

1 “The Story” and What’s behind *The Collaborative Sale*

Jon was a sales superstar, and the rapidly growing company we’ll call “ExyRisk” couldn’t wait to get him on board as a rainmaker. Jon’s success in selling technology solutions into the financial services industry, coupled with his Wharton MBA, made him a coveted midcareer hire for ExyRisk, a developer of financial risk modeling software based in the San Francisco area. Recently purchased by a private equity firm, the four-year-old company was under intense pressure to perform, and it needed top sales talent.

But within six months of being hired, no one was more surprised than Jon when he realized he couldn’t close sales in his new job.

After he joined ExyRisk, Jon did what he had always done—he reached out to his network to arrange introductions to senior-level prospects. When he met with them, potential buyers were intrigued by ExyRisk’s capabilities, but he couldn’t get more than a couple of his prospects to agree to a demo. Their reasons varied but were based on one of two themes. The first was: “We’ve got a project on the horizon that this might be a good fit for, but right now we have to execute

what's on our plate." The other was: "Our budgets are on lockdown, so there's no need to waste your time giving us a demo on something we can't buy."

His best lead was an insurance brokerage that specialized in severe weather modeling to set risk pools. Jon saw an opportunity to partner with the broker who would resell ExyRisk's software with various applications that the broker offered. He flew to New York for the annual Risk Management Conference where the broker was facilitating a panel discussion, and the two Wharton grads had breakfast the next morning.

After the conference meeting, ExyRisk's CEO reached Jon on his phone as he was boarding his return flight. "He just doesn't get it," Jon said of the broker. "He's telling me they've got to focus on their core offerings before they start working with partners."

The CEO had been hearing a lot of this sort of thing from Jon. It seemed like the world according to Jon was filled with nearsighted and self-absorbed prospects who didn't know a good thing when they saw it.

As the CEO spoke with Jon, a private equity partner and board member was in the office listening in. Leaning into the speakerphone, she said, "Jon, this is Nancy. Can you tell me a little bit about the broker's business problems?"

Jon shot back, "I'm offering him something that will increase revenue from his firm's current customer base. Who doesn't want that?"

Nancy bristled. "Okay, then, what do you know about his revenue problems?"

Jon replied, "He needs a helluva lot more. Who doesn't? Listen, they're making the announcement to turn off our cell phones. I've got to go."

Nancy said, "Jon, I'm going to meet you at the airport this afternoon, and we're going to come up with a new sales approach."

Jon got a text from Nancy telling him to meet him at the Delta Sky Club. Walking through the airport, he called his wife to update her on his revised schedule, and swiftly changed the subject when she asked him if something was wrong.

The Sky Club attendant pointed to the room that Nancy had reserved and Jon drew a deep breath. Into the lion’s den, he thought as he opened the door.

Nancy was on ExyRisk’s board because she, like Jon, had a background in finance and technology. Unlike Jon, she came up through the ranks as an analyst, so he wasn’t sure what expertise she had to offer when it came to making sales.

Nancy looked up from her laptop, stood to shake Jon’s hand, and said, “I’m glad your plane was on time. Mine leaves in about three hours.” Closing the lid on her laptop and turning her phone to vibrate, she said, “Let’s get down to business, shall we?” and sat down.

“Sure thing,” he said in a neutral tone, tossing his backpack into the blue club chair by the window and taking his seat at the faux granite table across from Nancy. It was his first meeting with her, although he had been introduced to her the last time she was in town for a board meeting.

“Jon, I reviewed your resume as I was waiting for your plane. You’ve had a good run working with a series of high-tech companies. Not to sound like I’m interviewing you for the job all over again, but tell me why you’ve changed jobs every two or three years.”

“Wow, Nancy, that’s quite an opening volley,” he quipped. Smoothing the creases in his khakis, he continued, “I’m not a job-hopper, just a guy who knows how to manage his career and work his way up. I was always recruited away. I’m good at what I do. I’m just not sure what’s wrong with ExyRisk.”

Nancy smiled out of the left corner of her mouth. “I expected you to say something like that. And I believe that you believe that story.”

She leaned back in her chair and said, “I’ve had this conversation with half a dozen other business development people over the past year. Here’s how it goes every time. Looking at the companies you represented and when you were with each one, I know that you’ve succeeded with strong winds at your back.”

Jon opened his mouth, but Nancy raised a finger to stop him from saying something they might both regret.

