

SALES

The End of Solution Sales

by Brent Adamson, Matthew Dixon, and Nicholas Toman

FROM THE JULY–AUGUST 2012 ISSUE



ARTWORK: CHAD WYS, THRIFT STORE LANDSCAPE WITH A COLOR TEST, 2009, PAINT ON FOUND CANVAS AND FRAME, 42" X 34" X 2"

Listen to an interview with Matt Dixon.

14:13

The hardest thing about B2B selling today is that customers don't need you the way they used to. In recent decades sales reps have become adept at discovering customers' needs and selling them "solutions"—generally, complex combinations of products and services. This worked because customers didn't know how to solve their own problems, even though they

often had a good understanding of what their problems were. But now, owing to increasingly sophisticated procurement teams and purchasing consultants armed with troves of data, companies can readily define solutions for themselves.

In fact, a recent Corporate Executive Board study of more than 1,400 B2B customers found that those customers completed, on average, nearly 60% of a typical purchasing decision—researching solutions, ranking options, setting requirements, benchmarking pricing, and so on—before even having a conversation with a supplier. In this world the celebrated “solution sales rep” can be more of an annoyance than an asset. Customers in an array of industries, from IT to insurance to business process outsourcing, are often way ahead of the salespeople who are “helping” them.

But the news is not all bad. Although traditional reps are at a distinct disadvantage in this environment, a select group of high performers are flourishing. These superior reps have abandoned much of the conventional wisdom taught in sales organizations. They:

- evaluate prospects according to criteria different from those used by other reps, targeting agile organizations in a state of flux rather than ones with a clear understanding of their needs
- seek out a very different set of stakeholders, preferring skeptical change agents over friendly informants
- coach those change agents on how to buy, instead of quizzing them about their company’s purchasing process

These sales professionals don’t just sell more effectively—they sell differently. This means that boosting the performance of average salespeople isn’t a matter of *improving* how they currently sell; it involves altogether *changing* how they sell. To accomplish this, organizations need to fundamentally rethink the training and support provided to their reps.

Coming Up Short

Under the conventional solution-selling method that has prevailed since the 1980s, salespeople are trained to align a solution with an acknowledged customer need and demonstrate why it is better than the competition’s. This translates into a very practical approach: A rep begins by identifying

customers who recognize a problem that the supplier can solve, and gives priority to those who are ready to act. Then, by asking questions, she surfaces a “hook” that enables her to attach her company’s solution to that problem. Part and parcel of this approach is her ability to find and nurture somebody within the customer organization—an advocate, or coach—who can help her navigate the company and drive the deal to completion.

But customers have radically departed from the old ways of buying, and sales leaders are increasingly finding that their staffs are relegated to price-driven bake-offs. One CSO at a high-tech organization told us, “Our customers are coming to the table armed to the teeth with a deep understanding of their problem and a well-scoped RFP for a solution. It’s turning many of our sales conversations into fulfillment conversations.” Reps must learn to engage customers much earlier, well before customers fully understand their own needs. In many ways, this is a strategy as old as sales itself: To win a deal, you’ve got to get ahead of the RFP. But our research shows that although that’s more important than ever, it’s no longer sufficient.

To find out what high-performing sales professionals (defined as those in the top 20% in terms of quota attainment) do differently from other reps, Corporate Executive Board conducted three studies. In the first, we surveyed more than 6,000 reps from 83 companies, spanning every major industry, about how they prioritize opportunities, target and engage stakeholders, and execute the sales process. In the second, we examined complex purchasing scenarios in nearly 600 companies in a variety of industries to understand the various structures and influences of formal and informal buying teams. In the third, we studied more than 700 individual customer stakeholders involved in complex B2B purchases to determine the impact specific kinds of stakeholders can have on organizational buying decisions.

Our key finding: The top-performing reps have abandoned the traditional playbook and devised a novel, even radical, sales approach built on the three strategies outlined above. Let’s take a close look at each.

A New Selling Guide for Reps

The best salespeople are replacing traditional “solution selling” with “insight selling”—a strategy that demands a

Strategy #1: Avoid the Trap of “Established Demand”

radically different approach across several areas of the purchasing process.

Solution Selling

Insight Selling

What kind of company to target

Organizations that have a clear vision and established demands

Agile organizations that have emerging demands or are in a state of flux

What sort of initial information to gather

What need is the customer seeking to address?

What unrecognized need does the customer have?

