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The Challenger™ Customer:

THE NEW REALITY OF SALES

FOREWORD



Imagine your ideal customer: friendly, eager to meet, ready to buy and become an advocate of your products and services. It turns out that's the last person you need.

Many salespeople go after motivated buyers who have clearly articulated their needs because it's much easier to build a relationship with someone who always makes time for you. But according to new CEB research, top-performing salespeople focus their time on potential customers who are far more skeptical and ultimately agnostic as to who wins the deal. How could this be?

Based on data from thousands of B2B marketers, sellers and buyers around the world, CEB reveals that top-performing salespeople get something that their average-performing peers don't. Now that complex sales require consensus among a wide range of stakeholders across the organization, the limiting factor isn't the salesperson's inability to get an individual stakeholder to agree to a solution. It's that the stakeholders inside the company can't agree with one another on the problem. As a result, they may end up doing nothing.

It turns out only a very specific type of stakeholder -- a Mobilizer -- has the credibility and persuasive skill to effectively challenge his or her colleagues to pursue anything more ambitious than the status quo. These customers get deals to the finish line far more often than friendlier stakeholders. In other words, Challenger $^{\text{TM}}$ sellers do best when they target Challenger customers.

Read on and learn how to find your mobilizers and equip them to effectively challenge their own organization.

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How do we collectively, as an organization, go to market in a world where we are selling differently, and more importantly, our customers are buying differently?

Based on research of over 100,000 B2B sales professionals around the world, we're trying to understand what behaviors, what activities and what knowledge set the very best apart from everyone else. We found that virtually every sales professional falls into one of five distinct profiles:

- The Hard Worker is always willing to go the extra mile and put in the extra effort.
- The Relationship Builder is focused on building personal professional relationships.
- The Lone Wolf doesn't follow any rules or the sales process, and they drive sales managers crazy, but they crush their numbers.
- The Problem Solver is very detail-oriented, and focused on making sure that all the promises that are made as part of a sale get kept once that sale is done.

The Challenger[™] rep challenges the way customers think about their business.

We found that the relationship builder was the least likely to be a star performer, while the Challenger rep performed head and shoulders above the other four. The Challenger rep performed better by challenging customers' beliefs about what they need and teaching them something new in a way that gets that customer saying, "Wow, I've never thought about it that way before."

The heart and soul of the Challenger rep centers around three key principles:

- Teach customers something new about their business
- Tailor the teaching to insights about the customer's business
- Take control of the sale.

The single biggest story in sales and marketing is not how we're selling differently -- it's how our customers are buying differently. If we don't understand all the changes on the buying side, we likely won't adjust the way we sell. But the old way of selling doesn't work well today. It turns out what matters is not just that sales reps challenge their customers, but who they challenge is critical.

Think of a simplified buying journey, with the customer starting at the status quo, then an individual customer stakeholder agreeing on a vision, and ultimately purchasing.

Unfortunately the individual agreement on a vision does not mean collective consensus around the purchase. And most B2B organizations don't make major purchase decisions without that committee buy-in. In other words, the individual stakeholder that grasps the vision likely needs to bring in finance, IT, procurement, and the legal



department. Some view this stage of the sales cycle as the "solutions graveyard, where good deals go to die." This new stage of the buying journey is the source of the challenger customer and why so many sales cycles take longer than in years past.

The good news is that we can do something about it.

Based on our interviews with 3,000 buyers around the world of all types, across industries and geographies, with different go-to-market models, we mapped out the likelihood of purchase relative to number of people involved in that purchase. Here's what we found:

- The days of the single, senior decision-maker are over; today, it is purchase by committee. But if you are selling to one person, you've got an 80% chance of closing that deal.
- By adding just one more person to the purchase decision, purchase likelihood goes from 80% down to 55%.
- When five people are involved in the decision, purchase likelihood sinks down to the 30s. When you try to get five or six people to make a collective decision on what they should do, chances are they're going to choose to do nothing.

Our research also shows that on average, 5.4

people are involved in the typical purchase of a B2B solution

You know what customers really are? They're overwhelmed. They're really overwhelmed. Buying is so incredibly hard. I want you to all think about a purchase you've made recently in your own organization and think about who was involved, all the things you had to do, what was hard about it, how long did it take, how long did you think it was going to take?

Pick one word, one adjective in your mind, and

tell me what is the adjective that you would use to describe your experience going on a purchase journey with your colleagues? What would that word be? Complicated, painful, hard.

The Track-Them-All-Down-and-Win-Them-All-Over Strategy

First figure out who the 5.4 stakeholders are, how to get access, and how to engage them. This applies to marketing too. The marketing team has to personalize content for each stakeholder based

BIGGER BUYING GROUPS, FEWER PURCHASES



n=3000 Source: CEB Analysis



on their priorities. It then has to make that content available in the channels where each of those individuals is most likely to find it.

Let's be honest -- this is no easy task.

First of all, your main stakeholder may not even know who will be involved in the decision-making process. So it may fall on you to figure out who will be involved. Then you must gain access, have a relevant conversation with each, and convince them to buck the status quo.

And sometimes you've got to do this with multiple stakeholders simultaneously.

Think of it as the equivalent of spinning plates on sticks. After you get the first one spinning, you start spinning the next plate and then the third and so on. But as you add plates, some of the earlier plates may start wobbling and you need to move your attention back to them.

