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The Case for Leadership

On October 1, 1989, my brother-in-law Dan resigned from his position as a junior partner at a well-established law firm. Upon hearing the news, I immediately called him to inquire whether he was crazy; he assured me that he was completely sane. I asked him, “Why on Earth would you leave this position when you’re on the fast track to becoming a senior partner?” His answer caught me by surprise.

My brother-in-law explained to me that he had a choice: He could continue working really hard and take only a small portion of the fees he brought in, or he could start his own firm, hire lawyers under him, and increase his share of the profits.

Dan knew one of the secrets of sales leadership.

The Leader's Advantage

You will make much more money through the efforts of others than you ever could make solely through your own efforts.

Most of the sales executives whom I encounter face the same choice that my brother-in-law faced—but don't realize it. They have not yet learned about sales leadership.

Beyond the Lone Ranger

Whether you are selling an idea, professional service, or a product, you are probably hoping to sell more this quarter than you did last quarter, in less time, and at a higher profit. *You cannot do this on your own, if indeed you ever could.* To hit the targets you now face, you must build and sustain coalitions that will support you and act on your behalf. The “Lone Ranger” selling model may have worked in the past; in fact, many successful Lone Rangers were promoted to sales managers. Unfortunately, what made them successful as a Lone Ranger sometimes becomes their biggest obstacle to success as a sales manager—namely, their inability to get things done through other people.

Nowadays, whether you are a top-producing salesperson, a salesperson who's trying to improve, a sales manager, or a professional services provider, you should know that the “Lone Ranger” selling model is a concept of the past. To succeed in business today, you must leverage the support and help of others. This book will show you how.

Leaders Don't Puke

Let's start with something you probably already know: Customers today don't want to be sold. In fact, the moment they feel they are being sold, they head for the hills—either by disengaging from the sales process or by simply ending the conversation, either audibly or

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silently. What customers *do* want is help in making the right choices. They don't need you to puke up all the features that your products and services have to offer.

You may wonder why I use the word "puke." Well, for starters, it's memorable. Members of my audiences tend to keep the "don't puke" rule in mind for a long time after I share it with them. Second, the word perfectly describes the basic problem we're looking at: When you puke up all the features you have to offer, you spray lots of junk around, you make a pretty big mess, and people try to avoid you afterwards. This idea of puking connects to one of the biggest mistakes that some salespeople make: They educate prospects, but don't sell very many of them.

The Leader's Advantage

PUKE stands for: People who Utter Knowledge about Everything.

About 10 years ago, a prominent fashion designer was seeking advice on how to sharpen her sales skills; she came to see me. She brought along her portfolio, and I asked her to role-play a little bit, to let me play the buyer and in this way walk me through her sales process. She agreed and immediately launched into a little memorized routine. Without bothering to connect with me in any meaningful way or get any sense of what my priorities were, she immediately opened up her portfolio and went into a long, boring, and extremely detailed description of each of the designs in her folder.

I was being as patient as I possibly could—she was, after all, quite well known in her field. When she got to the eighth design, though, I said, "Stop." Quizzically, she looked at me and asked what was wrong.

“Well,” I said, “just suppose that the first seven designs you just described didn’t work for me. Do you really think you would have had my attention by the time you got to the eighth design?”

She thought about that for a moment and then smiled sheepishly. She had made the classic sales mistake of believing that she was at the highest level of influence when *she* was doing the talking.

Actually, as sales leaders know, the opposite is actually true: The person speaking is generally at the *lowest* level of influence. Your level of influence rises only when the other person becomes engaged in the conversation and participates actively.

The Leader’s Advantage

Even if customers are still looking at you as you speak, they are likely to shut down and stop listening when they decide you are trying to sell them.

If we are to have influence as salespeople and as leaders, we need two things from our prospects: their time and their attention.