When to engage

After the customer has identified a problem the supplier can solve

Before the customer has pinpointed a problem

How to begin the conversation

Ask questions about the customer's need and look for a "hook" for your solution

Offer provocative insights about what the customer should do

How to direct the flow of information

Ask questions so that the customer can steer you through its purchasing process

Coach the customer about how to buy, and support it throughout the process

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Most organizations tell their salespeople to give priority to customers whose senior management meets three criteria: It has an acknowledged need for change, a clear vision of its goals, and well-established processes for making purchasing decisions. These criteria are easily observable, for the most part, and both reps and their leaders habitually rely on them to predict the likelihood and progress of potential deals. Indeed, many companies capture them in a scorecard designed to help reps and managers optimize how they spend their time, allocate specialist support, stage proposals, and improve their forecasts.

Our data, however, show that star performers place little value on such 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 regulatory reform, or because of internal pressures, such as a recent acquisition, a leadership turnover, or widespread dissatisfaction with current practices. Since they're already reexamining the status quo, these customers are looking for insights and are naturally more receptive to the disruptive ideas that star performers bring to the table. (See the sidebar "How to Upend Your Customers' Ways of Thinking.") Stars, in other words, place more emphasis on a customer's potential to *change* than on its potential to *buy*. They're able to get in early and advance a disruptive solution because they target accounts where demand is emerging, not established—accounts that are primed for change but haven't yet generated the necessary consensus, let alone settled on a course of action.

How to Upend Your Customers' Ways of Thinking

One consequence of this orientation is that star performers treat requests for sales presentations very differently than average performers do. Whereas the latter perceive an invitation to

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.

In *The Challenger Sale* (Portfolio/Penguin, 2011), we draw on data from more than 6,000 salespeople around the world to show that all reps fall into one of five profiles—the Relationship Builder, the Reactive Problem Solver, the Hard Worker, the Lone Wolf, and the Challenger. Star performers are far more likely to be Challengers than any other type. Why? Challengers are the debaters on the sales team. They’ve got a provocative point of view that can upend a customer’s current practices, and they’re not afraid to push customers outside their comfort zone. (This idea was explored by Philip Lay, Todd Hewlin, and Geoffrey Moore in the March 2009 HBR article “In a Downturn, Provoke Your Customers.”)

Challengers accounted for nearly 40% of the high performers in our study—and the number jumps to 54% in complex, insight-driven environments. Customers value the Challenger approach; in a corollary study, we found that the biggest driver of B2B customer loyalty is a supplier’s ability to deliver new insights.

Getting the Challenger approach right requires organizational capabilities as well as individual skills. While salespeople need to be comfortable with the tension inherent in a teaching-oriented sales conversation, sales and marketing leaders must create teachable insights for them to deliver in the first place. When handled

present as the best sign of a promising opportunity, the former recognize it for what it is—an invitation to bid for a contract that is probably destined to be awarded to a favored vendor. The star sales rep uses the occasion to reframe the discussion and turn a customer with clearly defined requirements into one with emerging needs. Even when he’s invited in late, he tries to rewind the purchasing decision to a much earlier stage.

A sales leader at a business services company recently told us about one of the firm’s top sellers, who, asked to give an RFP presentation, quickly commandeered the meeting to his own ends. “Here is our full response to your RFP—everything you were looking for,” he told the assembled executives. “However, because we have only 60 minutes together, I’m going to let you read that on your own. I’d like to use our time to walk you through the three things we believe *should* have been in the RFP but weren’t, and to explain why they matter so much.” At the end of the meeting the customer sent home the two vendors who were still waiting for their turn, canceled the RFP process, and started over: The rep had made it clear to the executives that they were asking the wrong questions. He reshaped the deal to align with his company’s core capabilities and ultimately landed it. Like other star performers, he knew that the way in was not to try to meet the customer’s existing needs but to redefine them. Instead of taking a conventional solution-sales

skillfully, those insights guide the conversation toward areas where the supplier outperforms its competitors.

The Challenger approach is becoming standard operating procedure in top sales organizations. Reps for Dentsply International, a global provider of dental products and services, talk to dentists about hygienists' absences from work related to carpal tunnel syndrome and similar injuries. They demonstrate how Dentsply's lighter, cordless hygiene equipment may reduce wrist stress. Salespeople for the agricultural products and services firm Cargill discuss how price volatility in international markets causes farmers to waste time trying to predict commodity price shifts. The subject naturally leads to a pitch for grain-pricing services, which help farmers mitigate their exposure to price fluctuations.

