

Do better, not more.

THE UNCOMMON CUSTOMER EXPERIENCE: SALES



Challenger

WISDOM TO WIN



TABLE OF CONTENTS

3 Introduction

5 Sales

7 Recruiting & Hiring

8 Seller Skills

10 Manager Coaching

11 Stakeholder Management

13 Application & Measurement

14 Closing

Introduction

01

INTRODUCTION

CUSTOMERS HAVE CHANGED.

They've changed the way they think, decide and buy. This means they've also changed their minds about what they want from suppliers. Many organizations make the mistake of thinking more of the same is the answer to win with today's customers. More content highlighting features and benefits, more rapport building and more customer service exceeding expectations. But our research as part of CEB has shown, and our experience has validated, that more of the same with today's customers only leads to less. Less engagement, less loyalty, less movement in pipeline and less interest in discussing anything but price.

Challenger is about being different. It's about looking across your entire customer facing function - from marketing to sales to service - and together providing an uncommon customer experience. But doing this takes real effort at organizational, managerial and individual levels.

The purpose of this whitepaper is to explore the key components of a customer experience transformation (shown in the framework below). Each piece contributes to a differentiated and truly powerful experience, leading to greater customer loyalty and better financial results.



Sales

02

SALES

CHANGE THE CONVERSATION.

True behavior change — that produces powerful sales experiences and stronger top line results — comes from a sustained effort across the sales organization. The effort involves five critical components:

1. Recruiting and hiring sellers with a natural inclination to teach
2. Training the full organization on best practice sales behaviors
3. Equipping managers and leaders to coach change
4. Enabling sellers to engage the right customer stakeholders
5. Establishing a strategy for application and measurement



SALES

RECRUITING & HIRING

Only 17% of candidates have today's optimal EQ/IQ for Challenger selling. Screen for hires with a proclivity to teach and challenge the status quo.

Decision bias is always present. As a result, managers often get the sales hire wrong. Seeing a new face for just one-tenth of a second is enough to form a judgment, but a bad judgement is very costly. It's a fact, most recruiting processes have not evolved to identify the optimal skill set to win business today.

What does a bad sales hire cost your business? It's enough to really hurt. Let's say you hire 30 sales people in a year, with an

average quota of \$2.5 million. In this scenario, given the scarcity of high potential talent, wrong choices could cost you as much as \$6 million in lost revenue.¹ This doesn't include the direct costs of attrition and re-hiring replacements.

Hiring Challengers requires recruiting a different skill set, with not only traditional sales competencies (e.g. persuasion and persistence) but also new competencies like strategic thinking and business acumen.

We recommend using a pre-hire assessment to identify Challenger proclivity. You should test a larger and more diverse pool of candidates initially and let the screening assessment help you prioritize those with high potential.

Our Challenger Selection Program can help. **Contact us** for more information.



Source: CEB Research.

1. 30 hires x \$2.5M Average Quota x 20% Low/High Delta x 40% Frequency Change Hiring HiPos = \$6M

SALES

SELLER SKILLS

Sellers who don't perform powerful sales experiences won't engage today's customers. Embed in all sellers the foundational skills most likely to generate high performance.

Information is everywhere. Competition is fierce. Today's B2B customers reward their loyalty and purchase decision to sellers who provide an insight-led sales experience. While factors like product, brand and price matter, customers see them as undifferentiated. The sales experience represents the primary (53%) driver of customer loyalty.

This is evident when comparing seller performance. Those using legacy sales behaviors perform on average 14% points lower against sales target than sellers adopting the behaviors today's customers look for. That's a lot of potential revenue left on the table.

What are the behaviors customers look for? Our research while part of CEB uncovered five behavioral profiles for selling: the Hard Worker, the Problem Solver, the Lone Wolf, the Relationship Builder and the Challenger. Most companies will find a generally even mix of each profile among their core performers.

But when looking at what differentiates high performers from core performers, particularly in a complex selling environment, one profile stands out. The Challenger. In fact, Challengers are 4.5 times more likely to be high performers in a complex selling environment. Specifically, they do three things.

First, they Teach customers about hidden costs and risks in their business.

Second, they Tailor their messages to particular customer roles or communication styles.

Third, they Take Control of the customer's decision making journey, coaching them through each step.

These skills together create an effective balance of **Constructive Tension** that motivates the customer to action.