When we start a one-on-one meeting with someone, the only thing we can be certain that we have is this person’s time. We have no idea whether we’ve got his or her undivided attention. If we’re doing all the talking, the other person could well be thinking about what else needs to be done today, what’s going to be on the menu for lunch, or when this salesperson is going to shut up. If the prospect’s mind is on other things while you’re puking your features all over the place, how much of your message do you really think will get across? And why does the prospect need to hear about your features, anyway? These days, thanks to the Internet, customers could read all about your features online if they wanted to. *They don’t need you to puke on them!*

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I shared this lesson with the aforementioned fashion designer; she took it to heart and stopped puking everywhere. She started to meet her prospects, build up a little rapport, and find out what they were trying to accomplish in the market. Then she would review the one, two, or three designs that seemed most likely to produce the person's desired outcomes. She noticed a dramatic increase in interest for her designs, and she closed more business. She learned to do what sales leaders are supposed to do: help their customers get to the *promised land*—the place *they* want to go.

That's your job as a leader: connect with people and find ways to get them to the promised land. Your job is definitely *not* to puke all over potential customers; rather, it is to find out where the customer is trying to go. Identify the OUTCOME that makes the most sense for both of you, and then remove the obstacles in the way. Your job is to be creative and help customers find more efficient ways of doing things. Your job is to manage multiple constituencies and alliances, and to use those alliances to identify new and better ways of generating the desired results. Your job is to do what most salespeople *don't* do: *lead* the conversation with your prospects and customers about the results they need, the problems they have, and the obstacles they face. Solving these issues will lead them to promotions, increased business, higher profitability, higher productivity, enhanced competitive advantage, and a better quality of life.

The Job of Being a Sales Leader Never Ends

Leadership selling is not restricted to the selling process. You have to excel at getting people to the promised land throughout your entire relationship with them! Once you stop acting as a leader—once you stop trying to identify the interests of the customer and build alliances on behalf of those interests—you can rest assured that your base of business will start to evaporate.

The Leader's Advantage

In today's economy, salespeople have to prove their value with every sale. They cannot rely on loyalty from past transactions. The result is they have to have a positive impact on the careers and lives of everyone with whom they connect, every time. Otherwise, they may still have great relationships but only a fraction of the business they need and deserve.

You Sell Ideas

Like all effective leaders, top-producing salespeople sell ideas. They look for ways to find and improve the outcomes that their customers are seeking, and they start by talking about the “what.” *What* are customers looking for?

As a leader, you must determine the “what” before the “how”—the “how” comes second. Your products and services represent the “how,” which means that they are *not* what you should be starting the conversation with.

Read that again: *You should not start the conversation on your products and services*—even though you may have received vast amounts of technical training and even though you may know the “how” of your product and service like the back of your hand. If you start the conversation with the “how,” you will leave out the most important part of the conversation, namely, the *outcomes* you are going to produce together.

These may sound like obvious points, but the sad truth is that salespeople ignore them routinely.

Beginning with the “how” guarantees that your conversation will be short and will produce little to no forward movement in the sales process. You may not even be given the opportunity to

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discuss the prospect's goals or the outcomes you hope to produce with him or her. Imagine how many sales meetings initiated by that fashion designer ended abruptly because of some sudden emergency that came up while she was soliloquizing about her many designs.

People tend to have very short attention spans these days. They have a lot on their mind, and the higher up they are on the food chain the less time they have for things that don't demonstrate immediate value to them. That's why we must prove in the first few seconds of a conversation that there is a reason someone should give us their undivided attention *and* their time.

Initiating a conversation by discussing the outcomes—as a leader does—makes all the difference when it comes to winning attention, winning time, closing more deals, expanding the size of the deal, and increasing margins. Launching the conversation in a different way allows you to lay the foundation for a value proposition that is second to none.

Lead with the Outcome!

Immediately focusing on the “how” limits your conversation with a potential customer strictly to features—features that most customers will think—correctly or incorrectly—that they have heard and seen elsewhere. There is little or no room there for differentiation! By leading with the outcome—as a true sales leader would—you can expand the conversation to other issues, issues that involve a larger piece of the pie. As the conversation expands, more and more opportunities will become available. These opportunities can lead to the sale of other goods and services.