Instead of leading with a discussion about the technical benefits of their products, account teams at Ciena, a global provider of telecommunications equipment, software, and services, focus the conversation on the business benefits, such as reducing operational inefficiencies in networks. For example, they talk about how much money the customer could save by eliminating unnecessary service calls through improved network automation. And reps for the food services company Aramark use insights gleaned from serving one consumer segment (say, college students) to change the way prospective

approach, he used an "insight selling" strategy, revealing to the customer needs it didn't know it had.

Research in practice.

Drawing on data that include interviews with nearly 100 high performers worldwide, we developed a new scorecard that managers can use to coach their reps and help them adopt the criteria and approaches that star performers focus on. (See the exhibit "Prioritizing Your Opportunities.") One industrial automation company we've worked with has effectively employed it, with a few tweaks to account for industry idiosyncrasies. When its managers sit down with reps to prioritize activity and assess opportunities, the scorecard gives them a concrete way to redirect average performers toward opportunities they might otherwise overlook or underpursue and to steer the conversation naturally toward seeking out emerging demand. (A word of caution: Formal scorecards can give rise to bureaucratic, overengineered processes for evaluating prospects. Sales leaders should use them as conversation starters and coaching guides, not inviolable checklists.)

Prioritizing Your Opportunities

The scorecard below, derived from the ways high-performing reps evaluate potential customers, can help you assess whether or not to pursue a deal.

1. Organizational basics		YES	NO	
Does the customer have significant current or potential spend?		<input type="checkbox"/>	<input type="checkbox"/>	IF EITHER ANSWER IS NO, DO NOT PURSUE A DEAL
Is the customer financially sound?		<input type="checkbox"/>	<input type="checkbox"/>	

2. Operating environment		YES	NO	UNKNOWN	
Does the customer face external pressures to change, such as new industry regulations or loss of market position?		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1 POINT FOR EACH YES
Are there internal pressures to change, such as new management or a rethinking of strategic direction?		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

3. View of the status quo		YES	NO	UNKNOWN	
Is there organization-wide discontent with the status quo?		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2 POINTS FOR EACH YES
Does the current supplier fall short of expectations?		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Is the customer unhappy with existing workarounds?		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

4. Receptivity to new or disruptive ideas		YES	NO	UNKNOWN	
Do internal stakeholders frequently share best practices?		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3 POINTS FOR EACH YES
Do they attend conferences and other learning events?		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Do leaders look to the broader organization for ideas?		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

5. Potential for emerging needs		YES	NO	UNKNOWN	
Do stakeholders engage in constructive dialogue when their assumptions are challenged?		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4 POINTS FOR EACH YES
Do they seek to continue conversations about industry benchmarks and trends?		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Is there at least one confirmed "Mobilizer" in the company?		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
TOTAL					<input type="checkbox"/>

Scoring		
0-10	10-20	20+
Consider not pursuing the opportunity	Consider pursuing with limited resources	Consider pursuing with full resources

Strategy #2: Target Mobilizers, Not Advocates

As we noted earlier, in conventional sales training reps are taught to find an advocate, or coach, within the customer organization to help them get the deal done. They're given a laundry list of attributes to look for. The description below, compiled from dozens of companies' training materials, suggests that the ideal advocate:

- is accessible and willing to meet when asked
- provides valuable information that's typically unavailable to outside suppliers
- is predisposed to support the supplier's solution
- is good at influencing others

- speaks the truth
- is considered credible by colleagues
- conveys new ideas to colleagues in savvy, persuasive ways
- delivers on commitments
- stands to personally gain from the sale
- will help reps network and connect with other stakeholders

We heard the same list, or a variation on it, from sales leaders and trainers the world over. It turns out, though, that this idealized advocate doesn't actually exist. Each attribute can probably be found somewhere in a customer organization, but our research shows that the traits rarely all come together in one person. So reps find themselves settling for someone who has *some* of them. And when choosing an advocate, we've found, most reps walk right past the very people who could help them get the deal done—the people star performers have learned to recognize and rely on.

In our survey of customer stakeholders, we asked them to assess themselves according to 135 attributes and perspectives. Our analysis revealed seven distinct stakeholder profiles and measured the relative ability of individuals of each type to build consensus and drive action around a large corporate purchase or initiative. The profiles aren't mutually exclusive; most people have attributes of more than one. Still, the data clearly show that virtually every stakeholder has a primary posture when it comes to working with suppliers and spearheading organizational change.