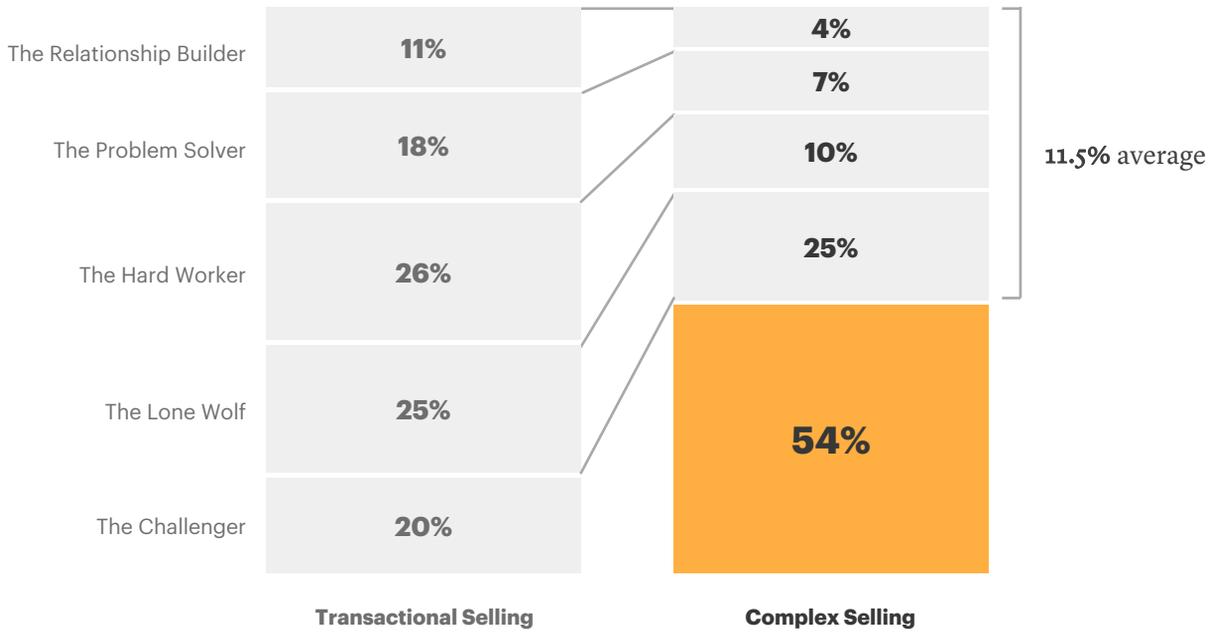
Many sales leaders ask if Challengers are born or made. Although certain sales people have natural Challenger talent, entire sales organizations can adopt Challenger behaviors with the right training, tools and support. We recommend adopting a formal Challenger development program across your entire sales force to move as many core performers as possible to higher performance.

Our Challenger Development Program can help. **Contact us** for more information.



SALES SELLER SKILLS

Percentage of High-Performing Sales Professionals



Source: CEB Research.

<p>Create Constructive Tension</p>	<p>Teach for Differentiation</p>	<p>Tailor for Resonance</p>	<p>Take Control</p>
<p>Shift behavior to compel the customer to take action.</p>	<p>Deliver commercial insight in a rational and emotionally compelling way.</p>	<p>Customize the sales message to individual priorities and goals of the customer.</p>	<p>Guide the customer through the buying process, reinforcing value and verifying movement.</p>

SALES MANAGER COACHING

When managers fail to coach, team performance suffers and transformations don't stick. Develop coaching skills and hold managers accountable for using them.

Today's sales manager is often yesterday's star performer promoted for his/her ability to sell. This leaves many organizations with a significant coaching and managerial proficiency gap. What's more, this gap exists at a time when seller behavior change is necessary to give customers the experience they demand. Without effective front-line coaching, this change won't happen and managers will struggle to engage/retain top performers and hit sales targets.

What does a lack of effective manager coaching cost your business? The answer is a lot. Let's start with performance against sales target. Teams coached by low effectiveness managers perform up to 19% points below teams coached by high effectiveness managers. That's almost \$4 million dollars in missed revenue on a \$20 million team sales goal. We also see lower team engagement and higher turnover on teams receiving low effectiveness coaching. Finally, when trying to develop seller skills, most of what is learned in training (87%) is lost in 30 days if not reinforced by effective manager coaching. That's a significant scrap learning rate and missed improvement opportunity.