At CEB, we tested this strategy by measuring how effective it was at driving a high-quality sale, which we defined as choosing a big solution at a high margin over a smaller offering. In the bar chart, bar one on the left represents access to each of the 5.4 stakeholders, and bar two on the right is the ability of your sales and marketing teams to position the

SURPRISE FINDINGS



n=946 Source: CEB Analysis

offer in a way that resonates with each stakeholder.

If you go from below-average performance to above-average performance on getting access to each of the 5.4 stakeholders, you're 4% more likely to win a high-quality sale, which is a pretty small number

If you were to go from below-average performance to above-average performance on positioning your offer for each individual stakeholder, you're actually 4% less likely to win a high-quality sale. In other words, the better you position your offer for each

stakeholder, the less likely you are to win a high-quality sale.

Why Good Deals Die

What we've determined from this is that we need to be far more precise in what tailoring actually means. Because if we get it wrong, we can do some damage. Remember, what we're up against is the 5.4 problem. But what we really have is a 5.4 diversity problem: each one of those 5.4 individuals represents a different set of priorities, a different set of goals, and a different set of metrics. The CIO, the CFO, the CTO, the head of procurement, and the head of legal each have a different agenda and a different goals they're trying to accomplish.

When those 5.4 individuals come together either figuratively or literally to make a collective decision on what to do, the first thing they'll ask is, "What can we agree on right now? Let's just move forward." It's challenging for 5.4 stakeholders with different agendas and different priorities to come to agreement.

In such cases, when a group wants to move forward and reach consensus, they usually agree on the



following:

• Number one: avoid risk

• Number two: move cautiously

• **Number three:** reduce disruption

• Number four: save money

This is where good deals go to die, not because we were ineffective at selling, but because our customers were ineffective at buying -- they couldn't agree on something. This is why our number one competitor today isn't the competition. Our number one competitor is the status quo.

Now we can understand why positioning the offer on the merits of individual value to each stakeholder would actually hurt you. In a world where the 5.4 mental models are highly divergent, and you tailor your positioning to each one of them individually, you actually make things worse. You drive those models far apart and exacerbate the very problem you were trying to overcome.

What we must do is tailor differently, better connecting individual stakeholders to each other. You have a choice as a seller and as a marketer about who you connect with in the customer's

organization

Understand Your Buyer Stakeholders

Based on our analysis of customer buyers, stakeholders fall into one of seven distinct profiles:

- The Go-Getter is the visionary in the customer organization, always looking for new ideas and ways to move the strategy forward. They're good at putting a project plan in place and driving ideas forward.
- The Skeptic is oriented to new ideas, but they rip those ideas apart, looking at them from every angle before they decide to do anything with them. Should they ever decide to move forward, they'll do so in a relatively cautious way.
- The Friend loves relationships, and talking, and meetings. They'll always book a meeting with you and share information and tell you what's going on inside the customer organization.
- The Teacher is the visionary that's all about the big idea. While they're not very good at implementation and getting stuff done, they excel at getting others excited and motivated to do it.
- The Guide is the oversharer inside the customer organization. They demonstrate their value to others by showing what they know that you don't, which means they tell you everything that they know.

- **The Climber** is the "What's in it for me?" person, the person who's all about individual advancement rather than organizational winning. They will climb over anybody to get farther in the organization.
- **The Blocker** is strongly oriented towards the status quo. They're not open to talking to suppliers because they don't see a need.

Those are your choices. And notice we're not talking about budget authority, or seniority, or title. We're talking about behaviors. What star performers care about in choosing a stakeholder and connecting with a stakeholder is two things: the ability of that stakeholder to drive change and to build consensus.

We're All Selling What Customers Don't Want to Buy

It doesn't matter what industry you're in or what geography you're in -- we all sell the exact same thing: change. One way or another, we're trying to get our customers to change their behavior. Yet what's the one thing most organizations want to avoid at all costs if they can? Change. Why? Because it's risky. It's unknown. It's scary. It's disruptive.

The one thing we're selling is the one thing your



customers don't want to be buying. That's why it's so hard to sell today, but it's also why star performers look to connect to those individuals who are particularly good at driving change and building consensus.

How to Sell Effectively in Today's World

When we look at the customer buyer profiles, we find that the Go-Getter, the Teacher, and the Skeptic are especially good at driving change because they're looking for ideas and are good at driving action around those ideas (i.e., building consensus). Collectively we call them the Mobilizers. Just remember: they're not a champion of you. They're a champion of change, as long as you can give them an idea of what to change in the first place.

Meanwhile, we collectively refer to the Guide, the Friend, and the Climber as the Talkers. They're great at talking but they're not great at getting things done. Talkers will always schedule another meeting with you but the deal will never cross the finish line because they can't mobilize the other 4.4

Finally, the Blocker just doesn't want to talk to you or your manager.

With all this in mind, here are the three key things today's sellers need to do:

- One: Identify the Mobilizers.
- **Two:** Teach them that they need to think differently by breaking down their current way of thinking, which is usually "what we're doing is good enough." Demonstrate why what your customer is doing is exposing them to more cost or more risk than they fully appreciated. In other words, teach your customer that the pain of same is greater than the pain of change.
- **Three:** Coach the Mobilizers through the purchase process, empowering them to connect to and handle the objections of the other 4.4.

Note: This guide was developed and written by LinkedIn, based on a presentation delivered by Brent Adamson from CEB.