Here are the seven profiles we identified.

1. Go-Getters.

Motivated by organizational improvement and constantly looking for good ideas, Go-Getters champion action around great insights wherever they find them.

2. 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.

3. Skeptics.

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

4. Guides.

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

5. Friends.

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

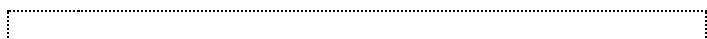
6. Climbers.

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

7. Blockers.

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

Our research also reveals that average reps gravitate toward three stakeholder profiles, and star reps gravitate toward three others. Average reps typically connect with Guides, Friends, and Climbers—types that we group 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 decisions. Ironically, traditional sales training pushes reps into the arms of Talkers—thus reinforcing the very underperformance companies seek to improve.



Don't Target Talkers

Being a Mobilizer has little to do with function, role, or seniority. High-level decision makers are just as likely to be Talkers or Blockers. The peril for most reps is that their instinct tells them to target Talkers. And they view a senior-level Talker, such as a CEO or a CFO, as the holy grail—someone who holds the purse strings and is eager to meet. But these decision makers are often unwilling or unable to build the consensus needed for large-scale change—so what seems like an “ideal deal” is more likely to head to the graveyard than to the income statement.

The profiles that star reps pursue—Go-Getters, Teachers, and Skeptics—are far better at generating consensus. We refer to 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. In fact, in many ways Mobilizers are deeply supplier-agnostic. They're less likely to get behind a particular supplier than behind a particular insight. Reps who rely on a traditional features-and-benefits sales approach will probably fail to engage Mobilizers.

Endless questioning and needs diagnosis are of no value to Mobilizers. They don't want to be asked what keeps them awake at night; they're looking for outside experts to share insights about what their company should do, and they're engaged by big, disruptive ideas. Yet upon hearing those ideas, Mobilizers 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*. Skeptics are especially likely to pick apart an insight before moving forward. That can be intimidating for most reps, who are apt to mistake the Skeptic's interrogation for hostility rather than engagement. But star performers live for this kind of conversation. We spoke with one who said, “If the customer isn't skeptical and doesn't push me, then either I've done something wrong or she just isn't serious.”

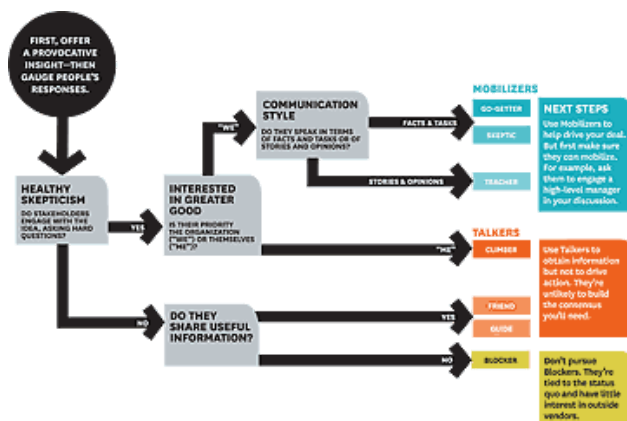
Research in practice.

We worked with star reps around the world to develop a practical guide to identifying Mobilizers. (See the exhibit “Finding the Right Allies.”) The first step is to gauge a customer's reaction to a provocative insight. (For instance, reps at the industrial supply company Grainger start their conversations by citing data showing that a shockingly high share—40%—of companies' spend on maintenance, repair, and operations goes to unplanned purchases.) Does the customer dismiss the insight out of hand, accept it at face value, or test it with hard questions? Contrary to conventional wisdom, hard questions are a good sign; they suggest that the contact has the healthy skepticism of

a Mobilizer. If the customer accepts the assertion without question, you’ve got a Talker or a Blocker –the difference being that a Talker will at least offer useful information about his organization, whereas a Blocker will not engage in dialogue at all.

Finding the Right Allies

We identified seven distinct stakeholder profiles within customer organizations. Star reps filter out the less useful types and target the ones who could help drive the deal. Here’s how to do the same.