We recommend manager coaching be a constant priority in any sales transformation, with particular focus on skills that improve a manager's coaching posture. These include:

Preparing for each interaction

Affirming a relationship of trust

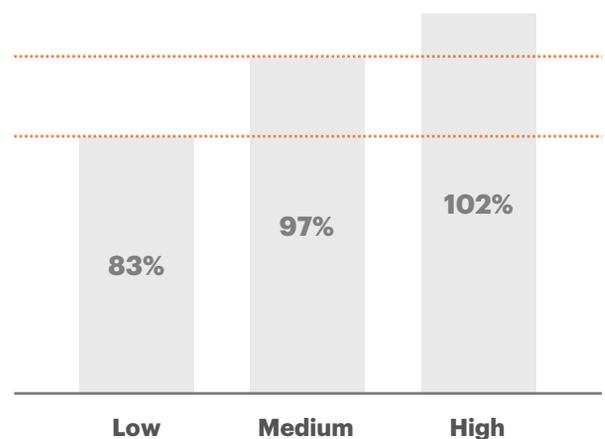
Understanding observed behavior to know what to coach to

Specifying behavior change in a way that motivates action and

Embedding new behaviors through consistency and follow up.

Our Coaching to the Challenger Program can help. **Contact us** for more information.

Account Manager Percentage to Goal
by Coaching Effectiveness



Average Account Manager
Attainment to Goal

Source: CEB Research.

STAKEHOLDER MANAGEMENT

Customers easiest to talk to may not be the best to sell to. Find the optimal stakeholder profile to best progress your opportunities.

Today's customers move as far down the decision making journey as possible before engaging sales people; usually more than half way. When they do engage, they already have an abundance of information and are working to build consensus with a buying group.

Most sales conversations that begin at this late stage focus heavily on price and commodity comparisons. Organizations spend tremendous resources pursuing deals already unofficially awarded to a competitor.

Rather than wait and react, sellers must engage early in the customer's decision making journey and influence emerging demand. But doing so requires finding the right customer stakeholder to engage.

When part of CEB, we conducted profiling research, similar to that done on sales people, to find customer profiles most beneficial to engage early in the buying journey. We ultimately found seven profiles that segment into three general categories (Mobilizers, Talkers and Blockers).

A few interesting points stand out in the research.

First, a significant difference exists in the likelihood of a Mobilizer to drive organizational change vs. a Talker or a Blocker.

Second, Mobilizers may not always be the easiest customers to engage, particularly those who are skeptical. They ask hard questions and force sellers to make a compelling case.

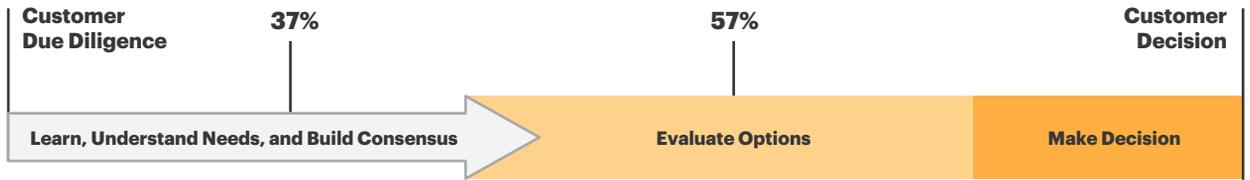
Third, it should surprise no one that high performing sellers consistently engage Mobilizers, while core performers consistently engage Talkers.

If you're serious about transforming your sales organization around the Challenger concept and improving the quality of your sales experiences, we recommend you develop your team's capability to identify, flex to and work with Mobilizers, and to avoid, where possible, Talkers and Blockers.

Our Activating Customer Mobilizers Program can help. **Contact us** for more information.

