

Complex deals require consensus among a wide range of stakeholders across the organization. To win bigger deals, sales and marketing must work to identify Challenger Customers, to forge a healthy consensus.

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WHAT THE BEST COMPANIES DO

DEFINING THE CHALLENGER CUSTOMER

B2B sales and marketing teams need more than just a great product or service to win over often skeptical and disparate buying groups, writes **Tim Stafford**

Of the many ways to chart the pace of change in business, one of the easiest would be to show how closely employees in different parts of the world and parts of a business now work together.

People confidently use email, phone and corporate social networking tools to make big decisions that would once have felt strange without a face-to-face meeting and the incumbent travel and disruption. Like most changes in business, it's broadly welcome. Not only can decisions be made more quickly but it's made organizations flatter and more flexible. It's easier for a manager to convene a team of disparate people and to ask for their feedback or collaboration.

But there's one group for whom all this change is not so good: B2B sales and marketing teams. Any representative will tell you that the amount of people that they need to sign-off on the purchase of anything from information security software to manufacturing tools has mushroomed – and is still growing.

"The average B2B decision-making group includes 5.4 buyers, and the likelihood of a purchase decision being made drops to 30 per cent with that number," says Patrick Spenner, head of strategic projects in CEB's marketing practice and one of the authors of a new book on the problem.

Not only that but, true to form in this new work environment, these "buying groups" are composed of people from a wide variety of roles, teams and locations. This means they have, at best, different perspectives and, at worst, conflicting goals (take a business-unit risk manager and a line manager, say).

And even when consent is reached, group decision-making dynamics favor a decision that avoids conflict and incorporates everyone's point of view. This usually means a no-frills deal where the rep has had to undercut competitors. Buying groups with poor consensus are 50 per cent less likely to pay a premium for a high-cost offering, according to CEB data.

> "COMPANIES NEED TO FIND THE MOST SKEPTICAL, AMBITIOUS CUSTOMERS IN THE BUYING GROUP - THE MOBILIZERS - AT THE BEGINNING OF THE PURCHASE PROCESS"

GROUP DYNAMICS

CEB surveyed thousands of B2B customers to understand buying-group consensus. "When you talk to people about the research, the real 'ah ha' moment is when you tell them the average buying group is 57 per cent of the way through a purchase decision when they engage a sales rep but it's at 37 per cent of the way through when group conflict peaks and is most likely to kill or stall a deal," says Spenner.

B2B marketers have worked hard in the past few years on personalization strategies: on connecting customers' individual business concerns to the products they're selling. So it's hardly comforting to think that their marketing, at best, does nothing to promote group consensus on what the business need is (save money, pursue a new group of customers, protect customer data and so on) or which supplier can achieve it, and at worst exacerbates the differences among the buying group.

And finally – the cherry on the cake – by the time a sales rep enters the fray (57 per cent of the way through the purchase process), it's often too late and the buying group is either far less receptive to any option but the lowest cost, or simply not interested in buying anything from a supplier they may well have favored earlier in the process.

As one senior sales manager put it when talking to CEB: "More often than I care to admit, we live in a world where each person says 'yes' but then the group ultimately says 'no'. It's like I live in a world where 1 + 1 + 1 = 0. How is that even possible?"

HOW XEROX SOLVED THE PROBLEM

Leah Quesada, vice president of content marketing and communications at Xerox, faced exactly this problem a few years ago when one of her teams was fighting strong competition to sell its new range of color printers to US primary and secondary schools.

"At the very core it was about operating in a market that's already highly commoditised," she says. Xerox's new product offered color printing at almost the same cost as black and white. Despite this, the consensus-buying problem was forcing Xerox's reps into competing on price and often losing.

CEB's advice to a marketing team in Leah's position would be to seek out what it calls "mobilizers". CEB's study of more than 700 customer stakeholders found that B2B customers fall into seven distinct character types, of which mobilizers make up three.

The research asked which types of customers were targeted by the most successful sales reps and found, counter-intuitively, it was the most skeptical customers. Once these are won over, they have the credibility to create consensus among their colleagues.

They "mobilize" others to, firstly, agree on what problem they need a supplier to solve and, secondly, that there is only one product, service or solution that makes sense.

This is exactly what Xerox did, although the team didn't know it when they started. Quesada knew her sales team needed help and that working with the engineers to provide more features or just creating better "brochures about speeds and feeds" wouldn't help. Inspired by earlier work from CEB, the team set out to find what CEB calls "commercial insight", which is an answer to the following:

"What do our customers fail to fully understand about their business, but should, and that leads uniquely back to Xerox?"

This is not easy to answer, and is not based on typical "voice-of-the-customer" surveys. VoC tends to ask customers what they think of a particular supplier. To create commercial insight, firms must ask what customers think about their own company.

