CHAPTER

1

The Wedge

Selling is like flying. If you do not land safely, nothing else matters. And so it is with sales. It is about setting your wheels on the runway safely and getting paid. If you do not win the deal, what is the point? Few salespeople get paid to prospect and present. What they get paid for is to win. No, I am not saying your life is at stake. But if you are going to invest your time in seeing a prospect, why not at least have a strategy to maximize your chance of winning the business?

As I spent my first 5,000 hours coaching and listening to salespeople, I kept asking myself: What is it that makes them crash? What prevents them from landing safely and getting paid?

One problem is that, in most cases, someone already has the account. As you come in for a landing seeking to touch down on the runway and close the deal, your competition—the incumbent provider who already has the account—is waiting in the bushes beside the tarmac with a bazooka, ready to protect the relationship that he or she has with your prospect. His or her goal is to knock you out of the sky before you can land, by interceding to get "last look," matching your price, and keeping the business. In sales, it's called getting rolled.

The second biggest problem is that you do not differentiate yourself enough to be seen by your prospect as better than your competition. Your ability to gain altitude is in direct proportion to your differentiation. The higher you fly, the safer you are. When you lack clear differentiation, you are flying around at 100 feet avoiding water towers and small hills. You never gain the altitude you need, and you come crashing down.

These two problems—the competition's relationship with your prospect and a lack of clear differentiation by you, the seller—are what cause you to crash.

Stop Selling and Start Winning

Many sellers have made an art out of telling their stories, putting together slick presentations, and finding numerous other ways to impress their clients. All too often, the emphasis and spotlight are on themselves. They are masters at selling.

Winning is about understanding that there are *three* people in most selling situations—you, the prospect, and the competition, not just you and the prospect. Your job is to win by using your differentiation to get your prospects to discover for themselves that they are being underserved by their current providers, without saying anything bad about those providers. Your task is to get them to see that what they need, and want to buy, is what you have, without your having to sell them on it.

Many salespeople work hard at getting appointments, going on their sales calls, and hoping that the calls turn into wins. See enough people, and the law of averages will take care of you. A predictable percentage of the people you meet with will buy.

It is the mentality of a slot machine player. If you pull the lever over and over, you can count on winning enough to keep reinvesting your quarters at least for a while. The problem is that playing the numbers game in selling is like playing the numbers game in gambling. In the long run, you will probably wind up with a pocketful of nothing even though you hit a small jackpot on occasion. Psychologists call this "random positive reinforcement." In sales, it is a prescription for average earnings or worse. If you have any desire to take your income to the next level, you are going to need a new strategy—one that is not based on the luck of the draw, the numbers game, or hope. You need a strategy that will enable you to stop selling and to start winning.

A Brief History of Selling

Back in the agrarian days when professional salespeople went from town to town peddling their goods from horse-drawn wagons, nobody much thought of selling as a science. Then came the industrial revolution. Factories sprang up. Railroads linked markets. The stakes got higher. In response, factory owners started to organize teams of selling agents to pitch their mass-produced wares. Selling became a more serious occupation. With a company's workforce counting on sales to feed its families, the salesperson was relied on as the go-to individual to keep those McCormick reapers and Gillette razor blades moving. If salespeople did not get the job done, they could screw up a lot more lives than just their own.

By the early twentieth century, salespeople were firmly established as the engine driving the wheels of commerce. Around the same time, thanks to Sigmund Freud, Carl Jung, and others, psychology was catching on as a window into the workings of the human mind. In light of this, it occurred to more than a few business leaders, "Hmmm. Maybe there's a way we can improve the selling process itself."

First came feature benefit selling. Start with the seller, and make the seller a better pitch deliverer for the service or product. The focus was on improving the seller's communications skills, using what psychology was finding out about how buyers think. Cite the feature, and mention the benefit. In other words: Here is what it is. Here is what it does. Here is how it is good for you. And then go to a trial close, testing your prospect's inclination to buy.

The creation of a supersalesperson who could sell anyone anything proved to be an illusive goal. Besides, even if it were possible for sales scientists to teach someone how to sell screen doors to submarine manufacturers, the sales profession in that case would lose its ultimate source of survival—customer satisfaction. To deal with this dilemma, the sales gurus developed what became known as consultative selling. Start with the buyer, and figure out how you can satisfy the buyer's needs. The focus was on helping buyers get what they want. A skilled consultative seller became one with the buyer. He or she was the buyer's advocate and partner. He or she helped the buyer make the right decision. Whereas feature benefit selling was about trying to convince the buyer overtly and directly, consultative selling was about creating a cozier relationship with the buyer and leveraging that relationship.

