



WHAT THE BEST COMPANIES DO

SALES, MARKETING, AND COMMUNICATIONS PRACTICE
SALES EXECUTIVE COUNCIL®



Challenger Selling

Driving Growth Through the Insight-Led Sale

A FRAMEWORK FOR MEMBER CONVERSATIONS

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Challenger Selling

Driving Growth Through the Insight-Led Sale

#1

Do We Have the Right Seller Profile?

#2

Are We Having the Right Commercial Conversations?

Key Questions:

1. What type of seller succeeds in complex sales?
2. Which skills do sellers need to succeed in today's buying environment?



To identify the sales skills associated with success in a tough economy, SEC surveyed managers about the skills of sales reps worldwide.

Survey Details

- Each manager assesses one star and two core sales reps across a comprehensive set of 44 attributes.
- In this analysis, direct managers evaluated more than 6,000 sales reps from across roughly 100 Sales Executive Council member companies.
- Managers assess whether the sales reps are more or less likely to exhibit certain sales-related attitudes, skills/behaviors, knowledge, and activities.
- Analysis uses the most recent annual sales results to derive drivers of success.
- The results enable organizations to understand which capabilities to select for and build when making hiring and development decisions.

From the SALES EXECUTIVE COUNCIL® of the SALES, MARKETING, AND COMMUNICATIONS PRACTICE
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IN SEARCH OF ANSWERS

Quantitative Model to Determine the Drivers of High Performance

Partial Sample of Variables Tested

Attitudes

- Desire to Seek Issue Resolution
- Willingness to Risk Disapproval
- Accessibility
- Goal Motivation
- Extent of Outcome Focus
- Attachment to the Company
- Curiosity
- Discretionary Effort

Skills/Behaviors

- Business Acumen
- Customer Needs Assessment
- Communication
- Use of Internal Resources
- Negotiation
- Relationship Management
- Solutions Selling
- Teamwork

Activities

- Sales Process Adherence
- Evaluation of Opportunities
- Preparation
- Lead Generation
- Administration

Knowledge

- Industry Knowledge
- Product Knowledge

Partial Sample of Participating Companies



Source: Sales Executive Council research.



Sales reps fall into one of five distinct profiles.

- The profiles are determined using factor analysis to identify common groups of skills or behaviors.

FIVE REP PROFILES

Sales Rep Profiles

THE HARD WORKER (21% OF SAMPLE)



- Always willing to go the extra mile
- Doesn't give up easily
- Self-motivated
- Interested in feedback and development

THE CHALLENGER (27% OF SAMPLE)



- Always has a different view of the world
- Understands the customer's business
- Loves to debate
- Pushes the customer

THE RELATIONSHIP BUILDER (21% OF SAMPLE)



- Builds strong advocates in customer organization
- Generous in giving time to help others
- Gets along with everyone

THE LONE WOLF (18% OF SAMPLE)



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

THE PROBLEM SOLVER (14% OF SAMPLE)



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

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Source: Rep Effectiveness Diagnostic; Sales Executive Council research.