For example, let's say that you are selling pool products to a homeowner who wants a new pump. You might be tempted to start talking about the features of your very best pool pump. Suppose you

were to ask the homeowner what he or she would want from the new pump that the old pump didn't provide. The homeowner might think for a moment, then answer, "No downtime, better energy efficiency, and lower operating costs."

When you ask the potential customer to explain their reasons for wanting these features, you might hear a story of how the existing pump used to break down—typically on a hot summer day—and how the whole family would have to wait for the service rep to come and repair it. The use of the pool would be interrupted for days, and there would be a hefty repair bill to deal with.

Armed with this information, you can now talk about the *ideas and outcomes* that are most likely to make a difference to this buyer: Fewer breakdowns and lower bills! You could offer proof of your pump's energy efficiency and reliability, in the form of awards and articles praising its performance in these areas. You could then explain that your company offers a special extended warranty on the pump. This extended warranty is designed to reduce the risk of having downtime in the future, and it will also give the customer automatic top priority on service calls without costing a cent more on the repair bill.

You have just engaged your customer and secured his full, undivided attention; every point you make is now landing with impact. You have just dramatically increased your chances of getting the deal, and you've done so by talking about the outcomes first. You may even have added to the size of the deal by introducing other products that support the outcomes that the customer is trying to attain.

At the end of the day, the customer is not buying a pump at all. The customer is actually buying uninterrupted pool time, reduced energy costs, and a lower cost of operation. *Those are outcomes!* This is exactly what Hayward Pool Products, the number one manufacturer of residential pool pumps, trains its dealers to do. And that, along with a great product, is why they are one of the leaders in their industry.

Why *Wouldn't* You Sell This Way?

For the past 20 years, I have been speaking to, advising, and coaching sales organizations of all sizes all around the world. Our clients have added at least half a billion dollars in incremental revenues by implementing this concept of leading with the outcome. In all of these situations, we never once changed the features of a company's product or service. We only changed the outcome.

You work for a company that already has a respectable product or service. If it didn't, you wouldn't be working there; the company would be out of business. The question, then, is a simple one: How do you communicate your value and differentiate yourself from the competition? The answer is just as simple: by selling like a leader does, by leading with the outcome.

Top-producing sales reps know that there is little competitive differentiation to be found in one's feature set. Those words may make marketing managers and technical departments cringe, but they nevertheless reflect the realities of the current market. Given today's astonishingly efficient information technology, the truth is that once you present a new feature, it will only take a short amount of time for the competition to find out what you're offering, reverse-engineer a competing offering, and start marketing their own version. How do you win that game?

The Leadership Mix

True differentiation from your competition comes by providing what I call the *leadership mix*. This is the unique mix of your features, services, quality, delivery, and leadership.

The Leader's Advantage

The leadership mix is what wins the game.

You need a different mix for each customer and each prospect. That means that no two sales you close as a leader are going to be alike, or even similar.

People buy for different reasons because they're seeking different *outcomes*. Our customers are looking to buy something that will support the unique *outcomes* that they are after. Leaders focus on the outcomes, and then they concentrate on the unique combination of features, services, quality, delivery, and coalition-building skills—the leadership mix—that will deliver the greatest value in achieving those outcomes. And that's not all! Leaders get people to experience those outcomes ahead of time, internally, before they actually occur. They use the leadership mix that they bring to any given situation as a tool—not simply for creating a single deal, but for establishing something much more important: a shared vision of the future.

The Leader's Wisdom

“The future has several names. For the weak, it is impossible. For the fainthearted, it is unknown. For the thoughtful and valiant, it is the ideal.”—Victor Hugo

The mix you offer must become an offering in itself. Your sale can no longer revolve purely around features that people believe they can get elsewhere, or pricing that they believe they can beat by a tenth of a cent by shopping your bid around. The magic is in the mix!

Once you can do a better job of identifying a customer's desired outcomes, you can do a better job of creating the mix that will be perceived as most valuable in creating those outcomes—regardless of the dollar price that is connected to your offer. You can do a better job of persuading decision makers that even though they can get similar features from other sources, there is no other source that provides the same mix—the same comprehensive, multi-faceted plan for the future—that you do.

