

Newly Revised
and Updated!

JEFF THULL

Mastering THE Complex Sale SECOND EDITION



HOW TO
COMPETE AND WIN
WHEN THE STAKES ARE HIGH!

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Praise for *Mastering the Complex Sale, Second Edition*

“This book is a ‘must-read’ for anyone in the world of complex sales. Expect game changing impact. My team was able to improve close ratios by 20 percent by applying principles in this book. Collaboration and co-creation drive much better results.”

—*Frank Bernieri, Division Vice President, ADP, Inc.*

“The clear and powerful message of this book is: Sales is a vehicle for organizational change. Companies evolving to face complexity need a new kind of sales to serve new kinds of customers. Jeff Thull explains why and how, with a foot in the traditional sales world, a foot in the evolving professional’s world, and both eyes on the future.”

—*Art Klein, editor-in-chief, strategy+business*

“Jeff Thull has changed the way we see ourselves as professionals and the value we bring to our clients. It is hard to imagine being in this profession without Jeff’s contributions. *Mastering the Complex Sale* contains the best thinking in our field.”

—*David L. Miller, Vice President, North American Business Development, Duke Corporate Education*

“*Mastering the Complex Sale* is a masterpiece! It’s street smart, research-backed, and full of real-life advice on how to move the chess pieces in the complex sales game. You’ll walk away with not only the ‘what’ and the ‘how’ of the complex sale, but also discover how to build the mental stamina it takes to compete at the top.”

—*Donato J. Tramuto, CEO and Vice Chairman, Physicians Interact*

“Jeff Thull ‘gets it’. The approach he outlines is pragmatic. *Mastering the Complex Sale* captures the essence of how an organization must approach defining and delivering real value . . . and the benefits this provides to everyone involved in the process.”

—*Kristina Robinson, Vice President and General Manager, HP-Business Intelligence Solutions*

“Don’t read this book without a highlighter and Post-its to capture the concepts and apply them today. You can really sink your teeth into the real life examples and scenarios. We adopted the principles that Jeff introduced in the first edition and really increased our market share over the competition. The concept of ‘value clarity’ in this edition is already enabling our sales executives and engineers to drive even more profit going forward.”

—*Chris Kriepps, President, Compressor Controls Corporation*

“We have been leveraging Jeff’s Thought Leadership for more than 20 years. As a CEO with a global client base, I have found the Diagnostic Business Development process to be an invaluable tool. To be successful today, CEOs must get more involved in understanding and executing their sales strategy through an integrated organizational capability. This book is a powerful guide for building that capability and assuring predictable and profitable growth.”

—*David Frigstad, Chairman, Frost & Sullivan*

“In this book, Jeff does a phenomenal job of providing both sales reps and management a blueprint for success. It leads the way in developing innovative sales strategies and continues to be one of the most profound learning experiences and methodologies. It is a proven sales method and a powerful prescription for our ongoing success.”

—*Mark N. Groudas, Vice President, Americas Field Operations, Waters Corporation*

“If you’re picking this up for the first time, or want to see what’s new in the second edition, either way, once you read *Mastering the Complex Sale*, there’s no turning back. Jeff Thull once again provides a clear path to what works in today’s realities. Follow it and you will succeed!”

—*Ron Anson, Director of Corporate Development, American College of Cardiology*

“Jeff Thull’s approach to Diagnostic Selling has been the sales backbone of my business from selling capital equipment in the mid 80s, to executives for complex factory level solutions, where my top line went up, my margins improved, and my sales team’s hit rate soared to a number one market share position. Today, as CEO, it is critical that my global sales team understands how to analyze our customers’ true needs, diagnose what is really happening, design collaborative solutions, and get paid for the value we provide. This advanced *Mastering the Complex Sale* book is leading-edge and even more relevant to my business than ever before.”

—*Jeffrey L. Timms, President and CEO, Microscan Solutions Inc.*

“*Mastering the Complex Sale* is a must-read book! Jeff Thull changes the game of selling by showing sellers how to quantify their business value step-by-step and help their customers get clarity on why they need to buy. The result—you will win more sales.”

—*Brian Carroll, CEO, InTouch, author of Lead Generation for the Complex Sale*

“The biggest truth in today’s business world is increased complexity. Collaboration and trust between seller and buyer are critical to navigating that complexity, and Jeff Thull is the architect and designer of just how it’s done. The more buyers and sellers at all levels that read this book, the more they, and we, will all benefit.”