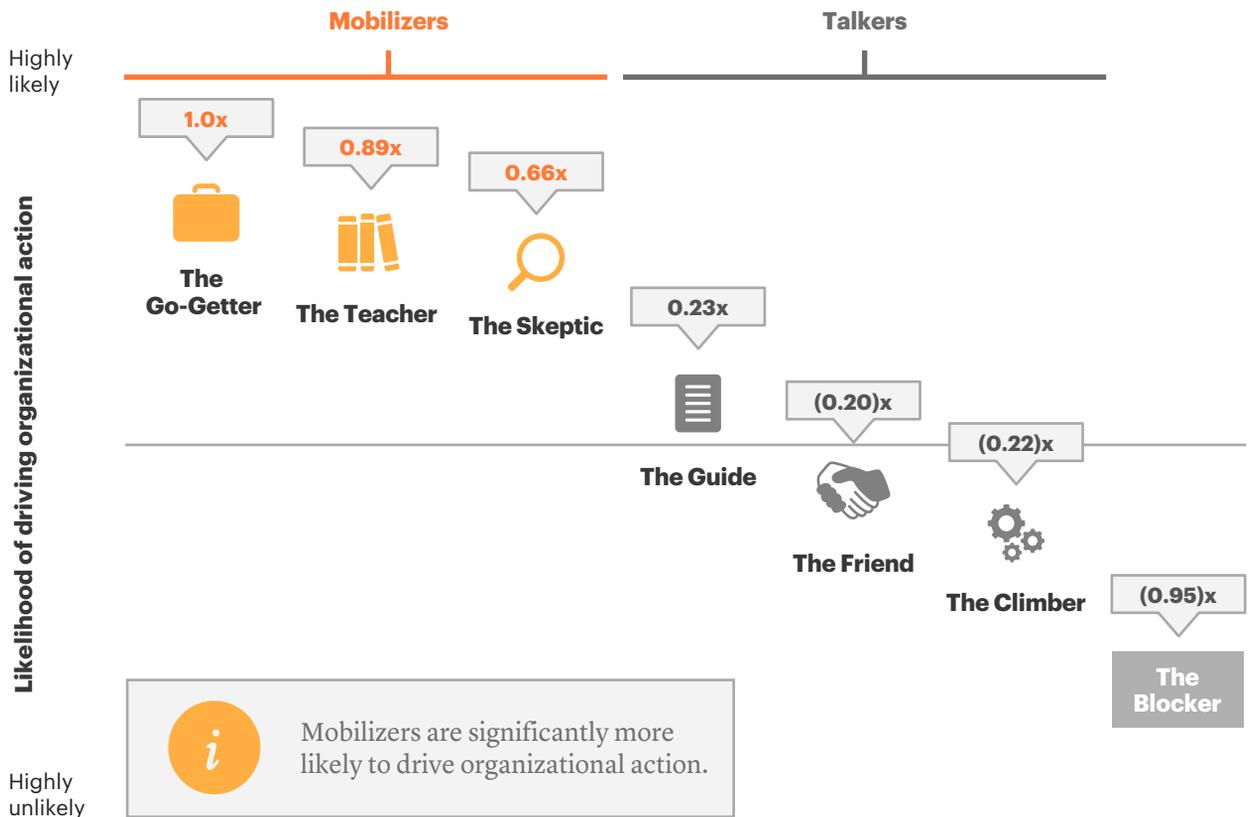


SALES STAKEHOLDER MANAGEMENT



i Customers build consensus at 37% and engage sellers at 57%.

n = 1,460.
Source: CEB Research.



Source: CEB Research.

SALES

APPLICATION & MEASUREMENT

New sales behaviors won't embed without dedicated practice, support and success sharing. Ensure that all levels in the sales organization play an ongoing/supportive role.

Embedding behavior change requires a host of sustainment activities running simultaneously and a dedication to formal success measurement. Failing to put a strategy in place for this puts your transformation investment at risk and leaves growth potential on the table.

Let's start with a few priorities you need to have among your senior leaders:

Stay Involved, leaders must continually speak about the importance of the change. It's easy for those who made the initial decision to move on to other initiatives. This sends the wrong signal to sellers and managers working to build new behaviors across months and years.

Be Vocal, leaders should adopt the terminology, reinforce the concepts and share success stories as broadly as possible.

Every organization will find varying benefit from different application activities. When implementing Challenger, we use a host of activities to sustain behaviors, including e-learning modules, podcasts, refresh videos, team meetings, individual skill work outs,

etc. in an effort to find what works best in each organization. Accountability is critical. Team leaders must ensure their direct reports use available resources.

Having a formal measurement strategy helps determine where change is working, where adjustments are needed and the resulting ROI. We recommend following the Kirkpatrick Model for learning effectiveness.