“You joined the companies when they had innovative products and little competition, which meant you were able to focus on their unique differentiators. Your numbers were strong, and the next company recruited you away. Nothing to be ashamed of in your track record.”

Jon closed his mouth as she continued.

“I’m pointing out that ExyRisk doesn’t have the same kind of product differentiation that you’ve always sold. To be able to sell ExyRisk, you’re going to have to be savvier about who you’re selling to and why they’re buying.”

“Who I’m selling to? I’m selling software to financial services companies.”

“I see,” she said, resting her arms on the table and clasping her hands. “Let’s talk about this insurance broker. What have you done to quantify in hard dollars the value the broker could realize with ExyRisk? Could you cite other customers like this broker and what they’ve achieved?”

“No, because this is the first insurance broker I’ve met with,” he said. “I’ve always been successful in showing clients what the product does and then brainstorming how they could use it. It’s been a collaborative thing once I get the demo. But this is the first product I haven’t been able to demo.”

“Oh, Jon, I like where you’re going with the collaboration theme, but you’re just left of center. When you tell a prospect ‘let’s brainstorm,’ you’re saying that you aren’t sure how you can help them.

Buyers are protective of their time, which is money. Remember,” she said, lowering her voice, “you’re not selling them something they’ve never *ever* seen before.”

Jon thought for a few moments. “So, what should I do?” he asked.

The Collaborative Sale

Like Jon, many sales professionals are struggling today, finding opportunities harder to win, buyers more reluctant to engage, and consistent results more difficult to produce. Many sellers perceive that buyers have changed in some fundamental ways, and traditional ways of selling don’t succeed like they once did.

Buyers have indeed changed, in some dramatic ways. They are now much more informed than ever before. Their reliance on sellers for information has declined greatly. At the same time, buyers are more cautious and risk averse. This makes them harder for sellers to access, and more difficult to persuade to buy.

Buyers’ expectations of sellers have also changed. They demand that sellers bring valuable expertise and a higher level of work commitment and professionalism than ever before.

Many sellers will falter in this more challenging environment. But many can still succeed if they can align with buyers’ higher expectations. Those who recognize that selling is now a collaborative effort between equals—buyers and sellers, working together toward an optimum result—will be the successful sales professionals, both today and through the next decade.

This book, *The Collaborative Sale*, represents our latest findings about effective sales practices collected from our research and experience with hundreds of our clients. It builds upon the foundation of our well-known methodology, Solution Selling[®], which we documented in our previous books, *The New Solution Selling* and *The Solution*

Selling Fieldbook. That methodology was built upon the foundational principle of a buyer-aligned sales process at its core. As a result, it has proven to be uniquely adaptable to changes in buyer behavior over the past decade, providing over one million sales professionals with an integrated system for achieving consistently improved sales results.

However, when we studied the latest trends in buyer behavior, which we document in the next chapter, we realized that the dynamic between buyers and sellers was changing in very profound ways. We discovered that the most important factor in successful selling has become the ability of sellers to collaborate with their buyers, at every stage of the buying process.

The good news was that Solution Selling always included effective collaboration principles and tools as an integral part of its design. However, we also discovered that some new methods to collaborate with buyers could be added, and others could be further improved.

For over a year, we experimented intensely with sales collaboration approaches, tools, techniques, and methods, working with various clients. The result is a newly modernized version of effective sales methodology, which we now call *The Collaborative Sale: Solution Selling in a Buyer-Driven World*. This approach has proven to be extraordinarily well-tuned to help sellers align with the demands of modern buyers, and to differentiate themselves—not just by what they sell but, more importantly, by *how* they sell to buyers.

The principles of *The Collaborative Sale* are based firmly in validated research and real-world application. For example, an independent 2013 study by the RAIN Group found that the two most important characteristics of high-performing sellers were the ability to provide buyers with new ideas and perspectives and the ability to collaborate with buyers.¹

¹Mike Schultz and John Doerr, “New Sales Research: What Sales Winners Do Differently,” RAIN Group, April 2013.

Additional independent research by ES Research Group shows that a large majority of both buyers and sellers believe that sales negotiations are becoming more collaborative, and will continue to grow more collaborative over the next three years.² That same research shows that buyers and sellers agree strongly on what impacts their interactions positively, including:

- Buying and selling organizations working together to help shape solution requirements *before* they are finalized
- Quantifying measurable value to establish a baseline understanding for contract negotiations and purchase decisions
- Intentionally involving customer stakeholders, including users of the proposed products and/or services, to help educate the purchasing team on buying criteria, value points, and other factors.