After qualitative and quantitative analysis, and a lot of trial and error, the Xerox team struck gold. They found that today's children, growing up with high-resolution tablets, expect vibrant color in all of their classroom materials. Research they commissioned showed that color materials lead to higher knowledge retention and better classroom engagement.

REFRAMING THE CONVERSATION

This was rocket fuel for their reps. They could then take this to not just the IT manager – responsible for keeping costs down and buying school printers online – but also senior teachers and help them to mobilize the rest of the buying group to choose Xerox.

As one Xerox rep, John Golitz, says: "The deals that I get involved in, I'm winning almost all of them. Once I reframe the conversation around student learning and how Xerox can help, there's no more talk of competition. It's as if the door closes. I'm on the inside and everyone else is on the outside."

Companies need to find the most skeptical, ambitious customers in the buying group – the mobilizers – at the beginning of the purchase process, before that 37 per cent nadir is reached. Given reps' late involvement, this requires marketing and sales to first generate commercial insight, and then create content that explains it and shows customers the cost of not doing anything about it (ie, encourages them to take action). Finally, reps must understand how to help mobilizers to then build consensus and move forward with the purchase.

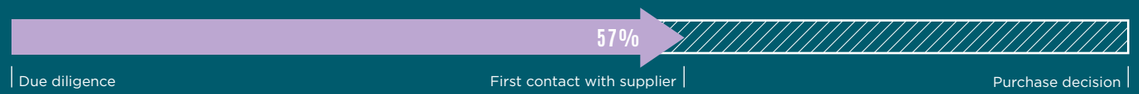
As may be fitting for a business problem created by new types of employee communication and collaboration, the solution is for sales and marketing to collaborate in a new way and then change how they communicate to customers.



THE NEW B2B BUYING JOURNEY

In reality, it's becoming downright hard to secure true consensus and make a purchase decision today

CUSTOMER PURCHASE PROCESS

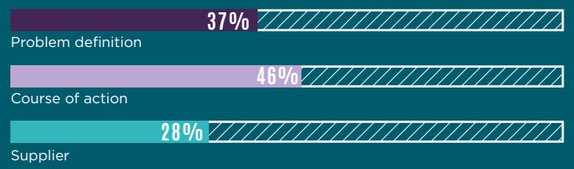


CUSTOMERS ARE RESEARCHING PURCHASES EXTENSIVELY **WITHOUT SUPPLIER INVOLVEMENT**, BELIEVING THEY'VE LEARNED WHAT'S NECESSARY AND REACHED TRUE CONSENSUS. BUT THIS IS RARELY THE CASE.

THE AVERAGE B2B DECISION-MAKING GROUP INCLUDES 5.4 BUYERS



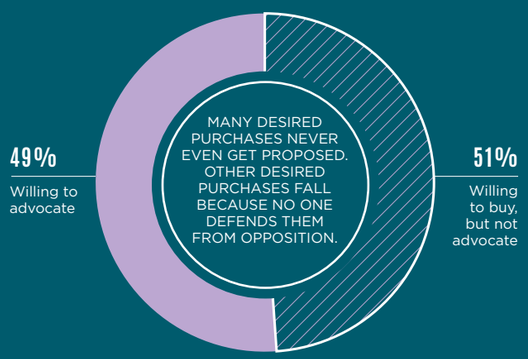
AGREEING ON A COURSE OF ACTION IS THE BIGGEST CHALLENGE FOR BUYING GROUPS



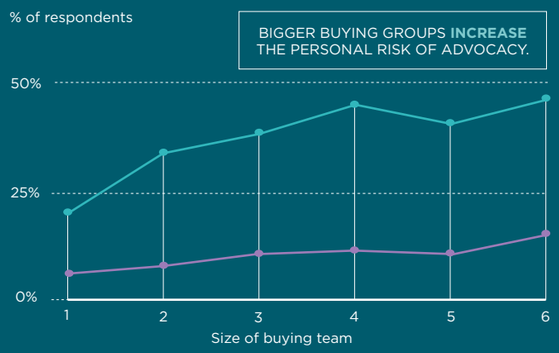
% of customers reporting the following as highly difficult

IN LARGE BUYING GROUPS, DESIRED PURCHASES OFTEN FAIL BECAUSE NO ONE TAKES ON THE PERSONAL RISK OR EFFORT OF ADVOCATING FOR PURCHASE