Kirkpatrick has four levels, each building on the previous:

Level 1, measure individual engagement with the learning event.

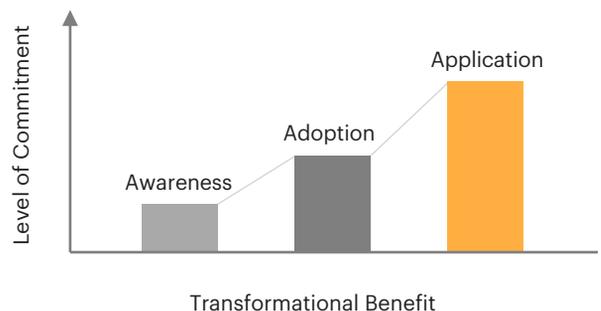
Level 2, measure knowledge retention over time.

Level 3, measure application of new skills in real account situations.

Level 4, measure financial impact to the business.

Our consultants can help you develop an application and measurement strategy.

Contact us for more information.



Source: CEB Research.

Closing

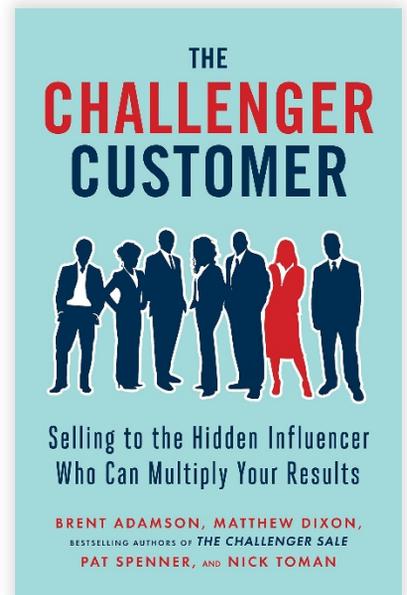
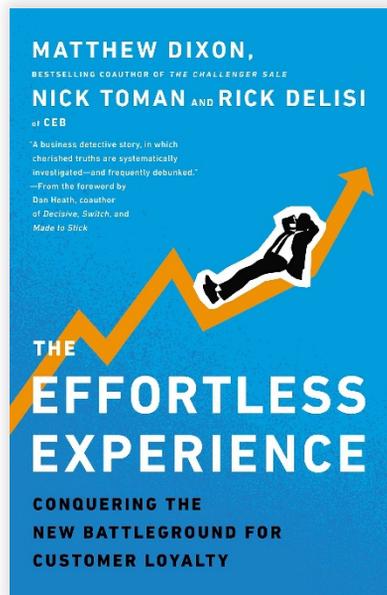
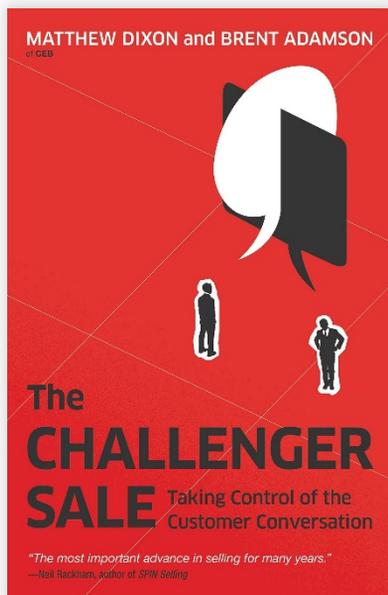
03

CLOSING

CREATE AN UNCOMMON CUSTOMER EXPERIENCE.

The powerful ideas captured in *The Challenger Sale*, *The Challenger Customer* and *The Effortless Experience* laid the groundwork for our Challenger suite of products and services. If you're not familiar with the ideas in these books we'd like to help you become so. Contact our team at challengerinc.com so one of our representatives can help you receive a copy.

Our Challenger portfolio of performance improvement solutions also includes (i) in-person classroom and workshop development modules; (ii) eLearning, workflow tools, and on-demand content; (iii) diagnostics and assessment tools; and (iv) go-to-market messaging and sales acceleration solutions. Offerings are typically bundled and can be flexibly deployed, either as fully digital or a combination of in person and digital.



Learn more at challengerinc.com.

WISDOM TO WIN



Challenger

© 2018 Challenger Performance Optimization, Inc.