Next, the rep must listen carefully to *how* the customer discusses the insight as the conversation progresses. Watch out for the customer who says something like “You’re preaching to the converted. I’ve been lobbying for this sort of thing for years!” If he sees the idea as a means of advancing his personal agenda—speaking mainly in terms of “me” versus “we”—that’s a strong signal that he’s a Climber. And Climbers can be dangerous. A number of star reps told us that Climbers aren’t obvious just to them; they’re obvious to colleagues and often cause widespread resentment and distrust.

Star performers never assume they’ve identified a Mobilizer until that person has proved it with her

actions. Stars usually ask stakeholders they believe might be Mobilizers to set up a meeting with key decision makers or to provide information obtainable only by actively investigating an issue or conferring with colleagues. One star performer from a global telecommunications company explained to us that she always tests what her customer contacts tell her they can do. In particular, she asks them to invite senior decision makers, often from other functions, to follow-on meetings. If they fail to get the right people to attend, she knows that although they may *aspire* to mobilize, they probably lack the connections or the clout to actually do so.

Strategy #3: Coach Customers on How to Buy

Sales leaders often overlook the fact that as hard as it is for most suppliers to sell complex solutions, it’s even harder for most customers to buy them. This is especially true when Mobilizers take the lead, because they’re “idea people” who tend to be far less familiar than Talkers with the ins and outs of internal purchasing processes.

Having watched similar deals go off the rails in other organizations, 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.

Most reps rely on a customer to coach them through a sale; star reps coach the customer.

In light of this fact, it's instructive to reflect on how much time and effort sales organizations invest in equipping their reps to “discover” the customer's purchasing process. Most carefully train them to ask a host of questions about how decisions are made and how the deal is likely to progress, assuming that the customer will have accurate answers. That's a poor strategy.

Sales leaders find this notion deeply unsettling. How can a rep guide a customer through the purchasing process when he probably doesn't understand the idiosyncrasies of the customer's organization? Isn't each customer's buying process unique? In a word, no. One star rep we interviewed explained, “I don't waste a lot of time asking my customers about who has to be involved in the vetting process, whose buy-in we need to obtain, or who holds the purse strings. The customers won't know—they're new to this kind of purchase. In the majority of my deals, I know more about how the purchase will unfold than the customers do. I let them champion the vision internally, but it's my job to help them get the deal done.”

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Research in practice.

Automatic Data Processing (ADP), a global leader in business outsourcing solutions, recently introduced a methodology designed to reorient its sales reps—and the entire company—around its customers' purchasing processes. It's called **Buying Made Easy**.

The goal is to reduce the burden on the customer by having sales reps follow prescribed steps, each with its own tools and documents to support customers throughout the process. Instead of representing a set of sales activities, as in traditional programs, the steps represent a set of buying activities (“recognize need,” “evaluate options,” “validate and select a solution”) along with recommended actions that will help salespeople guide the customer. Any conversation at ADP about the status of a deal takes into account what the customer has to do next and how ADP can help make that happen.

In addition, ADP has created verification steps to ensure that reps can accurately and fully document the customer’s purchasing progress. One verifier, for example, is the customer’s written commitment to run a presales diagnostic assessing the company’s exposure to risk and its readiness to move to an outsourced solution. Each verifier is a clear, objective indicator of exactly where a customer is in the purchasing process. It’s 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.

Many reps will simply ignore the upheaval and stick with solution selling, and their customers will increasingly rebuff them. But 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.

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Brent Adamson is the principal executive adviser of CEB’s sales practice. He is a coauthor (with Nicholas Toman, Matthew Dixon, and Pat Spenner) of *The Challenger Customer: Selling to the Hidden Influencer Who Can Multiply Your Results*.



Matthew Dixon is the customer contact and customer experience group leader at CEB, now part of Gartner.



Nicholas Toman is the practice leader of CEB’s sales practice. He is a coauthor (with Brent Adamson, Matthew Dixon, and Pat Spenner) of *The Challenger Customer: Selling to the Hidden Influencer Who Can Multiply Your Results*.

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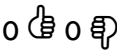
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9 COMMENTS

Hugh Draper a month ago

I don't think that superior sales reps have abandoned much of the conventional wisdom taught in sales organizations, but that they never embraced it in the first place, as far back as the '80s or maybe even further. I also think that much superior sales talent has moved on to different pursuits over that time, as the static mindset of traditional sales is still quite prevalent, and shows itself in many mind-cringing sales recruitment ads, which does not nurture and develop superior sales growth and perpetuation.

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