“Jeff’s insights continue to break through the traditional paradigms of selling. ‘If you commoditize your customer, they will commoditize you,’ should cause some very serious soul searching and Jeff’s answers to this challenge, when adopted, will lead to significant success. If you are serious about not being commoditized, you need to become a master of the complex sale. Jeff Thull’s recipe for success—Discover, Diagnose, Design, and Deliver—has worked extremely well for us, and I am confident that his expanded perspectives in this second edition will take us to the next level.”

—Ron McCullough, Vice President Sales and Marketing, Fives North American Combustion, Inc.

“This book is packed with pragmatic advice that is applicable across multiple industries, different cultures, and mature and developing economies. Jeff’s Diagnostic Business Development process provides a clear methodology to create and capture value for our customers and develop sustainable, long-term relationships based on providing a credible source of business advantage. If you only consult one book, then this is it!”

—Gary Lord, New Business Development Leader, Dow Corning Healthcare Industries

“Jeff’s approach to the complex sale is both accurate and insightful. Any sales organization that embraces and puts Mastering the Complex Sale and the models and strategies of the Prime Process into practice will have a tremendous business advantage.”

—Stan Luboda, Senior Vice President SISD Sales and Business Development, Cognex Corporation

“Thull’s clear and distinctive advice provides the reader with a real-world road map for maximizing results in high-stakes sales. Diagnostic Business Development takes today’s consultative salesperson’s game to the next level. This book is mandatory for those looking to gain a true competitive advantage and distinguish themselves from the competition.”

—Donny Holender, Senior Vice President, The Reynolds and Reynolds Company

“Jeff Thull has done a brilliant job of capturing a straightforward and immensely lucrative way for executives to get a handle on your complex sales. He takes you to the heart of delivering measurable results for your customers, resulting in increased margins and customer loyalty.”

—Todd C. Cozzens, Chief Executive Officer and Vice Chairman, Pico

“*Mastering the Complex Sale* lays out the most significant business and sales strategy to come along in years. It is clear leading-edge thinking. As a technology innovator, we see it as a must. Read it and win!”

—Tim Klein, CEO, ATTO Technology, Inc.

“If you’re tired of being the ‘unpaid consultant’ and engaging in countless ‘dry runs,’ Thull’s *Mastering the Complex Sale* shows you how to cut through the clutter and cut to the chase. This book gives you everything you need to transition from conventional to complex sales. A real adventure!”

—*Per Lofving, Senior Director, McGraw-Hill Construction*

“Thull’s description of self-commoditization should be a real wake-up call. There’s more mileage in those few pages than most sales books have in total. Read it, apply it, and get ready to step away from your competition.”

—*Krishna Chettayar, Industry Solutions Executive, Acxiom Corporation*

“This is a must-read for any executive who hopes to create or sustain a vibrant business. Jeff Thull’s diagnostic approach provides the answers to not only increase your margins but have your customers thank you. Pass it by at your own peril.”

—*Lisa Tweardy, General Manager—Bracing, Biomet Spine, and Trauma*

“Among the most common challenges salespeople face are delayed or ‘no decisions.’ With Jeff’s approach to ‘value clarity,’ you’ll develop business opportunities where your customers will be compelled to buy at the right time, for the right reasons, and at the right price.”

—*Marc Bernanke, Vice President Sales and Field Operations, ASIFT Software*

“Jeff Thull understands the evolution of the complex sale and delivers acute insights in a book that is extraordinarily accessible and actionable. His core principles should be at the heart of every modern sales effort.”

—*Kurt Lanning, President, Clark Consulting, Inc.*

“My business is to nurture start-ups into world-class winners. To succeed, they must have from their first day of life every possible ‘unfair’ advantage against competitors, commoditization, and endlessly expensive sales cycles. I discovered the Prime method 15 years ago and never looked back. It applies to more than selling—it’s a value-creating mind-set that affects every point where we touch our customers.”

—*Richard Koffler, CEO, Koffler Ventures, LLC*

“Jeff’s theme of clarifying value, connecting it to customers’ performance metrics, and quantifying the impact, is more critical today than it has ever been before—a fitting sequel to Jeff’s original masterpiece.”

—*Michael W. Liacko, Executive Vice President, Integrity Global Security*

“Mastering the Complex Sale is a jewel of a book. Straightforward, pragmatic, and packed with examples, Thull demystifies selling complex offerings with powerful insights into what does and does not work. He reminds us that success hinges on being able to clarify value to multiple stakeholders and decision makers and then lays out exactly how to do that. This is an essential guide for anyone offering sophisticated technologies and services.”

—*Verna Allee, CEO, ValueNetworks.com*

“A road map for graduating from messenger of information to mentor of customers, Mastering the Complex Sale will be devoured by sales professionals—people who seek not only career success but personal fulfillment from their high calling.”

