

THE THIRD WAVE SELLING NEWSLETTER

BUILDING THE BRIDGE™

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The challenge of finding effective strategies of differentiation is not new. When I entered “differentiation” into Amazon.com’s book list, 44,162 results were listed. This number tells me two things. One, differentiation is a very important issue. Two, business leaders are struggling mightily to find a way to effectively differentiate their businesses. A failure to effectively differentiate your business can place you squarely in The Commoditization Trap™. Why does this happen and how can you prevent this?

Despite all of the talk within business circles about customer-centered initiatives, the reality is that most businesses take an inside-out approach to sales and marketing. In a study of senior business leaders, 85% agreed that differentiation solely on the traditional elements of price, delivery and lead times was not a sustainable business strategy.¹ For most businesspeople that we work with, this does not come as a surprise. From my experience consulting with thousands of businesses I have learned this sad truth: even business owners who claim to have a sales and marketing approach that is customer-centered often actually have an approach that is business-centered. A simple test to determine whether you are really customer-centered can be found in your answer to this question: “Which do you spend more time talking about within your company (and within each department): your solutions or the problems your customers face?” Your answer will give you insight into how one important strategy to differentiate your business can keep you out of the Commoditization Trap.

Ask yourself the following: Does your company sell a solution looking for a problem? Selling organizations face three major challenges when identifying the

problems within a prospect’s organization and providing solutions to them. One, your prospects might not be aware of nor fully understand the problems they have; two, they might not share the problems they do know they have with you until they trust you, and they won’t trust you until they believe you understand their problems better than they do; and three, your prospects might be unaware of the costs associated with those problems. To overcome these challenges your primary focus needs to be on building the bridge from your solutions to the problems your clients and prospects face. By reading this issue of The Third Wave Selling E-zine you will learn a methodology to effectively differentiate yourself today and in the future. Not surprisingly, we call this method Building The Bridge™

PROBLEMS AND SOLUTIONS

The first step is to clarify what a problem is. Imagine Consulting has developed the following definition of a problem: *an opportunity for improvement of an undesirable condition caused by something working sub-optimally.* Think about it, if something were working perfectly, what problems would there be and what solutions would your business need to provide?

In the medical field, health problems drive the work of the physician. Patients come to them, and they diagnose their illness and then offer solutions to resolve them. In business, though, it is not enough to wait for prospects to come to you looking for solutions to problems. Don’t, however, make the mistake of *offering solutions looking for problems.* (As a matter of fact, if customers are coming to you searching for a solution to a problem that they have already diagnosed, then you are selling a commodity. To further understand this issue we

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BUILDING THE BRIDGE

recommend reading *Avoiding The Commoditization Trap*TM, available from Imagine Consulting.)

PAINFUL PROBLEMS AND LESS PAINFUL SOLUTIONS

Several years ago I had extreme pain in my lower back. Even though each time this internal pain lasted only for short periods, I went to the emergency room for help. Over a four-year period of time I had five of these attacks. It turned out that I had kidney stones. I was finally diagnosed with hyperparathyroidism. My parathyroid, which regulates calcium in my blood, was 15 times the size it was supposed to be. The doctor told me that I needed to have a parathyroidectomy. I had a very full schedule as I was in my busy season at the time. I asked what I thought was a reasonable question: could I have the procedure in the summer when my schedule would be lighter? I'll never forget how the doctor responded. He told me that I could wait as long as I wanted, but that I better keep someone with me when I was traveling because one of the side effects of too much calcium in my blood could be disorientation and that I may be out of town one day and forget who I am or where I am going. That conversation transformed my understanding of my problem. No longer was the pain I was experiencing merely a discomforting concern; now it was a critical medical condition. There was nothing more important than getting the procedure done. I was actually upset that I had to wait a week to get surgery scheduled.

When my diagnosis was first made, I did not fully understand it. The doctor quickly helped me understand what was wrong with my parathyroid and explained the importance of immediate surgery. He didn't do this by telling me that he was a wonderful a surgeon, by informing me how simple the surgical procedure was going to be

nor even by suggesting that I'd feel so much better after the surgery was completed. He helped me understand the value of immediate surgery – his solution — by bringing my perception of my problem closer to reality, explaining the fullness of my problem and helping me to understand that he had the solution to resolve it. This is what your sales process needs to do.

WHAT PROBLEMS DO YOU SOLVE?

To begin you must answer the question: what problems does your company solve? Write that sentence ten times. Share it with your salespeople. Say it when you wake up. Say it when you go to bed. If you are selling *Snickers*[®] bars, don't talk about the features and benefits of the product, just ask: "Are you hungry?" Start asking yourself the questions that will help your business — and ultimately your customers — realize that there are problems out there, and you can solve them. When you have a list of the problems you solve, answer the question: who has those problems? Sit down with a piece of paper and answer those two questions to the best of your ability. Have you completed the exercise? Go ahead and finish; I'll wait.

Now that you have a clear picture of the problems you solve and a sense of who has those problems, make sure these problems fall into the definition of a problem that we defined earlier. When you are comfortable that your answers meet the definition, the next step is to identify the symptoms that your customers might have that would indicate that a problem exists or could in the future. Be careful, however, not to make the common mistake many selling organizations make: confusing symptoms with problems. Symptoms of a problem are not the same thing as the problem.