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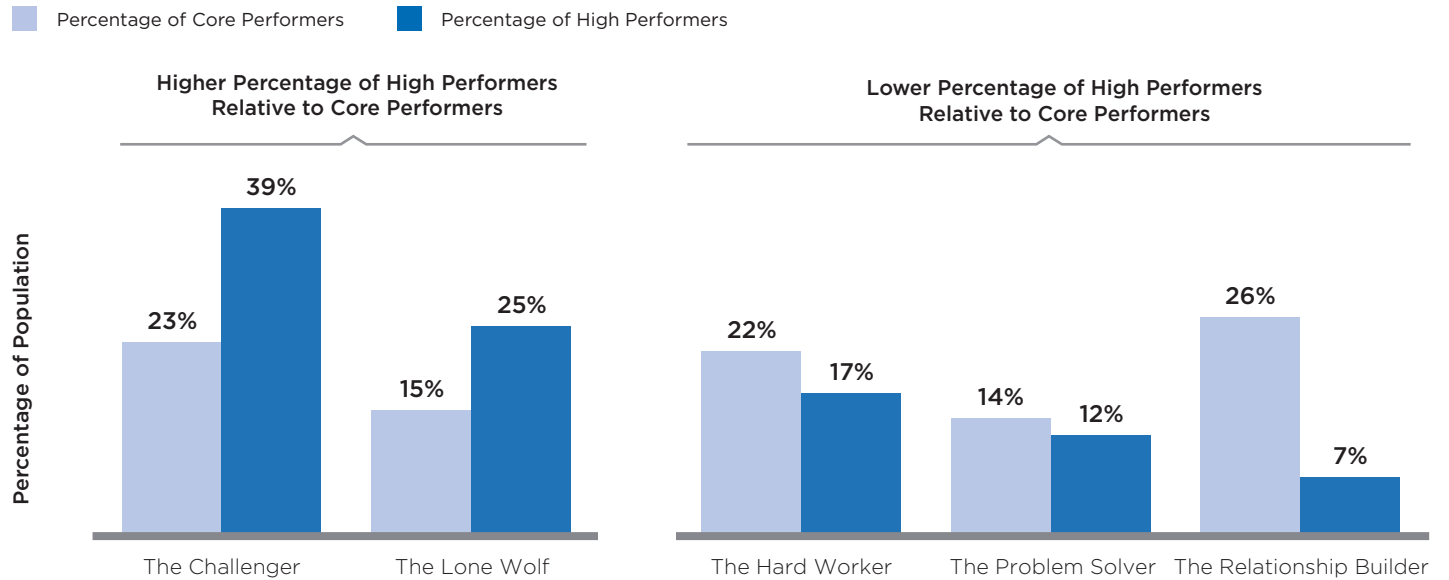


Challengers are far more likely to be high performers than any other profile.

- All profiles are roughly equal in occurrence in the total population.
- Challengers and Lone Wolves are more likely to be high performers than core performers.
- Lone Wolves can be successful if the environment matches their natural style, but regardless of success they pose a significant management challenge.
- Hard Workers and Problem Solvers are more likely to be core performers than high performers.
- The Relationship Builder is significantly more likely to be a core performer than a high performer.

CHALLENGER WINS

Core and High Performers, By Profile



The Challenger Rep



- Offers unique perspective } Teach for differentiation
- Two-way communication skills } Teach for differentiation
- Knows customer value drivers } Tailor for resonance
- Can identify economic drivers } Tailor for resonance
- Is comfortable discussing money } Assert control
- Can pressure the customer } Assert control