What Is Sales Collaboration?

The dictionary defines collaboration simply as: “To work jointly with others or together, especially in an intellectual endeavor.”³ While this definition describes the action of collaborating, it does not really explain why people would do so. A more insightful definition can be found in Evan Rosen’s book, *The Culture of Collaboration*: “Working together to create value while sharing virtual and physical space.”⁴ The intent of collaboration is to create new value for the participants that could not otherwise be realized by acting individually. Rosen also

²Dave Stein, “The State of Sales and Purchasing,” ES Research Group, November 2012. Accessed December 1, 2013, at www.esresearch.com/e/home/document.php?dA=ESR_sales_purchasing. Also corroborated with a personal interview with Dave Stein, conducted October 1, 2013.

³“Collaborate,” Merriam-Webster.com. Accessed November 13, 2013, at www.merriam-webster.com/dictionary/collaborate.

⁴Evan Rosen, *The Culture of Collaboration: Maximizing Time, Talent and Tools to Create Value in the Global Economy* (San Francisco: Red Ape Pub., 2009).

recognizes that collaboration can occur both in person and virtually. Technology enables people to connect and collaborate in a variety of ways that do not require physical proximity.

Many people take for granted that collaboration will produce better results than individuals acting alone. They assume that bringing together a group with different ideas and perspectives can help to foster more innovative ways of looking at a problem or potential opportunity, but this is not always what happens.

Research by Leigh Thompson, PhD, a professor at the Kellogg School of Management at Northwestern University and author of *Creative Conspiracy: The New Rules of Breakthrough Collaboration*,⁵ found that individuals working independently on a problem before coming together as a team generated almost three times more ideas, and higher-quality ideas, than just a group brainstorming together. In addition, other research by psychologists shows that the most productive forms of collaboration are not free-form interactions, but those governed by well-defined structures and commonly understood processes.⁶

These research findings provide two important lessons for sellers:

1. To collaborate effectively with a buyer, sellers must first understand the buyer's issues and develop ideas and hypotheses on how best to address those issues.
2. Sellers who use a transparent and readily understood structure for collaborating with buyers produce better outcomes than those who engage reactively with no or poorly defined processes.

⁵Leigh L. Thompson, *Creative Conspiracy: The New Rules of Breakthrough Collaboration* (Boston: Harvard Business School Publishing, 2013).

⁶P. B. Paulus, T. Nakui, V. R. Brown, and V. L. Putman, "Effects of Task Instructions and Brief Breaks on Brainstorming," *Group Dynamics: Theory, Research and Practice* 10, no. 3 (2006): 206–219.

Sales collaboration is therefore more than simply working with buyers to fulfill common interests. It is buyers and sellers bringing their ideas and perspectives together using a transparent and commonly understood structure, in shared physical or virtual space, to solve mutually recognized problems or to benefit from identified opportunities, and to create measurable value.

Most sellers are unaware of how much they could collaborate with buyers, and as a result they miss opportunities to connect with new buyers to demonstrate their expertise, jointly develop visions of solutions, and provide exceptional value. By embracing a collaborative sales approach, sellers can:

- Improve the quantity and quality of sales pipelines by creating, finding, and developing more opportunities.
- Engage with prospective buyers earlier in their purchase evaluations.
- Differentiate themselves from alternative options by demonstrating thought leadership to buyers.
- Sell openly and transparently by sharing a collaborative approach and intent with buyers, and further differentiate from other sellers.
- Develop higher levels of credibility and trust with buyers by documenting and posting useful information on a dedicated collaborative portal—and also equipping buyers to support a recommended solution within their own organizations.
- Work more effectively with buying committees by enabling all of them to participate actively throughout the purchase process.
- Guide buyers to a decision by providing a useful approach for each buying group to apply, shared in secure online collaboration sites.
- Codevelop mutually agreed-upon estimates of value with buyers, providing compelling reasons for buyers to act.

- Decide when to stop or qualify out of an opportunity in the best mutual interests of both the seller and the buyer.

Sellers who work with buyers using a collaborative sales approach produce improved results, for both themselves and their customers. This collaborative approach requires new skills and competencies, but it can be learned and mastered by most sales professionals. They only need to know the way. *The Collaborative Sale* shows how.