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BUILDING THE BRIDGE

In my case, when I was experiencing kidney stones, I thought I had a problem in my back, not in my neck. Luckily my doctors knew what top selling organizations know: the difference between symptoms and problems. They were able to trace my symptoms to their causes. I did not have a lower back problem nor a kidney stone problem. Kidney stones were a symptom of something working suboptimally. The first doctor I went to told me that I had a problem processing calcium and that I should lower the calcium in my diet. It turned out that a high level of calcium in my blood was not the problem, it was yet another symptom of the problem. The problem I had was a parathyroid problem.

WHAT IS TRUST?

One of the first principles of selling is that people buy trust first, and then they buy products and services. This is especially true with a value-added selling model. But there are two problems with this concept for salespeople. First, salespeople frequently confuse “like me” with “trust me,” and think they have developed trust when they haven’t. Second, because it is so difficult to define when trust occurs, it becomes quite a challenge to systematize a selling model. To resolve these problems, Imagine Consulting worked at crafting a better concept of when trust is established. *Trust occurs when the buyer believes that the seller understands the buyer better than the buyer understands himself/herself.* No one will listen to you if they don’t feel you understand them. Only when they sense that you do will they begin to trust you, creating the possibility that they will buy your solutions.

I came to realize that the doctor understood my medical condition better than I did, so when he told me not to wait to have surgery, I trusted him and I didn’t wait. You don’t earn trust by becoming a product expert. You

don’t earn trust by getting another degree. You don’t earn trust by growing sales 35%. These might all be things you need to do to put yourself in a position to earn trust. The only way you earn trust is by knowing more about your prospects and the problems your prospects face than your prospects know themselves.

Helping your prospects understand the difference between the symptoms of their problem and the problem itself will help build the trust that comes from your having a better understanding of the situation than they do. This will, in turn, create opportunities for you to sell them your solution – perhaps to a problem they didn’t even realize they had.

HOW MUCH DOES THAT PROBLEM COST?

Once you’ve both identified and helped your prospects understand the problem, you must *quantify the cost of the problem.* You must also quantify the value of your solution. We call this The Monetization of Value™. (While this concept works in the business-to-business selling environment, it also works well in the consumer market.)

It is not enough to know that your prospects have a problem and you have a solution. Think about it for moment. The prospect is going to quantify the costs associated with buying from you, if, for no other reason than they are going to have to give you money that they could use for something else. They know how much money they are going to have to pay you, and they’ll consider other costs associated with your purchase. *If they don’t clearly understand the cost of the pain or problem they are experiencing, how can they possibly know if they are making a good buying decision.* People will do more to avoid the perception of pain than they will to pursue the perception of pleasure. If

BUILDING THE BRIDGE

you don't monetize value, you are asking them to choose between the imminent pain of spending money today and the *possible* pleasure of your solution tomorrow. Such a choice is not difficult to make, but both parties lose in the process.

You must help your prospects fully understand their problems, which means not only knowing how much your solutions costs, but also knowing how much their problems are costing them. This Monetization of Value enables them to justify the cost of your solution. Lacking this, they object to the price of your solution, succumb to margin pressures and other symptoms of commoditization, and ultimately fail to purchase your solution. With this information they readily see the value of your solution.

PAIN & PLEASURE

People will act to avoid situations that they perceive as painful, and they will act to do things that they perceive will bring them pleasure. Furthermore, they will do more to avoid pain than they will to gain pleasure. The key word here is "perceive." It does not matter whether pain or pleasure will occur, it only matters if the perception of pain or pleasure is imminent. This is the reason most people delay seeing a doctor until they are sick, or wait until they are overweight to think about their diet. Remember, perception is the important point here. There can often be misperceptions, though, especially when a customer or prospect does not understand the causes or implications of their pains or problems, much less the high cost of living with the problem.

Pain operates on a continuum running from satisfaction and happiness all the way to crisis.

This creates additional complexity for businesses in that not only do they need to know whether or not a prospect

is experiencing pain, they need to know where on the pain continuum the prospect's pain is. They must also know if there are other places where the prospect has pain and how a particular solution alleviates their pain and affects the other pains the prospect is experiencing.

In working with companies and with salespeople, I have regularly heard discussions about the cause of problems and the solutions that are necessary to solve them, without ever hearing one word quantifying how much money the *problem* might be costing the prospect. In such situations, the salesperson or consultant often left the meeting confused as to why the prospect delayed taking action.

A foundational concept of Third Wave Selling is that when buyers do not experience pain, that is they have no problem, there is no sale. (By the way, just because a buyer does experience a problem does not mean that there will be a sale.) This is the reason that people rarely buy things when they are satisfied with the status quo. In business, we call this concept *Pain Gaps*TM and it will be the focus of our December newsletter. When a prospect is satisfied with their current situation they have no Pain Gaps and feel no need for your "solution." No pain is an indication that a prospect will not buy something from you.

BUILDING THE BRIDGE TO VALUE CREATION

Repositioning your company's value proposition from a "provider of solutions" to a "solver of problems" may sound like a semantic shift. In reality, it is a paradigm shift. By definition, solutions-providers have a business-centered approach to marketing. Our research tells us that more than 90% of companies providing value-added solutions take this approach. Taking a problem-solver approach will differentiate you, if for no other reason than so few companies position themselves that way.

BUILDING THE BRIDGE

More importantly, you will differentiate yourself because it is in the problem-solving stage where the most value is created and where you can, therefore, differentiate yourself from your competitors.

If you would like help in applying these ideas and concepts to your business please call Imagine Consulting. We take consulting beyond advice by first understanding your needs and then providing systems that enable you to implement meaningful solutions. We'll be happy to help you.

(Footnotes)

¹ Beyond Philosophy. "Customer Experience: The Next Competitive Battleground," p. 1.