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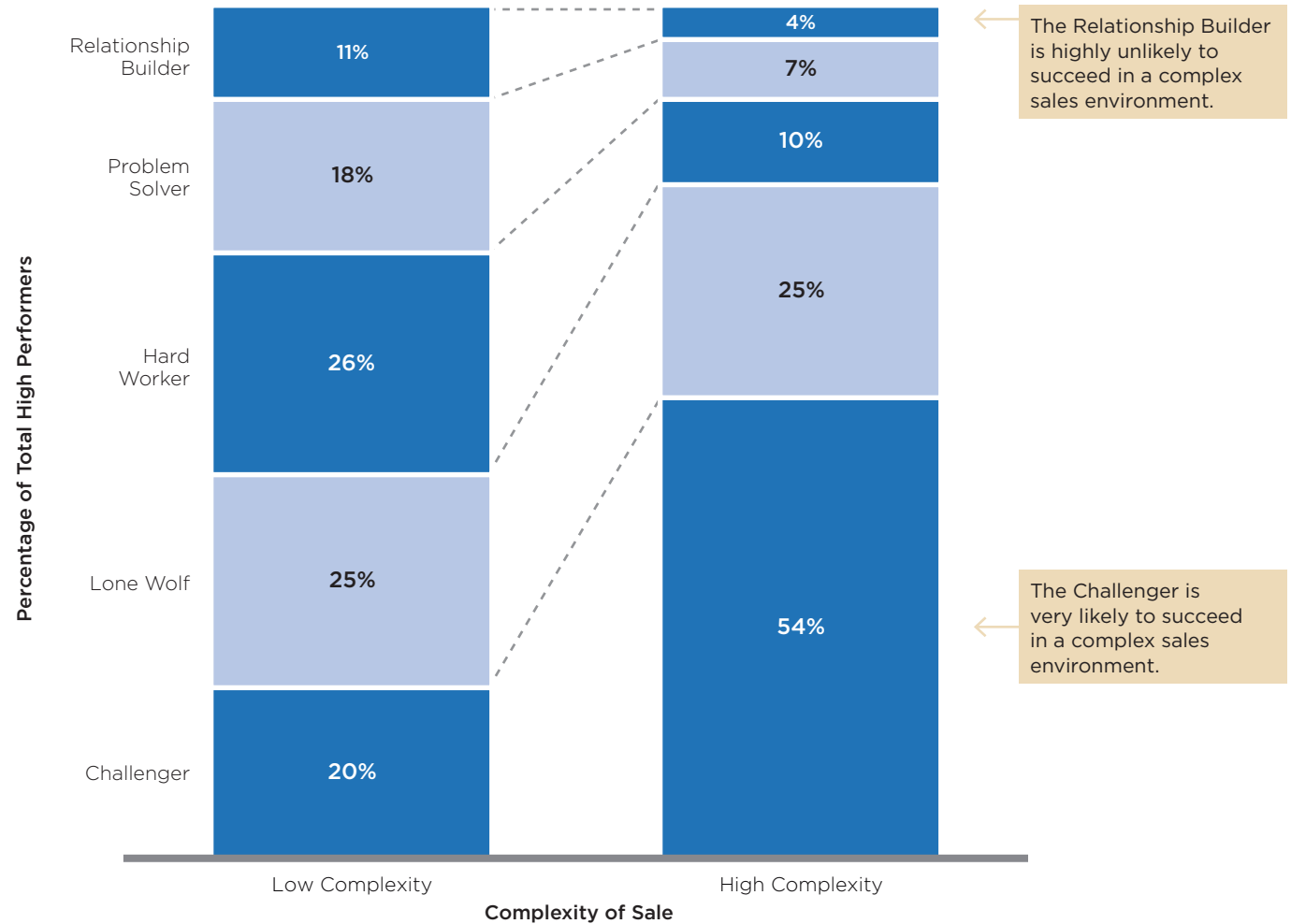


The Challenger profile is far more likely to be a high performer in a complex environment than any other profile.

- Given the trend towards greater complexity in sales interactions across all industries, the Challenger profile is the best profile to seek in hiring situations and build with development programs.

TAKING THE LONG-TERM VIEW

Frequency of High Performance by Sales Rep Profile
Simple Versus More Complex Sales Environment



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➤ Challenger Selling

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Key Questions:

1. What do customers most value from a commercial relationship?
2. How do the highest performing sales people create customer loyalty?