Consultative selling remains the rage today. It is an excellent way to sell—except when it doesn't work. Too often consultative selling does not work, even when it should. Why? The problem is that it is based on an incomplete model of two parties, the buyer and the seller. In reality, there is often a third party, the incumbent provider. In most cases, current providers will get last look. They will leverage their existing relationship to get back in with your prospect—their client—and tell your prospect that they can match your price, your service, and your product. They will steal your ideas and your hard work, and more often than not keep the business. When this happens, you have been rolled. You crashed.

If you are selling in an industry where the current provider is not really an issue, where the buyer is not buying products regularly or being serviced on a consistent basis, this may not be as relevant to you. You may be getting by on feature benefit selling, or you may get satisfactory results using the consultative approach; but if you are in a business where somebody has to lose for you to win, then you know what I am talking about. You need to take out the current provider in order to get paid. If you can't take out the incumbent, then you don't put groceries on the table tonight, no one is going to buy diapers for the baby, and there won't be a summer cottage. If you do not have a definitive strategy for driving a wedge between your prospect and the person who already has the business, you probably do not have a real prospect.

To win in the real world where there are sellers, buyers, and current providers, you must not only be good at building relationships; you must also be good at breaking relationships apart. You need to know how to get your competition fired. In situations where you are competing for an open account against other salespeople, you face the same kind of challenge. For you to win, your competitors must lose. In other words, you must get your competition fired from consideration.

Is Your Focus on Selling or Winning?

In 1896, the Italian economist Vilfredo Pareto came up with what is known today as the 80/20 Rule. Pareto showed that, in any given population, about 20 percent of the people will tend to end up with about 80 percent of the wealth. This is why, for a typical sales force, the 20 percent who are go-getters will tend to bring in 80 percent of the revenue. Pareto was onto something; and now we know how this imbalance of earnings happens in the sales profession. It is because there are two kinds of salespeople: those who seek just another chance to present, and those who go into every sales call with a strategy to win.

Let me ask you a question. What is the most important part of a car? Is it the engine? The brakes? The key? The driver? It is really none of these. The most important part of a car is the missing part. Without that part, the car will go nowhere, or at least nowhere safely. So what is the most important part of selling? It, too, is the missing part; and, in most cases, the missing part is having a strategy to get your competition fired.

Presenting features and benefits to a prospect is helpful, but not enough. Being consultative is worthy and honorable, but often is also not enough. Perhaps it has never happened to you, where you listened to your prospect carefully, you developed a proposal based on his or her needs, and then you presented it to your prospect effectively. It solved the problems your prospect had and the pricing was competitive, but then you found out the incumbent rep had kept the business. Banging your head against the wall, you asked yourself, "What happened?" You know what happened. The incumbent rolled you. He or she matched your proposal, and the incumbent won and you lost. Yes, you need to build relationships. But you already know that, and you do it. What many salespeople don't do is look at the relationship between the prospect and their competition. That is the missing part. There is no highly effective strategy (other than The Wedge) for getting your prospect to see the incumbent in a negative way. That is one reason that 80 percent of salespeople bring in only 20 percent of the revenue.

Before you put this book back on the shelf, concerned that The Wedge is a negative force, an immoral way of selling, let me ask you this: Do you own a home? Is it insured? Is there any chance that in the past few years you bought something new of great value? Here's why I ask. When your personal insurance agent came to your home 30 days before your most recent renewal to do an exposure analysis, and your agent got out a form listing all the potential areas where you could have a loss, and your agent told you what was currently covered and not covered in case of a loss, so that you wouldn't have to worry about having a claim that you would have to pay out of your own pocket, were you comfortable with how your agent went through that process? Unless you have an absolutely remarkable insurance agent, there is a pretty good chance that you haven't seen your agent in years, maybe never. Perhaps you don't care that it's been that way. Maybe you're so well-to-do that, if you had something stolen or if your house were destroyed by a fire or tornado, you wouldn't care whether your insurance company replaced it for you.

Let me take this one step further and ask you this: How many times have you received a call at home in the evening from someone wanting to give you a quote on homeowner's insurance? How did you respond? You probably said, "No. I'm happy." Doesn't it make sense to you now? If you had a way to get your prospects to see how they are being underserved by their incumbent sales representatives without your saying anything bad about those reps, while getting your prospects to see how great you are without having to tell them, wouldn't that shorten the amount of time it takes to win new business?