PERCENTAGE OF WILLING BUYERS WHO WILL ADVOCATE FOR PURCHASE

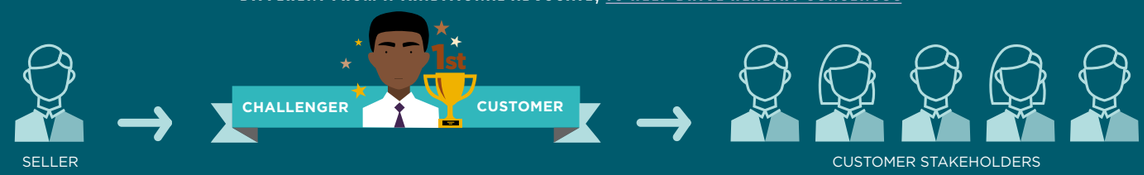


INDIVIDUAL RISK PERCEPTIONS, BY BUYING TEAM SIZE



n. 3000

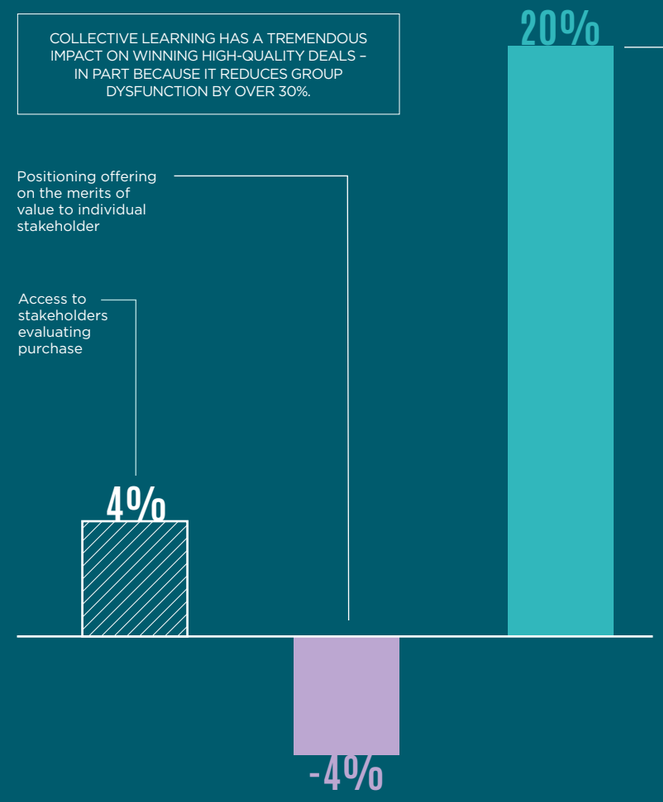
THE BEST MARKETING AND SALES TEAMS WILL LEVERAGE A VERY UNLIKELY STAKEHOLDER, DIFFERENT FROM A TRADITIONAL ADVOCATE, TO HELP DRIVE HEALTHY CONSENSUS



SALES AND MARKETING TEAMS MUST HELP BUYING GROUPS UNDERSTAND THEIR BUSINESS PROBLEM AND THE REQUIRED ACTIONS, NOT JUST POINTS OF SUPPLIER DIFFERENTIATION

COMPARISON OF DRIVERS ON LIKELIHOOD OF SUPPLIER WINNING A HIGH-QUALITY DEAL

COLLECTIVE LEARNING HAS A TREMENDOUS IMPACT ON WINNING HIGH-QUALITY DEALS – IN PART BECAUSE IT REDUCES GROUP DYSFUNCTION BY OVER 30%.



COLLECTIVE LEARNING FOSTERS AN ENVIRONMENT WHERE STAKEHOLDERS RESOLVE POINTS OF DISCONNECT, ALLOWING THEM TO RALLY AROUND A COMMON GOAL OR ACTION

n. 946

SIGNS OF COLLECTIVE LEARNING

EXPLORATION OF OBJECTIONS, CONCERNS AND UNCERTAINTIES AMONG STAKEHOLDERS

SURFACING DISCONNECTS AND COMPETING VIEWPOINTS

MUTUAL WILLINGNESS TO DEEPEN THEIR UNDERSTANDING OF THEIR CHALLENGE AND SOLUTION

ACTIVE PROBING FOR MISSED INTERDEPENDENCIES OR UNANTICIPATED CONSEQUENCES

JOINT RESOLUTION OF OBJECTIONS, CONCERNS AND UNCERTAINTIES

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UNDERSTAND HOW CEB CAN HELP YOU BEGIN IMPLEMENTING THE KEY STRATEGIES OUTLINED IN THE CHALLENGER CUSTOMER:

ORDER THE BOOK:
The Challenger Customer unveils research-based tools that will help you distinguish the "Mobilizers" in any organization. It also provides a blueprint for finding them, engaging them with disruptive insight, and equipping them to effectively challenge their own organization.

FOR MARKETERS: THE CHALLENGER PRODUCT MARKETING ROLE GUIDE

A guide designed specifically for Product Marketers with a full responsibility-by-responsibility rundown of what they should do differently.

FOR SELLERS: MOBILIZER IDENTIFICATION TOOLKIT

A tool designed to help sellers determine what actions to take to identify the right buyer profile in their customer organizations and accelerate closed business.

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