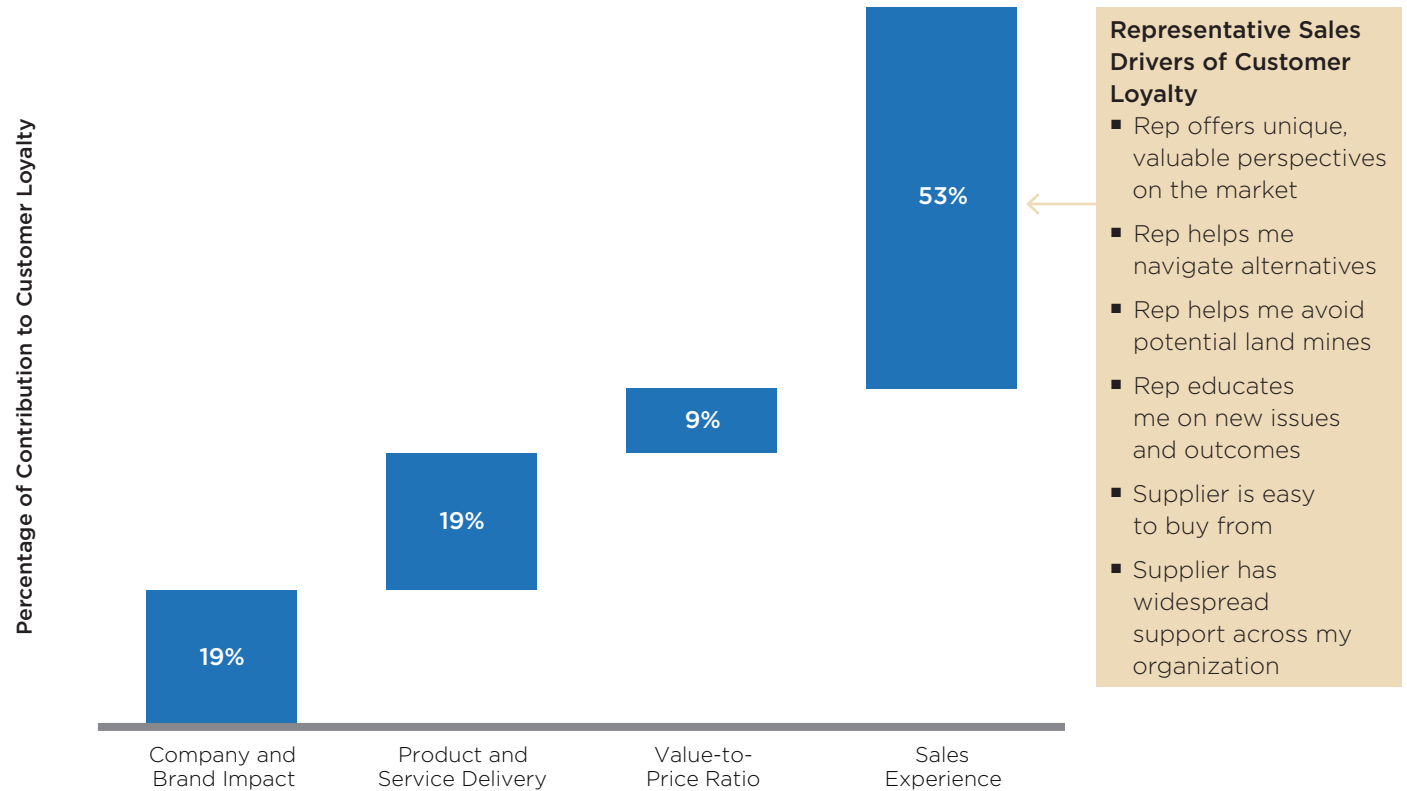


The sales experience offers the greatest opportunity for driving loyalty—by delivering insight.

- SEC research finds that the sales function owns more than half of the customer loyalty equation.
- The value and insight the customer receives as part of the sales experience itself—such as “rep offers unique, valuable perspectives” and “rep educates me on issues and outcomes”—are among the most important drivers of loyalty.

CUSTOMERS NEED A DIFFERENTIATED SALES EXPERIENCE

Impact of Customer Loyalty Drivers



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Source: Customer Experience Diagnostic; Sales Executive Council research.

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The organization must design commercial teaching to achieve four critical objectives.

- Commercial teaching must tie directly back to a capability where a supplier outperforms its competitors.
- Commercial teaching must challenge customer assumptions and speak directly to that customer's world in a way they have not thought of before to help them recognize needs they did not realize they had.
- Commercial teaching must create urgency and drive the customer to take action.
- Commercial teaching content must be scalable across larger groups of customers so that the solutions can be standardized to help protect margins by limiting customization.

NOT AN INDIVIDUAL SKILL

Commercial Teaching Attributes

COMMERCIAL TEACHING

Definition: Reframing the way the customer assigns value to the areas where you outperform your competitors.

Commercial Teaching has to...

1. Lead to Your Unique Strengths

Why?

Teaching that is equally relevant to other suppliers does not further customer appreciation for your unique strengths and therefore does little more than create goodwill.

2. Challenge Customers' Assumptions

Why?

Sharing information that is simply new or voyeuristically interesting fails to grab mind share and "stick" with customers.

3. Catalyze Action

Why?

Without sufficient pathing toward a solution for customers' problems and a prescription for action, teaching fails to further the sales cycle.

4. Scale Across Customers

Why?

The costs of developing and delivering one-off teaching content are a burden on the organization and not economically viable.