In short, what is missing from traditional selling methods is an emphasis on getting your competition fired without saying anything bad about them.

Reality Check

Let us assume that you are ready to go in there with a strategy to win. You are going to help your prospects see what they cannot get from your competitor that they could be getting from you. You are going to leverage that to create a wedge between your prospects and your competitors that you can use to get these accounts. In a perfect world, this would work every time. Unfortunately, that is not the world in which you and I live.

As a salesperson, you likely have a pretty good client retention rate. How many times have your clients shopped around and then said to you, "Can you do this?" In one industry I have worked with, the commercial property and casualty insurance industry, agents enjoy a whopping 92 percent retention rate among their current clients. Is it because they are God's gift to insurance? No. It is because they have the relationship with the client, and they can get last look. How many times have you leveraged your relationships with your clients to get last look? You probably do it all the time.

In football, if you are the quarterback, you know that one way to get five free yards is to bark out signals and get the defense to jump offside. If you are on defense, you do just the opposite. You move out of your three-point stance, doing your best to get the offensive linemen to move prematurely, and if one does, then you get five free yards.

When you are the incumbent and your goal is to retain your account, you operate under a different set of rules from the rules you would use if you were a seller trying to get a new account. For example, have you been to Louisiana? If you have, you know that everyone there likes to hunt and fish. How do you create relationships there? You just take your buddy hunting. After a couple of cold beers or a little jack on the rocks, you can forge a pretty good relationship. Why is this important? It's pretty obvious. When someone comes after your account, you just remind your client of the good times on the hunting lease.

You tell your buddy that if he'd just give you a chance, you are sure that you could make some adjustments in your price as well as tweak the service a bit. When all is said and done, who's going to keep the business?

So, there are certain rules of the game that you can use to keep your advantage with your client. Now, turn the tables. When you are talking to a new prospect, is the current provider not trying to do the same thing to you? This is the reality of selling that you have to deal with every day. You cannot be in denial about it. You cannot be naive. To win, you have to acknowledge it exists, and do something about it—and as you do, there are two other realities you will be confronting.

Why Prospects Lie

Early in my career as a sales coach and consultant, I was a little naive and, at one point, I was working for three different Dallas insurance agencies. I spent some time talking with one of the agencies about how to win a particular prospect. Later, when I was talking to the second of the three agencies, it turned out that it was trying to win the same prospect. The third agency I was working for, you guessed it, had the prospect as a client.

About a month after coaching the two agencies pursuing the prospect, I learned that the incumbent agency had kept the account. So I went to talk to a guy I knew at the first agency, and I asked him what had happened. "Man, we got killed on price," he told me. Then I went to the second agency, asked the same question, and they told me the same thing. They, too, said they got killed on price.

So I went to see a friend who worked for the incumbent agency, mentioning to him that I had heard his agency kept the account and that the other two agencies lost out on price. "Who told you that?" he asked. "Want to hear the real story?"

"Sure," I replied. "What happened?"

He then told me that his two rivals' quotes had actually been lower than those of his agency. He said that he had had to take his underwriter to lunch (and buy two bottles of wine) in order to persuade him to lower the price so his client would stay with him. I walked out of our meeting thinking, "It's pretty amazing what a prospect will tell the loser to get off the hook of feeling bad."

The more I thought about it, the more I understood the full significance. It was one of those "aha" moments that made me start asking a lot of questions to get to the heart of how selling is actually done. Prospects do lie to salespeople, and this is one more example of the power of the incumbent who already has the prospect's business. Prospects tell white lies in part because they are tight with their incumbents and have no serious intention of switching. It is not that they are bad people. It is human nature. By pretending to be interested seriously in your offering, they can get a free education. If you are willing to sit down with them and enlighten them about what you offer, why would they not want to take advantage of your generosity? They can use you to find out what is going on in the market. You are a free source of useful knowledge to help their companies, a source of innovative ideas and current best thinking. Your prospects are probably nice people, too. They do not want to hurt your feelings, so they give you the chance to present, to try to sell them. They might even let you buy them lunch. They want you to think good things about their companies. When you have finished presenting, they will shake your hand, promise to stay in touch, wish you well, and toss your business card into the wastebasket as you exit the front door.

Losing with the Perfect Proposal

Sometimes, though, you hit it off with a prospect immediately. Something clicks, you instantly connect, and the prospect asks you to put a deal together. You come back with exactly the solution you were asked for. The service is right. The price is right. The chemistry is good. Everything looks perfect. Have you won the account? Not yet. Why? Because nobody has dealt with the person who already has the account. You cannot expect your prospect to take care of this for you. He or she does not want to call up Phil and say, "Hi, Phil. I just called to let you know it's over. Other than that, have a great day."