—*Carl T. Holst-Knudsen, President, Thomas Publishing*

“Approaching the complex sale as a decision process, not a sales process, takes customer focus, win-win, and mutual respect to a new level. The Prime Process is clearly the way to do business.”

—*Robert Priest-Heck, President and CEO
WCP Exposition Services Holding Company, LLC
George Fern Company, Champion Exposition Services
and Immersa Marketing*

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Second Edition

JEFF THULL



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Foreword

WAYNE HUTCHINSON

Vice President, Category and Supplier Management,
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When we began planning our annual sales meeting at Shell Global Solutions in 2004, we decided to recognize our top salespeople with a special rainmaker's award. We wanted to give this award to at least ten salespeople and decided that to win the award, each of them should have written at least \$5 million in business in the previous year. The only problem was we didn't have ten salespeople who qualified and we had to drop the bar to \$7 million. Five years later, when we started planning our 2009 sales meeting, we had 22 salespeople who had each written over \$25 million worth of business the year before . . . in a single deal. Diagnostic Business Development[®], the subject of the book you are about to read and the brainchild of its author, Jeff Thull, played an instrumental role in this feat.

Like the first edition of *Mastering the Complex Sale*, this newly updated and revised edition perfectly articulates the challenges we faced at Shell Global Solutions, challenges with which many business-to-business companies, large and small, continue to struggle. In 2003, when I arrived to head up sales and marketing, we had the most comprehensive and best set of technologies and services for plants in the oil and gas, petrochemical production, and other processing industries. We knew they were the best because they had been developed for and refined in Shell's own facilities around the world. We also had a great brand. As a unit of one of the world's leading oil and petrochemical companies, we had no problem cold calling and getting appointments with top executives in the industries we served. But once our salespeople got face-to-face with prospective customers, far too often they simply pulled out our thick catalog of 850 discrete offerings, which ranged from consulting engagements to complicated process technologies to simple widgets, and took the position of "We've got it all. What do you need?"

As Jeff explains in Chapter 1, our approach and our skills were stuck somewhere between Era 1 and Era 2, and we needed to start thinking and behaving in terms of Era 3, which is all about customer value, improving the customer's business. We had to rethink our portfolio of offerings from an "outside in" or customer perspective. So, we went to the 52 groups involved in the development and delivery of our 850 offerings and we asked them, one by one, to describe the value that our customers derived from using our technologies and services. The majority of their responses were solution focused and enumerated features and benefits.

We asked, "What's the business value of our anticorrosion tool?"

"Business value? It doesn't make money. It eliminates corrosion in the processing room in a refinery or chemical plant."

"Sure, but what happens in the absence of this tool? What happens if you don't eliminate corrosion in the processing room?"

“Well, eventually there will probably be a fire or an explosion.”

“If that happened, what would be the consequences—what would it cost the customer?”

The value-hypothesis lights began to flicker on.

Thinking about our portfolio in terms of customer value also led us to the realization that the bulk of the value we provided was not in the specific offering, but in our expertise in integrating them into value-added packages and delivering them to customers in specific sequences that optimized the value captured by the customer. In fact, we realized we could double the measurable value of our solutions through the proper integration and sequencing of their delivery. Previously, we had been selling our technologies and services separately, and none of our salespeople were fully conversant in all of them. Different salespeople (as well as representatives from each of our 52 delivery groups) were trying to sell different solutions to the same customers at the same time. Sometimes customers were visited three times in a single week by three different people from Shell Global Solutions. We changed our approach to dedicated sales professionals working with each customer, and they focused on selling larger, more comprehensive solutions. We were soon winning orders that were not subject to the bidding process. Because of the breadth of the solutions we could deliver, our competitors could not match them.

Rethinking our portfolio led us to reconsider who we were selling to and to seek out what Jeff called the “prime customer.” We didn’t want to sell 850 different products and services to a million customers. We wanted to sell large, complex, multimillion dollar deals and create ongoing relationships with customers who would want to work with us on an ongoing basis. So we segmented our customers and ranked them into three levels based on the value we could deliver to them and the revenue we could earn if we served them well. Then we reassigned our sales force accordingly.

To give you a sense of the tremendous impact this major change had in how we managed our portfolio and that our customers had on our sales costs and results, consider this: between 2004 and 2009, we reduced the size of our sales force by over 60 percent—from 110 to 42 professionals—and we increased our average contract size by 800 percent and tripled our revenues.

