

SALES

Selling Is Not About Relationships

by Matthew Dixon and Brent Adamson

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This post, the first of a four-part series, is also part of the HBR Insight Center Growing the Top Line.

Ask any sales leader how selling has changed in the past decade, and you'll hear a lot of answers but only one recurring theme: It's a lot harder. Yet even in these difficult times, every sales organization has a few stellar performers. Who are these people? How can we bottle their magic?

To understand what sets apart this special group of sales reps, the Sales Executive Council launched a global study of sales rep productivity three years ago involving more than 6,000 reps across nearly 100 companies in multiple industries.

We now have an answer, which we've captured in the following three insights:

1. Every sales professional falls into one of five distinct profiles.

Quantitatively speaking, just about every B2B sales rep in the world is one of the following types, characterized by a specific set of skills and behaviors that defines the rep's primary mode of interacting with customers:

• **Relationship Builders** focus on developing strong personal and professional relationships and advocates across the customer organization. They are generous with their time, strive to meet

customers' every need, and work hard to resolve tensions in the commercial relationship.

- **Hard Workers** show up early, stay late, and always go the extra mile. They'll make more calls in an hour and conduct more visits in a week than just about anyone else on the team.
- **Lone Wolves** are the deeply self-confident, the rule-breaking cowboys of the sales force who do things their way or not at all.
- Reactive Problem Solvers are, from the customers' standpoint, highly reliable and detailoriented. They focus on post-sales follow-up, ensuring that service issues related to
 implementation and execution are addressed quickly and thoroughly.
- **Challengers** use their deep understanding of their customers' business to push their thinking and take control of the sales conversation. They're not afraid to share even potentially controversial views and are assertive with both their customers and bosses.

2. Challengers dramatically outperform the other profiles, particularly Relationship Builders.

When we look at average reps, we find a fairly even distribution across all five of these profiles. But while there may be five ways to be average, there's only one way to be a star. We found that Challenger reps dominate the high-performer population, making up close to 40% of star reps in our study.

What makes the Challenger approach different?

The data tell us that these reps are defined by three key capabilities:

Challengers teach their customers. They focus the sales conversation not on features and benefits but on insight, bringing a unique (and typically provocative) perspective on the customer's business. They come to the table with new ideas for their customers that can make money or save money — often opportunities the customer hadn't realized even existed.

Challengers tailor their sales message to the customer They have a finely tuned sense of individual customer objectives and value drivers and use this knowledge to effectively position their sales pitch to different types of customer stakeholders within the organization.

Challengers take control of the sale. While not aggressive, they are certainly assertive. They are comfortable with tension and are unlikely to acquiesce to every customer demand. When necessary, they can press customers a bit — not just in terms of their thinking but around things like price.

We'll discuss each of these capabilities in more depth in our upcoming posts, but just as surprising as it is that Challengers win, it's almost more eye-opening who loses. In our study, Relationship Builders come in dead last, accounting for only 7% of all high performers.

Why is this? It's certainly not because relationships no longer matter in B2B sales-that would be a naïve conclusion. Rather, what the data tell us is that it is the nature of the relationships that matter. Challengers win by pushing customers to think differently, using insight to create constructive tension in the sale. Relationship Builders, on the other hand, focus on relieving tension by giving in to the customer's every demand. Where Challengers push customers outside their comfort zone, Relationship Builders are focused on being accepted into it. They focus on building strong personal relationships across the customer organization, being likable and generous with their time. The Relationship Builder adopts a service mentality. While the Challenger is focused on customer value, the Relationship Builder is more concerned with convenience. At the end of the day, a conversation with a Relationship Builder is probably professional, even enjoyable, but it isn't as effective because it doesn't ultimately help customers make progress against their goals.

This finding — that Challengers win and Relationship Builders lose — is one that sales leaders often find deeply troubling, because their organizations have placed by far their biggest bet on recruiting, developing, and rewarding Relationship Builders, the profile least likely to win.

Here's how one of our members in the hospitality industry put it when he saw these results: "You know, this is really hard to look at. For the past 10 years, it's been our explicit strategy to hire effective Relationship Builders. After all, we're in the hospitality business. And, for a while, that approach worked well. But ever since the economy crashed, my Relationship Builders are completely lost. They can't sell a thing. And as I look at this, now I know why."

3. Challengers dominate the world of complex "solution-selling"

Given the first two findings, it might be reasonable to conclude that Challengers are the downeconomy reps and that when things return to normal, Relationship Builders will once again prevail. But our data suggest that this is wishful thinking.

When we cut the data by complexity of sale — that is, separating out transactional, product-selling reps from complex, solution-selling reps — we find that Challengers absolutely dominate as selling gets more complex. Fully 54% of all star reps in a solution-selling environment are Challengers. At the same time, Relationship Builders fall off the map almost entirely, representing only 4% of high-performing reps in complex environments.

Put differently, Challengers win because they've mastered the complex sale, not because they've mastered a complex economy. Your very best sales reps — the ones who carried you through the downturn — aren't just the top performers of today but the top performers of tomorrow, as they are far better able to drive sales and deliver customer value in any kind of economic environment. For any company on a journey from selling products to selling solutions — which is a migration that more than 75% of the companies I work with say they are pursuing — the Challenger selling approach represents a dramatically improved recipe for driving top-line growth.

In the next post, we'll look at how Challengers teach their customers and how leading companies are equipping their salespeople to do the same.

For a graphical summary of our findings, click here

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2 COMMENTS

Cyril Arnaud 2 years ago

Am I correct to think that Challengers are Relationship Builders that take the lead in the relationship. They create a relationship by teaching and sharing. So in other words, Relationship Builders are under performing not because of their personnality, but because they don't share enough with the customer. They are therefore the ones that can improve their performance with the minimum of efforts.

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