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To create this kind of plan, you have to engage your prospects or customers in conversations about what is or could be possible—even when there is no short-term need for what you are selling. That’s actually the best possible time to start making the sale! You’ll discover why later on in the book. . . .

Your job is to align your *purpose* (outcomes) with the *vision* (outcomes) of the customer. Outcomes revolve around needs, fears, concerns, and desires. So that’s what leaders talk about—not price or features!

Don’t Waste Time!

Most salespeople usually don’t sell from a position of leadership, and, as a result, end up wasting not only the customer’s time, but their own precious time as well.

For instance, asking people what product or service they’re using in a way that does not connect to any possible customer benefit is a waste of everyone’s time. So is calling a potential customer and telling him that you will save him 10 percent, without even bothering to take the few minutes necessary to find out what’s important to him. Reciting a particular product’s list of features that your company drilled into you during product training—without having found any common ground with the prospect or customer—is a waste of everyone’s time.

You can’t expect to lead with any of these strategies because they don’t connect to anything that’s important in the customer’s or prospect’s world.

Leaders Don’t Get Sidetracked by Price

People often don’t buy the cheapest service or product available. Have *you* always purchased the cheapest alternative? No! You know

you paid more for some items, based on certain issues and benefits that were more important to you—for whatever reason—than finding the item with the lowest price. When traveling by plane, some people pay extra for the benefits of first class; others don't. While some frequent flyers know they will have a good shot at upgrading to first class on a lower-fare ticket just before the scheduled flight time, others may pay the significantly higher fare simply to guarantee the first-class seat. It's that important to them. If you stop and think about it, you'll realize that there are lots of things in your own life that are far more important to you than getting the lowest possible price. For instance, buying name-brand products instead of generic brands, renting a high-priced apartment so you can have just the right view from your living room window, or buying expensive, front-row tickets to an NBA game.

“It All Sounds the Same!”

One of my mentors, the late Bill Brooks, was a well-known sales expert and coach to thousands of salespeople throughout the world. Bill once told me that he and a colleague conducted research on thousands of buyers across all industries and asked them this question: “Why do you beat salespeople up on price?”

In essence, the answer they got from buyers was this: “Put yourself in my shoes. I sit here at a desk, meeting with several salespeople daily, and they all do the same thing. They brag about all the bells and whistles they have to offer. But at the end of the day, it all sounds the same! When you feel that the offerings are more or less the same, you move to the next step and qualify them on price.” For the sales leader, however, the discussion of price always comes at the end of the conversation—not the beginning! In fact, if the sales leader does the job right, pricing will be a secondary consideration when compared to other key factors in the buying decision.

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Ask yourself this: What is the number one reason a purchasing manager would get fired? You may want to answer, “Paying too much for a product.” Wrong! A purchasing agent’s *first* responsibility is to keep the enterprise running efficiently and make sure it has the materials and services necessary to continue to supply its customers. If that supply chain is interrupted, the purchasing agent is out of a job. That’s the top priority!

Once purchasing agents feel that they have multiple sources and a low risk of interrupting the supply chain, however, they move on to their next core responsibility: to drive cost out of the system. *If you appeal to that instinct, you will lose!* Instead, you must build a coalition that is based on the purchasing agent’s primary responsibility, that which he or she shares with everyone else in the organization: keeping the enterprise running efficiently, so that it can satisfy customers.

When purchasing agents have access to multiple reliable suppliers, they will—if left to their own devices—put the squeeze on terms and conditions. To help offset this squeeze, you must lead by leveraging other relationships in the organization, relationships with people who can win by working with you, people who have a vested interest in the outcomes of your products and services. You must connect with the people whose careers depend on the results they produce, things like ease of use and zero-defect quality levels. These people must be in your “coalition of the winning!”

Your coalition might include the engineering manager, the production manager, the CIO, the CFO, the CEO—all of those players or someone else entirely. I don’t much care what each person’s title is. What I do care about is whether you are willing to do what leaders do—establish contacts at multiple levels in the organization.

The Leader’s Advantage

If your coalition consists of a single person, you will lose.