Of course, it took a lot more than a simple re-jiggering of how we positioned our products and services and how we ranked our customer base to achieve results like this. We needed to rethink our value-selling strategy and turn our approach to selling on its head. As you will learn in this book, you can’t sell value as if it were just another product feature or benefit; customers won’t believe your claims. Who can blame them, given their past experiences with the return on investment (ROI) hype and value promises made by salespeople? I knew this when I went to work for Shell Global Solutions—many sales professionals know deep down that there is something fundamentally flawed in the way they have been trained and encouraged to sell. I didn’t see it put into words until the first time I read *Mastering the Complex Sale*.

It became clear that we had to stop presenting and start working with our customers to reach a shared understanding of what they were missing and how much it was costing them *before* we offered to sell anything—even if they said they were ready to buy right now. We needed a repeatable process that would enable us to analyze a customer’s current situation and then look at our current portfolio of products and services and identify those that would add the most value to the customer’s business. The interesting thing is, like most business-to-business companies, we already had a few highly successful salespeople who were engaging with customers in this way, but they could not tell us exactly what they did or why it worked. Jeff built a very successful business around decoding, capturing, and

teaching what the best are doing. This book provides such a process—Diagnostic Business Development—and explains why and how it works. Jeff Thull and his group helped us to transform the way we think about, structure, and execute customer engagements so completely that I don't think it's entirely accurate to call what we do "selling" anymore.

Because the way we sold changed so dramatically, we had to figure out how to get our sales force to think and behave very differently than it had in the past. In order to diagnose problems and design solutions, the sales force needed to become comfortable working at every level of the customer organization, understand how customer perspectives on and measurements of value change with function and job descriptions, and adopt a collaborative, non-confrontational style. As you will see on the pages ahead, this style isn't part of the traditional sales profile, but it needs to be.

The new edition of *Mastering the Complex Sale* delivers a number of refinements that sales professionals at all levels, with all sizes of sales, will want to read, digest, and reread. I would also direct the attention of sales executives and other business leaders to the chapters of Part 3, which describe the full implications of Jeff's thinking on the sales function and the entire organization. In this section, you will learn that Diagnostic Business Development isn't just a sales strategy, process, or skill set. It's an organizational capability. Sure, you can improve the results of individual salespeople by handing them this book and asking them to put the ideas it contains to work, but you can't really capture the full potential of Jeff's thinking, and the opportunity that lies in front of you, unless everybody in your company needs to think and work this way, and your internal systems need to support this approach. You've got to start thinking in organizational terms.

What most sales consultants and sales books don't mention is that superlative sales results require more than a great sales process and a highly motivated, highly skilled sales force. Jeff does not sidestep the hard truth that sustained results require a company-wide commitment and effort. Your sales force needs an entire organization that supports its efforts. It needs products and services that are capable of delivering real and measurable customer value. It needs marketing initiatives and collateral that will help customers recognize when and how their performance is at risk from the absence of that value, as opposed to the "latest and greatest" focus of value messaging. It needs sales managers who can help the sales force continue to improve its diagnostic and interpersonal skills, hold its feet to the fire when necessary, and run interference when it bumps up against the inevitable internal constraints. Finally, the sales force needs a service organization that can ensure that customers actually capture the value they have invested in and help to identify as-yet-unrealized value that can lead to additional value creation capabilities for your customers.

We've worked hard to embed Diagnostic Business Development into Shell Global Solutions' corporate DNA. Everyone in the company knows the diagnostic approach and communication principles that Jeff describes in this book, and I could have a conversation with anyone here about Diagnostic Selling®. I was actually surprised at how quickly our engineers embraced this style of communication. They became very interested as soon as they realized that how they talk to other people—colleagues as well as customers—can either open up or shut down communication.

Our marketing team is now working hand-in-hand with sales. We've culled a forest of sales collateral down to about twenty brochures that are focused on the symptoms customers experience when value is not being applied. Our case studies had been 80 percent focused on solution and 20 percent on the problem being solved. Today, we've almost completely reversed that emphasis. Our web site was redesigned in the same way. You can view it at www.shell.com/views/business.htm upon selecting "Global Solutions."

To be sure that the marketing team understood how to support our new selling strategy, we gave the same training as the sales force, adding the Diagnostic Marketing® program that helps marketing provision the sales organization to approach the customer in a diagnostic manner. Now when sales asks for marketing support, our marketers use their diagnostic skills to design events and materials that produce the maximum value for both salespeople and customers. Marketing also reconsidered the Shell Global Solutions brand. We eliminated discussions about specific technologies and services in our brand-building campaigns. Now we are positioned as partners who work with customers to create value in their businesses.