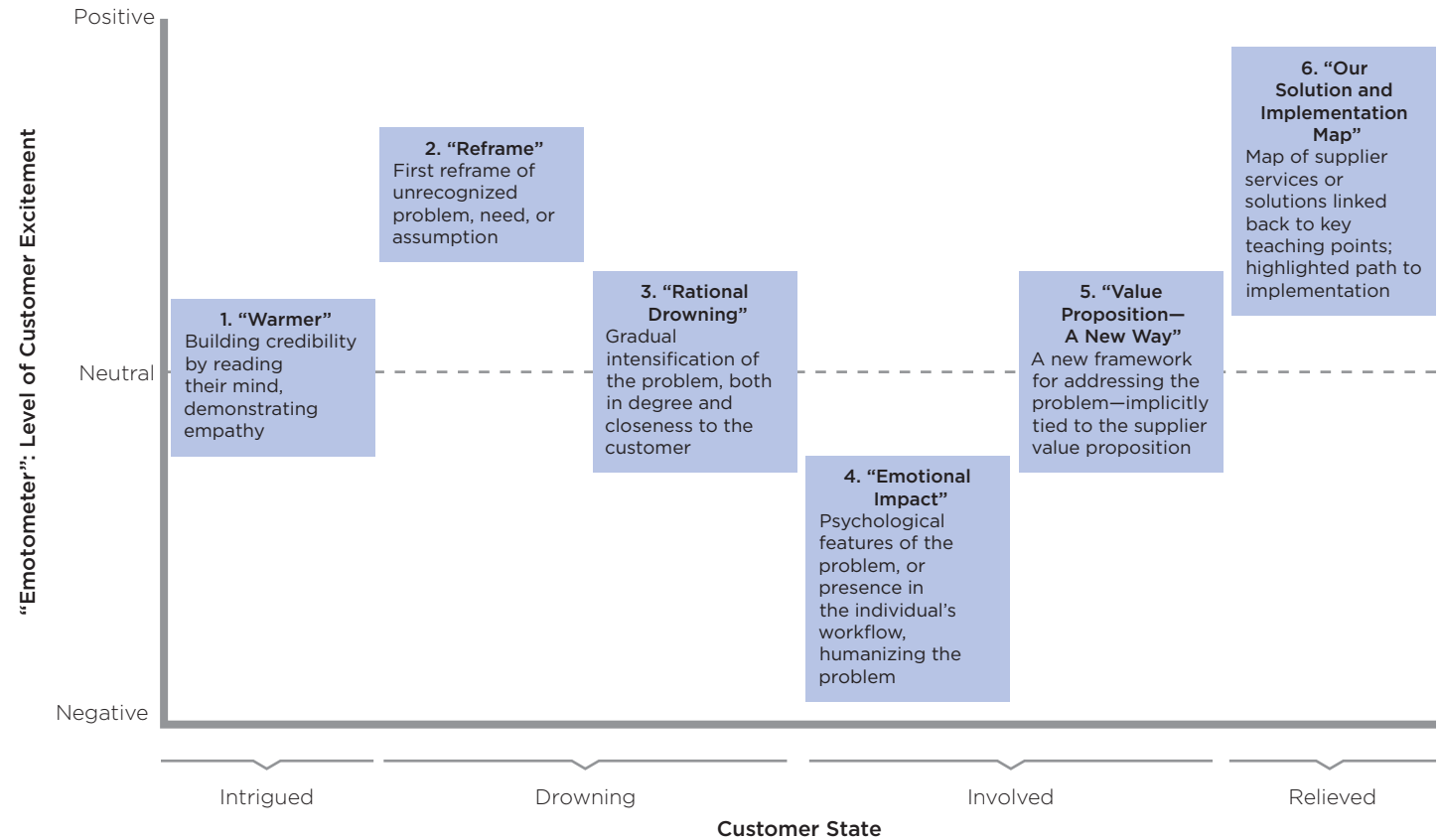


Careful pathing wraps commercial teaching in an emotionally compelling experience.

- A commercial teaching sales pitch delivers teaching by reframing initial assumptions, showing the customer underlying unanticipated problems, and building confidence in the supplier's ability to deliver a new solution.
- Unlike the traditional sales pitch, the commercial teaching approach strips out the usual company, product or service overviews.
- Commercial teaching also does not follow a probing process of asking the customer questions to learn more about their specific challenges.
- Instead, commercial teaching focuses exclusively on an unknown problem or opportunity for the customer that the supplier teaches the customer, not necessarily learns from the customer.

LEAD TO, NOT LEAD WITH

Deconstruction of a Commercial Teaching Pitch



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