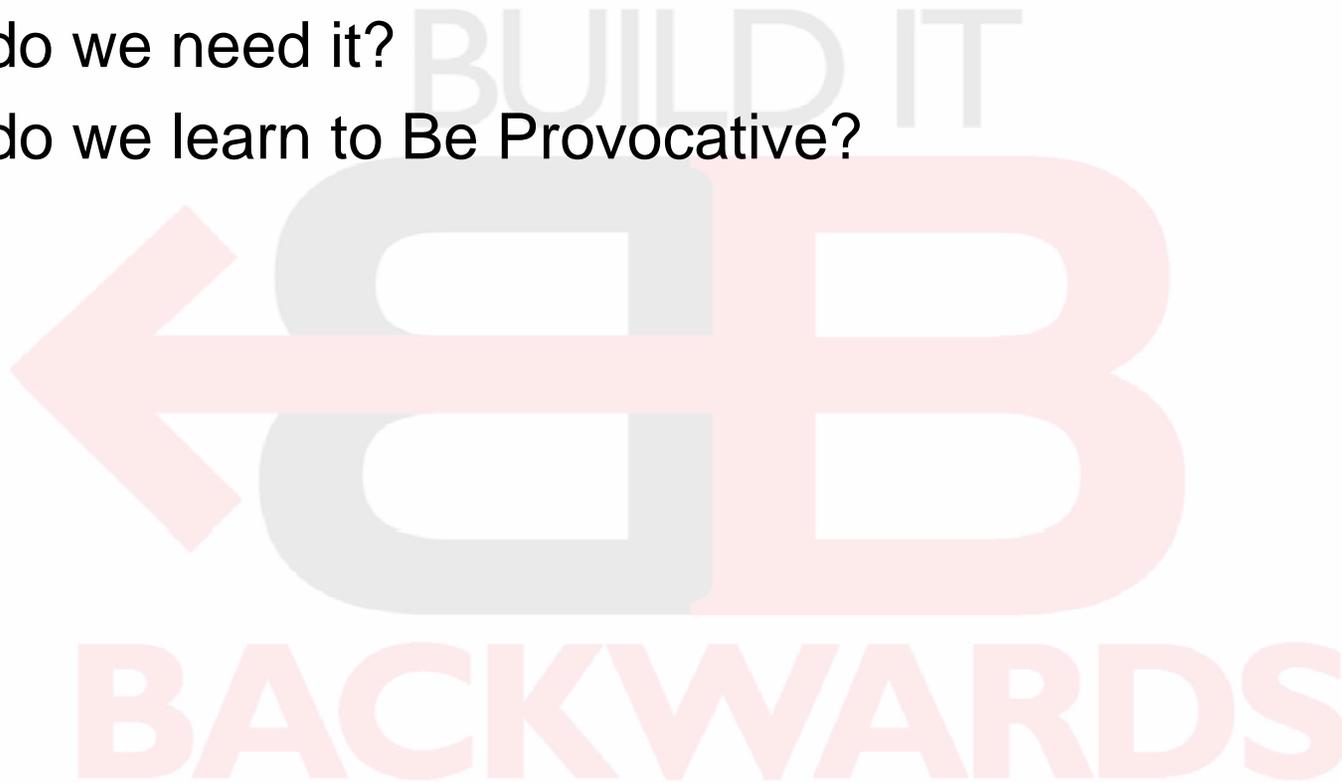
BACKWARDS

Traditional approach to selling

- **Features**
- **Advantages**
- **Benefits**
- **Sandler, Professional Selling Skills, etc.**
- **Simply do not address the 2 critical concerns**
 - For our customers, "With no budget how am I going to fix what is keeping me up at night?" and
 - Our own concerns of "how am I going to make the sale"?

Provocative selling

- What is it?
- Why do we need it?
- How do we learn to Be Provocative?



Adapted from the March, 2009 Harvard Business Review article titled, "In a Downturn, Provoke Your Customers"

What is it?

- Provocative selling is not the conventional consultative or solution-selling approach.
- Provocative selling helps
 - *customers recognize* that they have an
 - *urgent need that must be met* to address
 - a *specific problem*, so that they can
 - maintain their *competitive edge*.
- In other words, this is that “thing” they *should* they be worried about

Provocation-based selling works best when:

- the customer's problem is either unacknowledged or poorly understood,
- the budget doesn't exist for it, or
- the customer's main question is "*How can we change our approach to this problem, because so far we haven't deal with it very effectively?*"

Case study #1

Situation: A start up niche consumer products firm had a product line with excellent potential, however, they did not know how to capitalize on all of their highly competitive distribution channels, had limited capital & an impatient investor.

Provocation: we challenged them to 1) roll out the product lines in phases to allow for smaller capital investments at each stage and 2) penetrate one distribution channel at a time.

Results: We helped them develop & implement the strategic plan that lead to their very successful launch of the product line. They now enjoy national distribution and an excellent, sustainable reputation.