In terms of delivering the value we sell, our service teams are engaging in a diagnostic way with customers to ensure that they get what they need from a value perspective. Our delivery groups are thinking in terms of measured customer value now. Customers often try to change the scope of a project once it's sold for reasons that are unconnected to the actual value they could achieve. Our teams now know that if they don't deliver demonstrable value, the customer will not continue to do business with us and eventually we are going to run out of customers. Instead, they continue to diagnose and clarify the value and get the project back on track.

We can turn on a dime to define value from our customer's perspective and be able to connect it to their current business drivers. In this challenging market, when so many of our customers are struggling to control costs, our engineers have been reconfiguring our portfolio into industry-leading suites of cost-reduction technologies and services.

Following our success in Shell Global Solutions, we were asked to create a tailored version of the Diagnostic program for the top commercial deal leaders within Shell. These are the individuals who are orchestrating mergers, acquisitions, licensing rights, joint ventures, and so on, and these deals can run into the billions of dollars and with agreements that can surpass forty years. These individuals can be selling in one part of the deal and buying in another part of the deal. When we think about "mastering the complex sale," we think of it as "mastering a complex value exchange." Hopefully you are starting to see that the greatest use of this book is as a guide to building a Diagnostic Business Development capability in your company. Anything less and you will be leaving money on the table.

If everything I've written thus far hasn't convinced you that *Mastering the Complex Sale* has the potential to transform your personal and your company's business results, here's one last thing that I'll ask you to consider: I've recently been reassigned to work in Shell International's contracting and procurement function with Shell's twenty top suppliers, who together represent around \$60 billion in annual spending. Why this position? Because we believe that the way companies typically buy has the potential to strip more value than costs from their organizations, and if we teach and allow our suppliers to sell to us in the same way that Shell Global Solutions has been selling to its customers, we will be able to co-create the optimal amount of value for all parties in our value chain. Our pilot project has strongly confirmed that belief.

When you really take a closer look, your very best salespeople do not "sell" in a conventional sense and your very best customers do not "buy" in a conventional sense. They collaborate in a quality and transparent decision process with the objective to optimize the value for all parties. Jeff Thull has unlocked the code on the best way to do business. I know you'll enjoy the read, and, most certainly, your results, as you apply Diagnostic Business Development!

Acknowledgments

Looking back on 40-plus years of business, which includes 28 years since founding Prime Resource Group, I undoubtedly have many individuals to thank for their contributions and support. I first thank my lifetime partner in marriage and five businesses, Pat Thull. I realize the concept of being partners in marriage and in business intrigues many, enviable to quite a few, and is unimaginable to others. I can describe our partnership only as “as good as it gets.” Pat has been an integral and driving force behind the growth of our organization and the development of the Prime Process. She is a student of the process and a master of the complex sale. She has brought in and served multiple clients in her role as vice president of sales and marketing and now COO of Prime Resource Group. Her editorial contribution has had a significant impact on the clarity of this book.

I thank my parents, who instilled in me an attitude of accomplishment, and continually encouraged and supported my earliest entrepreneurial pursuits. My father provided a role model that I found reflected repeatedly in many successful sales professionals I have met. He sold industrial building granite for 35 years and sold to executives of some of the most admired corporations in America and through some of the most well-known architects in this country. I have a vivid memory of taking a business trip with him when I was 12 years old. I witnessed the respect he had for his clients and the reciprocal respect they showed him. I was immediately struck with the greatness of his profession. I am most grateful that both my parents lived to see the beginnings of Diagnostic Business Development and the success of Prime Resource Group.

The list of clients and associates that have contributed to the evolution of this process is long, starting with my first sales manager, Al Miller, and my first business mentor, Bob New. Two valuable clients were Ken Bozevich and Lovell Baker, 3M managers, who took a calculated risk on a “radical” new sales program and a young consultant some 27 years ago. I thank Al Eggert, Ben Michelson, and Dave Madsen, of 3M HIS, who built and supported one of the first and most successful implementations of the Prime Process. As of this writing, we are continuing to serve 3M HIS at a significant level. I am very proud about the power and longevity of the process and the long-term client relationships we enjoy. I am grateful also to Peter Muldowney, Terry Slattery, Bob Groening, Don Beveridge, Bill Graham, Nido Qubein, Rob Castien, Bob Brockman, Richard Brooks, P. Lofving, Ilan Shanon, Charlie Morris, Mario Concha, Robin Wolfson, and John Willig. You will read Wayne Hutchinson’s experience with Mastering the Complex Sale® in his foreword. I am very grateful to him and Greg Lewin, who made a significant effort to build the diagnostic capability in their entire organization. It is one thing for us as consultants to analyze, advise, and teach this process—it is quite another to provide the leadership and resources to achieve the personal and organizational value this system has to offer.