Establishing multiple alliances and multiple points of contact is your best strategy for minimizing competitive pressures and bringing issues other than price to the forefront. This is what sales leaders do.

You Must Lead the Team

Traditionally, sales executives were the main point of contact with the customer. Years ago clients generally did not interact with other members of a selling organization. Today, however, customers will inevitably communicate with any number of people in our organization. The question is whether we as salespeople are going to be able to manage those points of contact.

Customer service and technical support are interacting with your customers in an effort to support their needs. Members of shipping and billing departments are also talking to your customers and attempting to ensure that they receive their products in a timely and professional manner. Even prospects you have not yet closed business with are just an e-mail message or a phone call away from your support team. Face it: Other people are in this game with you!

Sales executives today need to lead the efforts of their own internal support team, and must also coordinate support of the various contacts on the buyer's side. The salesperson must be prepared to emerge as team leader in a flexible network that not only crosses departmental lines, but also crosses the line between the selling and buying organizations! You must master not only the art of winning the deal, but also the art of winning buy-in, internally, on behalf of your customer.

Believe it: Your success as a salesperson depends on your ability to build and sustain coalitions both *inside* and *outside* your organization. You must create and lead the coalition, no matter what you are selling.

Many salespeople try to push back against this leadership message, but the message remains relevant all the same to a broad range of

today's sales professionals. Even providers of professional services have to lead their internal support personnel. Your assistants and internal allies are all part of your team and, in a larger sense, your coalition. So, of course, are your prospects, customers, and clients.

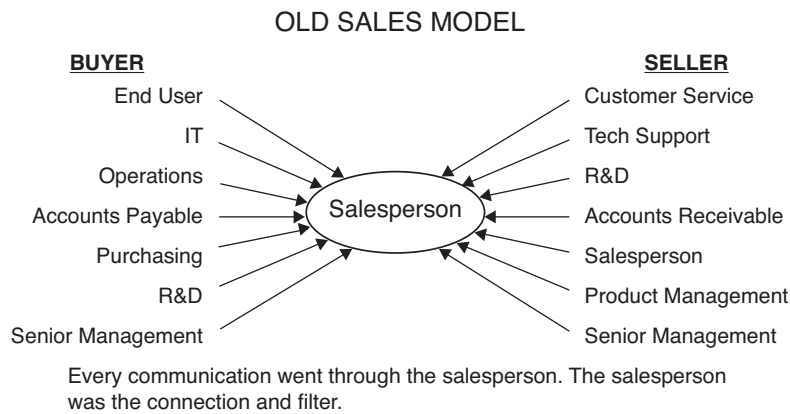


Figure 1.1

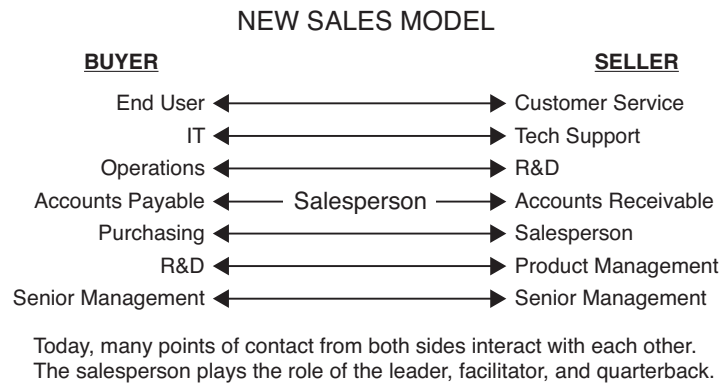


Figure 1.2

The centers of influence both inside and outside your organization that refer new clients to you are also part of your team, your

support network, and your coalition. *All of these people will only choose to become truly active and engaged members of your coalition if you make a conscious choice to take on a leadership role.*

All of these people are your critical business allies, and, today, your critical business allies must believe not only in your product or service features, but also in your mission and your capacity to inspire action in support of that mission.

In the next chapter, I'll show you what sales leaders believe about themselves, their mission, and the larger world...and how those beliefs support them as sellers.