In the real world, Phil is going to find out about your proposal. Unless your prospect learned that morning that Phil had been selling inside information about the prospect's company to its rivals, he or she is going to confide in Phil that your proposal is being seriously looked at. That is a signal to Phil to counter. So he will spring into action, taking advantage of his position as the incumbent provider. He will get last look, match your offer, and keep the business. He will do whatever it takes to keep your prospect happy. He will relieve your prospect of the unpleasant notion that he or she has to fire someone to get the desired result.

Never underestimate the power of the current provider. He or she has the relationship, and you do not. Your prospects, and people in general, feel more comfortable in a familiar, stable environment. As the advocate of change, you are the one who is introducing the uncertainty.

The Power of the Incumbent

On the second day of a selling workshop I was doing, a successful sales professional raised his hand. “Randy,” he said, “I’ve just had an epiphany.” When we realized we did not need to call a doctor, he explained what it was. “All my life I’ve been taught to go sell myself, to sell me. I believe I’ve got it backward. Before I start selling me, I need to unsell the current provider. Once I get them unsold and off the throne, then I can sell me.”

That is the point. There is a throne, and only one person on it. To sell yourself and win the account, you have to kick the present provider off that throne and create the space you need. A current provider’s position is so strong that it is almost as if the laws of physics were at work. What has Sir Isaac Newton got to do with this? If he were at your next sales meeting, I believe he would bring along at least three PowerPoint slides:

[*Click*] No Two Objects Can Occupy the Same Space at the Same Time

It is a pretty good rule of thumb that the more desirable an account, the more likely that someone already has it. You know this, for example, if you are a banker, or a wealth manager, or are with one of the Big Five consulting firms. When you go after a plum account, a rival will be occupying the space you want. He or she will be on the throne. As long as that is the case, since you cannot occupy it at the same time, you have to knock him or her off the throne before you can be in a position to win.

[*Click*] For Every Action, There Is an Equal and Opposite Reaction

I remember when I first got into selling. I was aggressive and had a desire to prove myself. I wanted to make something happen. At the very beginning of my sales career, I did what I always did when I was competing, as if I were playing football or basketball. I attacked my competitor. The problem was that the prospect would get defensive, and I would get thrown out of the office. If you want to make people defensive, it is easy. Just start talking negatively about the decisions they have made.

When I acknowledged that combat did not work, I started to play as if I had no competitor. Maybe you are like I was then, and you have made selling a solo sport. I would think, "Let me sell *me*, and everything will take care of itself. If I do enough, then at some point I'll get the business." My boss told me, "Selling is about relationships. Go build them. Get prospects to like you. Make a proposal. They can't make a decision if you don't give them a proposal. If you don't succeed the first time, try again. Go back the next year. If after a while you still don't have the business, maybe it was just a bad prospect." This thinking still influences many salespeople. It is causing them to inflict pain on themselves as they build prolonged relationships that go nowhere. It is stopping them from thinking differently, and being open to a new approach.

The reality is that there *is* a competitor. It is time to stop playing as if there is not. In this book, you are going to learn how to deal with that reality, take back control of the selling cycle, and make winning more predictable.

[*Click*] An Object at Rest Tends to Stay at Rest

As I mentioned before, many people today have lowered their expectations to what they are receiving, whether it's the way their spouse cooks green beans compared with the way their parent did, or the way they get treated when they visit the supermarket. Your prospect's relationship with his or her current provider is the same way. It is probably pretty good for the most part, and your prospect is reasonably happy. He or she accepts things as they are. And a relationship at rest, like an object at rest, tends to stay at rest.

The question is: How do you get your prospect to be unhappy? In fact, there is a lot of *latent* dissatisfaction among prospects. But how do you get your prospects to confront their dissatisfaction and do something about it? How do you get them to see clearly where they are being underserved, and to be motivated to take action? Your prospects' latent pain is the external force that you can use to disturb the object at rest, and get your prospects to pay attention.

You can tap into this pain not only if someone already has the account, but also when you are competing for an open account.

Pain

Avoiding pain is a basic human motivation. I learned this myself at an early age, when I was growing up on a farm outside Lubbock, Texas. Like many of our neighbors, my family raised cows. We had one black Angus cow named Susie. She was a sweet old cow, but was hard to keep fenced in. So my dad, unknown to me, put up an electric fence. One day I went outside to feed the cows and, like always, was about to crawl through the barbed-wire fence when—"*Ouch!*" Man, I got hit with a bolt of lightning that almost knocked me down. It taught me not to do that again. Pain is one huge motivator.