The early development of this material began with the creation of our Diagnostic Selling program in 1985 and was assisted by a gifted editor and writer, Tom Watson. John Sullivan, PhD, and Judith Robinson, PhD, have provided invaluable support with their expertise in instructional design and curriculum development to capture the Diagnostic Business Development Process and turn it into a replicable process that has been embraced across multiple industries and cultures.

We began this project knowing I would need serious adult supervision to keep on track and sift through mountains of information, research, and experiences to distill a topic as broad as Mastering the Complex Sale into a single book. We thank Ted and Donna Kinni for doing just that. Their experience

assistance in crafting our story initially and now helping us with this revision has been impressive and enjoyable. Thank you to the entire team at John Wiley & Sons, Inc., including Matt Holt, who took the initial risk on the first edition, and Dan Ambrosio, our editor, who has guided this revised edition.

A special thank you goes to Jennifer, Jessica, and Brian.

Introduction to the Second Edition

Value remains the most sought after and least understood factor in the world of complex sales. Companies continue to invest in high-value solutions designed to solve their customers' problems, fuel profitable growth, and set them apart from their competitors. They also continue to struggle with the pressures of complexity and commoditization, which have escalated since I wrote the first edition of *Mastering the Complex Sale*, and while I work with business-to-business companies around the world.

Their challenges in today's volatile markets—and the focus of my work—can be summarized in two words: *value clarity*. Companies are finding it increasingly difficult to defend their value in the marketplace because it is increasingly difficult to connect that value to customers' situations and quantify it. The more complex customers' situations and the solutions that can address them are, the more uncertain customers become. This uncertainty manifests in decision paralysis: The percentage of sales opportunities ending in no decision at all is running well above 35 percent for most business-to-business sellers. The consequences of this dismal reality include lost revenues, long sales cycles, and unpredictable outcomes. Customer uncertainty is consuming an alarmingly high percentage of company resources.

To put it bluntly, because business-to-business sellers are unable to provide their customers with value clarity, they cannot defend their value. As a result, they have no alternative but to cut prices, which requires cutting costs to maintain margins. This can lead to a very dangerous downward spiral in which the organic growth and profits required to sustain their businesses spin further and further out of their reach.

Value clarity defeats uncertainty, and this book is designed to equip you with the organizational capability needed to create value clarity and decisiveness both within your company and on the part of your customers.

I remain convinced that Diagnostic Business Development® is the best way to create, connect, quantify, and deliver customer value in the current era. Conventional sales approaches, which were designed for simpler times and transactions, cannot manage the escalation in complexity, customer requirements, commoditization, and competition that sales professionals everywhere are facing. Certainly, doing more of something that isn't working in the first place isn't the way to compete more effectively and win more sales.

Business-to-business companies need a smarter way to bring their value to market and transform it into profitable growth. They need a platform that is specifically designed for the complex sales arena—one that offers a system and the skills and the mental discipline needed to execute it. Diagnostic Business Development is this smarter way to sell because it converts the conventional solution-based, seller-first approach into a diagnostic, customer-first approach. It eliminates obsolete sales processes driven by premature presentations, debate, and confrontation, and replaces them with a step-by-step process of mutual confirmation between the sales team and the customer. It transforms the customer's stereotypical impression of salespeople as predators into one in which salespeople are seen as valued business partners who bring credibility, integrity, and dependability to the business relationship.

In short, Diagnostic Business Development is a smarter way to sell because it enables sales

professionals to *stop selling* in the conventional sense. Instead, the sales engagement becomes a guided decision process in which salespeople work with customers to Discover, Diagnose, Design, and Deliver the highest-value solution to their problems. Diagnostic Business Development enables us to

- Get beyond selling to managing decisions. All good salespeople have a sales process and all customers have a buying process. The problem is that they invariably have conflicting objectives that create an adversarial relationship. We need to set aside confrontational processes and replace them with a collaborative decision process, provided by the sales professional.

- Get beyond problem solving to facilitating change. Providing quality solutions to customer problems no longer ensures a successful sale and certainly does not guarantee a successful implementation. Change, along with all the attendant risks involved, is the key issue that customers face. We need to help them understand, prepare for, and navigate the change required to ensure the successful implementation of our solutions, achieve the value they are expecting, and measure the value they have achieved.

- Get beyond meeting needs to managing expectations. Just because we see a need does not mean that our customers see it or understand it as clearly as we do and will do something about it. We need to clarify our value by connecting it to our customers' performance metrics and quantify our value impact with a number our customers believe. Further, we must clarify our customers' expectations about solutions in a manner that brings them the confidence to invest in our solutions.