Why do we need it?

- The traditional selling approach is not working, either because:
 - Current economic challenge
 - Constrained budgets
 - Too many “me too” competitors
- This approach is a real “game changer”; like finding oil in your backyard with the mineral rights attached in your name!

How do we learn to Be Provocative?

To begin a provocation-based sale, you must do four things, and do them well:

1. **Identify a problem** or critical issue that will really resonate with a senior executive in the target organization;
2. **Develop a provocative point** of view about that problem
3. **Present** the provocation to a decision maker who can take the required action
4. **Provide** the solution that they can believe & implement that will finally work

Identify a problem or critical issue that will really resonate with a senior executive in the target organization

- The key is to find that one issue that matters so much that even in a downturn the money will be found to fix it. Any issue you consider must answer these four questions:
 1. Does it keep the CEO up at night?
 2. Is it being ignored, neglected, or ineffectively addressed by existing processes, systems, or services?
 3. Are you a credible source of advice on the issue?
 4. Can you provide the right solution?

Develop a provocative point of view about that problem

- Make your case by showing the customer why they need to implement your product/service to **maintain/gain market share**.
- You may want to use the scientific approach of:
 - If, then, else
 - **If** you do this **then** the result will be _____, or **else** you will lose _____

Must's:

- Do your research
- Know the market
- Know the industry
- Know the customer

Case study #2

Situation: A machine shop was running a 12-month supply of parts every time they received an order from its largest customer. This dilemma forced the company to produce the maximum quantity possible with each run and thus significantly increased costs, built up inventory unnecessarily, and tied up cash for long periods. They were afraid of losing their customer if they didn't perform.

Provocation: We showed them what was “best practice” within their own industry and how process improvement could reduce their set up times, cut their inventory, free up cash & generate a positive ROI in practice.

Results: Within three weeks of implementation, the company was able to regularly reduce set up times from more than 12 hours to less than three hours, thus allowing for substantially shorter runs. This significantly reduced inventory levels, which in turn freed up \$500,000 in cash. A 1000% return on our service!

Present the provocation to a decision maker who can take the required action

- The goal is to disturb the executive's equilibrium—and make the status quo unacceptable—without putting them on the defensive.
- Have a proposed solution that you can demonstrate will work
- Frequently breaking the solution into phases will make it more palatable to the firm – both financial & psychologically

If you have only one shot at getting this done:

a. State your provocation.

1. Begin the meeting by raising a critical issue that the target company is, or should be, under pressure to resolve.
2. Be original in the presentation. You cannot afford to play it safe here.
3. Be clear and passionate about your message.

b. Capture reaction to the provocation.

1. If the reaction is positive, move on.
2. If the reaction is negative, explore it for clear understanding; find common ground.
3. If there is no reaction, retreat; it is not working

c. Discuss war stories.

1. Describe the experiences of similar companies that either have faced or are facing the same problem.
2. Demonstrate that you are knowledgeable about this issue
3. Make the executive feel safe in acknowledging that the problem exists in their organization.
4. Provide a new clear solution that will work

d. Offer to conduct a short diagnostic study.

1. If interest continues, request that the executive sponsor a study that will allow you to dig into the company's challenges more deeply,
2. Deliver an analysis, and
3. Propose a solution.

Case study #3

Situation: The Controller of a mid-sized insurance brokerage firm was spending too much time each month creating tedious, repetitive reports in Excel®. They didn't have the budget for an ERP system nor the time to install it & receive the required training & they were falling further behind each month.

Provocation: we told them their approach was wrong! We built them a test model that we guaranteed would be easier & faster. They loved it & asked what else it could do. When we demonstrated the additional capabilities that they could benefit from the project grew.

Results: The model we eventually completed for them help increase efficiency and productivity to such a degree that the Controller's has been able to delegate almost 85% of the task to a lower level assistant and now can concentrate on his real responsibilities. Between the reduced time to input data and the improved accuracy of the reports, the brokerage will save more than \$80,000 annually and is thrilled at their competitive advantage.

Contrasting Solution Selling to Provocative Selling

Solution Selling

1. Competing within current budget
2. Supports current points of view
3. Acknowledges pain
4. Tactical approach
5. Goes from technical issues to business model
6. Begins with business line discussion
7. Asks questions to identify needs
8. Responds to client identified issues

Provocative Selling

- Compels unique funding
- Challenges current points of view
- Addresses unacknowledged pain
- Strategic approach
- Goes from business model to technical issues
- Begins with executive level discussion
- Uses scientific hypothesis to provoke a response
- Challenging discussion to bring out issues

In conclusion

To begin a provocation-based sale, you must do four things, and do them well:

1. **Identify a problem** or critical issue that will really resonate with a line executive in the target organization;
2. **Develop a provocative point** of view about that problem
3. **Present** the provocation to a decision maker who can take the required action along with your best
4. **Provide** the solution that they can believe & implement that will finally solve their problem

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