We have learned from behavioral studies that about 65 to 70 percent of human motivation comes from avoiding pain, while only 30 to 35 percent comes from seeking pleasure. If you have been in sales for more than a week, this is probably a fairly obvious concept to you. The big challenge is taking the idea of finding pain from a concept to a reality. It is one of the biggest problems we have as salespeople. Because most of our prospects have lowered their expectations, they are satisfied, or at least content. We are all guilty of this. Think about your car, house, kids, spouse, job, commute, boss, parents, clothes, and the list can go on. For the most part, isn't it true that you are reasonably content with things because you have lowered your expectations down to what you have? This is the secret to how not to be miserable. It is the exact same thing that prospects are doing. That's why it is so difficult to find a telling need, pain, or dissatisfaction when we go on sales calls.

Here is another example. Just like you, I make sales calls. Many of my prospects have never thought about what it costs for their companies to produce quotes. To them, doing so is just part of the overhead. The way my business operates, it's remarkably different. It's an acquisition cost we watch. Many larger companies have some sort of staff to help estimate costs, write proposals, and format, copy, collate, and deliver them. Putting together proposals is a significant expense, but many of them write it off as just a cost of doing business. In other words, they have lowered their expectations down to what they are getting. They accept a certain amount of wasted expense. And many are getting low closing ratios, high sales costs, and mediocre profitability. What's my point? Finding pain is tough many times because our prospects have stuffed their expectations of having things be better in some storage bin, to be considered at a later time.

So here is the million-dollar question: How do you get your prospects to feel the dissatisfaction, frustration, disappointment, concern, anxiety, discomfort, or other negative emotional state that they could be feeling in regard to their current service? More important, how do you get them to blame this dissatisfaction, frustration, disappointment, concern, anxiety, or discomfort on your competitor, the incumbent? If you can tap into this pain, you can use its emotional power as the outside force to over-come the incumbent's natural advantage. Getting your prospect to feel pain is essential to winning business. Why? Because if no realization of a problem occurs, there is no solution—and you have nothing to sell.

One of the biggest pains of buyers is a lack of understanding about things that results in their having an inability to control their own future. Think about your own situation. Take the tax code, for example. On the one hand, you may fear that you will overpay. On the other hand, if you are too aggressive, you worry about triggering an Internal Revenue Service audit. Why don't you have better control over your future? Because the tax code is so complicated that who knows what might happen. Our lives are full of uncertainty about the things whose future we cannot control. What will your car or home be worth in five years? Are you in the right job? Will your products last? Will you get cancer? Your prospects are in the same situation. They think about the future of their business, and they realize that there are many things they cannot predict. Our job as salespeople is to help them stay in control of those things that are controllable, easing the pain they feel and making their future more predictable.

Your prospect's pain is the Newtonian outside force that you can use to break apart the otherwise unbreakable bond between your prospect and the current provider, and to gain an advantage over any competitor. This pain is what permits you to use The Wedge, the strategy and tactics that you are going to employ to get your competition fired.

Highlights

What have we learned so far?

- Most selling opportunities involve three parties—a seller, a buyer, and the seller's competition, the crucial third party overlooked in traditional selling strategies.
- By shifting your focus to the relationship between your prospect and the competition, you can stop selling and start winning.
- Just as you protect your own accounts from competitors, current providers will try to stop you from winning business from their clients.
- No two objects can occupy the same space at the same time. You must knock the present provider off his or her throne in order to win the business.
- For every action, there is an equal and opposite reaction. If you attack the provider, your prospect will get defensive and shut down.
- An object at rest tends to stay at rest. Most prospect-provider relationships are objects at rest, in part because prospects have lowered their expectations to the service they are currently receiving.
- Your prospect's pain regarding his or her current service is the outside force you can use either to break the prospect-provider relationship or to top your other competitors, and win the business. It is what permits you to use The Wedge to get your competition fired.

Factoring in the competition literally changes the way selling is done. The next chapter shows you how The Wedge will powerfully enhance your precall strategy and make winning more predictable. We look at how you can clearly differentiate yourself from competitors—matching your strengths against their weaknesses—and find your true competitive advantage. Once you have done this, you can tap into your prospects' pain and help them discover for themselves why they should be doing business with you.

As we move on, let me ask you this: Why *should* your prospect hire you and not your competitor? Exactly what makes you better?