- Get beyond transactions to managing relationships. In the rush to close deals, we too often forget the human factor and squander the long-term opportunity. We need to address the hopes, fears, and aspirations of our customers and create mutually beneficial relationships.

- Get beyond rote talking points and "value messages" to rich, interactive conversations. Too often, we react to customers with fixed responses, without asking for clarification or deep thinking. As a result, we sound just like every other salesperson. We need to communicate at a level that fosters a crystal-clear, mutual understanding of our customers' challenges and objectives in order to provide them with the best solutions.

It struck me, as I began working on this new edition, how much the Diagnostic Business Development platform has evolved since the first edition. Since then, I've written two additional books. *The Prime Solution* is a strategic view written for senior leadership teams who want to understand how Diagnostic Business Development can be used to bridge the *value gap* that exists between them and their customers. *Exceptional Selling* is a practical guide to the art and craft of diagnostic conversations written for sales professionals who are seeking to become valued business advisors to their customers. Both projects have enabled me to expand and refine the ideas in this book.

My clients have also stimulated my thinking and I'm very grateful to them for it. We continue to teach and support the implementation of Diagnostic Business Development on a global stage, and it is fascinating to see how the talented executives and sales professionals in these companies have extended and adapted the ideas in this book to fit their unique situations. Because of all of this, the new edition of *Mastering the Complex Sale* contains a great deal of new and street-tested information.

We've developed powerful approaches to value clarity during the past few years and they play a much more central role in this edition. I first formulated the Value Life Cycle™ concept in my second book, and now it is expanded and woven into the Diagnostic Business Development platform. As a result, you will be able to help your customers clarify, connect, and quantify value in a manner that will clearly set you apart from your competition.

Individual sales professionals can read this book and use it to improve their results exponentially.

but it has far greater potential when developed as a capability by sales organizations and the companies. Implementing Diagnostic Business Development in an integrated manner in the sales organization can raise the performance level in a significant percentage of the sales force. Better yet, as evidenced by clients of my firm, companies that embed Diagnostic Business Development as an organizational *capability* can optimize their value chains, creating a value-driven company in the process. Wayne Hutchinson's foreword, with its description of Shell Global Solutions' success, provides a clear picture of the results you can achieve if you decide to build a Diagnostic Business Development capability across your entire business.

Finally, this new edition contains myriad refinements and additions to the Diagnostic Business Development platform that will provide first-time readers with a more comprehensive introduction. It will also provide a richer, more nuanced understanding to the tens of thousands of you who made the first edition of *Mastering the Complex Sale* the leading sales strategy book of the past decade. In fact, many of the changes in this new edition were stimulated by the questions you asked and the comments you made in our consulting engagements and seminars.

On that note, I'd like to thank every sales professional and executive who contributed to this book—from new recruits wondering how to best frame that first call, to the sales veterans who are fine-tuning their diagnostic skills; from the line managers who are working hard to meet and beat their targets, to senior executives who are trying to convert customer value to profitable growth. You are the primary motivation behind this book and almost 30 years of work focused on mastering the complex sale. Enjoy the read! Enjoy your journey!

The World in Which We Sell

Caught between Complexity and Commoditization

If Our Solution Is So Complex, Why Is It Treated as a Commodity?

The frustration triggered by this chapter's title is shared by a large number of executives, marketers and sales professionals who are taking their complex, high-value solutions to market and finding it increasingly difficult to win profitable sales. Ironically, it is also shared by their customers, who are wrestling with mission-critical decisions, evaluating solutions that all sound the same, and struggling to achieve the value they expect, when experience has shown them that far too many solutions come packaged with a high degree of risk and a low probability of success. This phenomenon places all of us clearly in the third era of sales.

This is an era in which customers are not saying, "I need a solution!" They know they can get comparable solutions from credible sources. Instead, they are saying, "I need help!"

"I need help in making multiple decisions around this purchase."

"I need help in quantifying the business impact of this project to make sure it is the best use of my resources."

"I need help in getting my organization to align around the implementation and make the changes required to optimize the value of your solution."

"I need help to show measurable results."

Are you equipped to help your customers in Era 3? It seems, at first glance, like a strange question, but it's essential that it be examined more closely. The question is valid because most businesses are applying sales strategies, processes, collateral, and skills originally designed for a world that no longer exists.

John Sullivan, my colleague and director of professional services for Prime Resource Group, wrote about the three eras of selling in the foreword to the first edition of this book.¹ He described the Era 1 approach with its focus on cold calling, presenting, and closing, and a strong dose of overcoming objections. Salespeople were taught to be persuaders (some would call them pests). I like to describe Era 1 as the age of "show and tell," "spray and pray," "cram and jam," and "grab 'em by the tie and choke 'em 'til they buy." Salespeople didn't ask customers many questions at all; they told them what to do and they did it in a very aggressive manner. These Era 1 tactics are the source of the common sales stereotypes that live in the minds of many people today. They provided the major impetus behind the creation of procurement systems designed to counteract aggressive sales tactics and protect customers from buying the wrong thing or paying inflated prices.

