



The CEO Challenge for June 2010

What are you selling? The answers may surprise you.

Pop quiz! Right now, right after you finish reading this article, go to each member of your leadership team and ask them this question:

What are we selling?

For good measure, write down exactly what you hear and from whom. Then, back at your desk, review the results. Are the answers:

- A) Inconsistent?
- B) Describing a stand-alone product (e.g. solar panels) or service (e.g. web design)?

If either (A) or (B) is yes, then the company has a problem.

HOW WILL CUSTOMERS UNDERSTAND?

Inconsistency, (A), is a major problem. After all, if the executive team can't consistently define what you sell, then how on earth will customers or prospects do it?

If you're in this boat, you have plenty of company. For example, when we engage with new clients, we send out a survey to the leadership teams that includes that question. And we almost always see vastly different answers. Some responses describe a product or service ("technology

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services”). Others offer a sound bite that seems appropriate (“end to end software solutions”) while others provide a vague value statement (“a path for lowering your overhead”).

No matter what you sell, customers probably have plenty of options to meet their needs. So if they’re not crystal clear on why they should choose you, then you’ve already lost the revenue game.

In addition to confusing customers, inconsistency also confuses referral sources and partners. Clients and colleagues often ask, “ Why is it so difficult to get referrals?” Well, one reason is that people only refer companies when they are clear about what those companies can do and for whom. If a referrer or a partner isn’t quite positive about how you can help someone, they’ll keep quiet and referral business will continue to elude you.

PEOPLE DON’T BUY PRODUCTS

It’s equally common to see quiz results that are dominated by descriptions of products and services. The problem here is that *people don’t buy products*. Instead, they buy *offers*. By that I mean that decisions are never made on the basis of the product alone; they’re made on a combination of factors that include *what* a company sells and *how* they sell it.

Here’s a simple example. Think back to the last time you purchased office furniture. The product may have been a desk and chair. But the decision on who to give your money to may have depended on a myriad of factors:

- Did the seller deliver?
- Was a refund available if the furniture didn’t look good in your office?
- Did you see the desk while shopping at a retailer like OfficeMax?
- Did the desk appear expensive?
- Did the payment terms work for you?
- How user-friendly was the website?
- What was the image the pieces conveyed? Did you want that image?
- And so forth.

Notice that many of these questions aren’t related to specific features and benefits. Instead, they consider ALL of the components of the sale – features, benefits and terms. We call this marriage “the offer.” Salespeople all too often behave and talk as though the features and benefits are the deciding factor in a buying decision, but it’s ALL of the pieces of the offer that count.

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Customers don't buy products. They buy offers.

ACTION PLAN

1. Understand what's important to your customers.

A friend recently told me about a “fast pitch” competition in which startups had 90 seconds to pitch their companies to a panel of investors who rated their pitches. Interestingly, very few companies described the problems and needs of their prospective customers; instead, they just pitched products. Guess who scored highest with investors? The companies that proved that they knew their customers.

You can replicate this concept in your company through a competitive role playing game. Divide your sales team into buyers and sellers and get them in front of their peers. Then ask the “seller” to talk with the “buyer” for 5 minutes without mentioning your product, features or benefits. The audience handles the scoring by counting the “violations,” and the seller with the lowest score wins.

To increase the difficulty, you can later expand this challenge to a 10-minute and even 20-minute round, or do the exercise regularly at each sales meeting. As a result, your “sellers” will become better listeners by learning to shift their focus to the buyer problems and pain rather than your “stuff.” The seller will get better and better at asking questions and qualifying real buyers versus thinking that “telling is selling.”

2. Ensure that everyone on your team understands the difference between a “strength” and a “differentiator”.

Company strengths are part of the offer, but they're typically just requirements to play the game. For example, we frequently hear leadership teams describe their “outstanding customer service”. Excellent. Customer service is an important and necessary strength. But it is outstanding enough to be a real differentiator for customers – enough to create a sustainable competitive advantage? That's a lot more difficult and uncommon.

A differentiator is something specific that your competition cannot claim. Typically it's a combination of *what you do* and *how you do it* in order to create value for your market.

Can't find a real differentiator? Time to create one!

3. Invest in messages and rehearse!

Now it's time for messaging so that everyone on the team can answer key questions (like “what do you do?”) consistently. You need a short version (aka the “elevator pitch”) and a longer version for more in-depth conversations.

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Messages contain four components in a specific sequence. Everyone needs to know and practice the delivery of the first two parts. The last two parts can be conversational and personalized for the listener as long as the basic information stays consistent.

- Part I The Theme.** Captures the essence of your company and elicits an emotional response. Example: “At BMW, we build the ultimate driving machine.”
- Part II The Big Picture.** Finds a way to put listeners in the picture so they can visualize themselves with your offer. For example, you might say “If you enjoy the pure pleasure of driving...”
- Part III Value Proposition.** Features and benefits personalized for the listener – for example, “This model offers a convertible top, bluetooth enabled ...”
- Part IV Solidification & Proof.** Provides listeners with the comfort that this offer will work for them. For example, you can note the safety record or financing details.

Notice that the *what* (features and benefits) comes in parts III and IV of the message, NOT I and II.

Good messages are very hard to develop because they need to be specific, compelling and emotional if possible. You may need help from a professional copywriter. It will be money well spent.

4. Measure and revise.

As your team practices your new messages in the real world, have keep score of how listeners react. Is it creating dialogue? Are people curious to learn more? If it's working the impact will be measurable in words, physical response, questions / statements, emotion or actions. This is another cased where role playing or shadowing can help. But don't just measure the results – use the data you collect to improve them consistently over time.

CONCLUSION

Experience tells us that after reading this article, many of you will be more confused about what your company is selling. Good! Now you have an opportunity to address it!

What is your company selling? What is your OFFER? We'd love to hear about it.

Please share your thoughts and experiences with us here!

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