The sales profession worked to redeem itself with the Era 2 sales approaches that were first articulated by sales gurus like Larry Wilson with his concept of "counselor selling," and Mack Hanan whose book *Consultative Selling* was first published in 1970 and is still in print seven editions later.

They suggested that salespeople ask questions to learn the customer's view of his or her problem and what the customer thinks the solution should be. Then, salespeople would tailor their products and services to match that picture. In Era 2, salespeople received some new tools and skills, were taught how to do needs analysis (I ask you what you need), and received listening training (so I actually pay attention to what you tell me). There was a lot of relationship skill building, too, because counselors and consultants needed to be seen as credible and trustworthy. Salespeople morphed from persuaders into consultants. It was the era that positioned the salesperson as a problem solver.

You're probably thinking, "What's not to like about Era 2? Why do we need an updated sales approach at all?" The answer is you might not. There is a very subtle assumption underlying all of the great Era 2 sales processes, and if it still holds true for you, they will continue to serve you well. If not, and you find what has worked well for you is no longer effective, your customer may be in Era 3 and your Era 2 strategy and approach could be sabotaging your efforts.

The hidden assumption of Era 2 is that customers clearly understand the problems they need to solve and the solutions that are required to solve them. This was usually true when the Era 2 sales paradigm was formulated. But it is a deadly assumption that may no longer be valid for your customers—and it isn't for a vast majority of today's complex sales. Therefore, if the assumption is no longer valid, the Era 2 paradigm is no longer effective. An Era 2 salesperson engaging with an Era 3 customer is like a doctor who allows patients to self-diagnose their illnesses and self-prescribe medications. In the sales profession, as in the medical world, it is reckless and harmful behavior and a formula for failure.

A question that we like to pose in our seminars is, "What if a doctor conducted annual physicals using the strategy and approach of an Era 2 salesperson?" My physical would go something like this:

Doc says, "Hi Jeff, how are you doing today?" I say, "Great, just great." Doc says, "Are there any concerns I could help you with, anything keeping you awake at night?" To which I respond, "Well, actually, there is. I'm getting to the age where I've noticed a few of my contemporaries have been having heart problems. One, a friend, seemingly in top shape, a guy who exercised much more than me, had a massive heart attack and was gone in an instant. Just tragic. I am really concerned that something like that could happen to me. Is there anything that you could do to prevent that from happening?" Doc says, "Why certainly, Jeff. It's likely that clogged arteries caused his heart attack and we could help you with that. Tell me, were you thinking about open heart, bypass surgery, or angioplasty?"

I'm not sure if you're chuckling at the idea of a physician taking direction from an unqualified patient, but in a live workshop, this elicits a lot of laughter. Let's continue my exam and see where this takes us.

I feel compelled to answer the doctor—and I do know something about this complex area, so I reply, "Well, Doctor, I think open heart would be a little too messy and painful, and I don't want to be out of work for a long time. I'd be more interested in the angioplasty." "Not a problem," says the doctor. "Let me tell you about these great coated stents that I could use . . ."

This story is laughable, but if you listen to the questions that salespeople ask in an Era 2 approach, you will quickly see that they are essentially asking customers to do a self-diagnosis and self-prescription and report back the results. Typical questions of Era 2:

What concerns do you have?

What's keeping you awake at night?

What are some of the major causes of your problems?

What are the consequences of your problems?

Who besides you will be involved in the decision?

What are you looking for in a solution?

What sort of budget have you set aside?

The problem with the previous list of questions is that if your customer, like the patient, is not experienced or knowledgeable enough to self-diagnose and self-prescribe, you are basing your proposal and betting the sale on incomplete and often inaccurate information. Even worse, your competitors are likely asking the same questions that you are, so everything that you tell the customer based on this flawed information sounds exactly like what they will be telling the customer. It's a perfect setup for self-commoditization.

So, if your customers have difficulty understanding and quantifying the impact of the problems you solve, and they have difficulty sorting through and understanding the competing solutions, they are squarely in Era 3. The problem is that most companies and their sales and marketing strategies have not evolved with the times. A disturbingly large number of sales forces are still selling in Era 1, and the vast majority are embracing the Era 2 approach. These sales forces are being squeezed between two opposing forces: increasing complexity and rapid commoditization (see [Figure 1.1](#)).

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