

The 2% Factor



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Have you ever received a call from your prospect only to learn that you lost the deal by just 2%?

The Situation

After working with a prospect for nearly a year, they decided to engage a consulting firm to help them define the requirements for their software selection. The consultants created a 120-page request for proposal (RFP) and sent it to ten software companies. We painstakingly answered the RFP and were one of three software vendors to make the short list. As finalists, the next step was a two day long software demonstration. Now was when the fun began. The consultants provided us a script of specific scenarios they wanted us to demonstrate, along with very clear instructions: "Don't deviate from the script in any way!" Each element of the script was weighted to reflect its importance to the prospect. Each element would be scored from zero to five, with zero meaning we couldn't offer a solution and a five meaning we exceeded their requirements. (Sound familiar?)

Our sales team spent long hours preparing for the demo. We customized our data. We tailored our software options to address every script element. We created special presentations to address elements that would require software modifications. We were careful to follow their script precisely. We established good rapport with their executives and had a solid understanding of their politics, power structure and influences. We even had the luxury of being scheduled to do the final demonstration. Our strategy was set. A thorough demo that

adhered to their script was the final step, and we delivered! On the ride to the airport after the presentation, we congratulated ourselves for a job well done. (Sound familiar?)

Three days after the demo, on a beautiful Friday afternoon, I received a call from the consultant. I thought, all right, this order is going to put me over the top for the year. "Bob" he said, "First, let me congratulate you and your team for your hard work in preparing for and providing a good demonstration. Unfortunately, your team came in second place. While this probably won't make you feel any better, you should know that the scoring was extremely close. In fact your total score was within 2% of the package we selected." I was speechless. My initial thought was to start selling, persuading or pleading for another chance, but I knew it would be futile. Why argue with a police officer over a speeding ticket he's already written? I was left with many questions. How did this happen when we were in such a position of strength? Was our strategy flawed? Did we adhere too closely to the script? Did we have a competitor who suddenly innovated past us? What went wrong? After a depressing weekend, I called one of our allies at the prospect. Here's what she told me. "Bob, your competitor did a better job of grabbing and holding our attention. The selection team enjoyed their demonstration more than yours. I think people actually had fun in their presentation. They just seemed to connect with everybody. I still believe your software is a better fit, but to be honest, either one will work

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for us. I'm sorry". I argued against the vote, but it didn't do any good. (Sound familiar?)

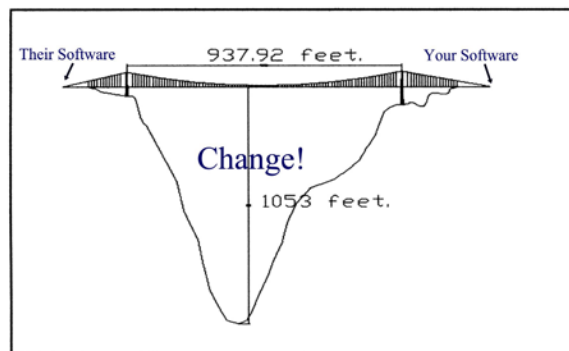
Analysis Of What Happened

Here's the harsh reality. If a prospect begins a software selection by evaluating ten companies, by the time they get to three, there aren't going to be many differences. Software has matured to a point where all the good packages have very similar capabilities. In today's competitive world, it's no wonder that we win or lose by 2%!

So, how does your sales team gain a 2% advantage over your competitor? It's not with features and functions or providing a thorough demonstration that adheres to their script. They have to win over the audience's emotions. Now, if your software has deficiencies, connecting with their emotions is not going to swing a prospect's score on an individual element in the demo from one (poor) to four (very good), or two to five. However, by having a positive impact on their emotions, it's very possible to slide the prospect's score from a two to a three or a three to a four. If your sales team can shift enough scores in the right direction, you'll win by 2%. Ask yourself these questions to see which side of the 2% Factor your people often fall.

1. **Are They Adapting to the Prospect's World?** Are they trying to impress the prospect by talking in technical terms, analyst terms and your company's jargon or are they using language and examples that make it clear they understand the prospect's world and challenges? Are they always presenting features, functions and capabilities the same way, even though your prospect's selection team has a wide variety of personality types (e.g. value oriented vs. process oriented)?

2. **Are They Employing Solid Presentation Fundamentals?** Is your team using a theme for the demo or presentation to help the prospect remember the material? Are they mixing their modes of delivery by using a white board or flip chart to illustrate their points? Are they varying their presentation techniques to keep the demo interesting? While demonstrating a script element are they completing that element, by stating a benefit or measurable business value?
3. **Are They Avoiding Crimes?** Is your team committing the common mistakes that people make when presenting or demonstrating a complex solution (crimes)? For example, are they committing the "PowerPoint™ Crutch crime?" Are they "Data Dumping" on the prospect? Do they cause confusion by failing to "Finish That Thought?" (More on this in a moment.)
4. **Are They Bridge Demonstrating?** Is your team leading their prospect across a metaphorical bridge from their existing solution to yours? Like it or not, a number of people on the selection team are afraid of change. Some people will go across the



bridge to your software willingly while others stop and run back to the relative safety of

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their existing solution or worse, your competitors.

Let's focus on demo crimes. In my book "Demonstrating To WIN!" I highlight 28 crimes I have either committed or witnessed in my 20+ years of selling software. Remember, one of your team's primary goals in a software demo is to convince the prospect to cross the "Bridge" from their existing solution to yours. When your people commit demo crimes, bad things happen.

Crime #17 – The PowerPoint™ Crutch – Have you ever sat through a PowerPoint™ presentation that was so painful you stopped the presenter from continuing? If you did it was probably because the presenter had too many slides, too many words on slides, read the text on the slides, wasn't sure what some of the "bullet" points meant or even skipped some slides because the information on it didn't apply to you. Welcome to the PowerPoint™ crutch.

Technology is everywhere. It touches everything. It's pervasive! You know what I'm talking about. You used to call into your administrative assistant and pick up less than ten messages in a day. Now you receive 22 voicemails, 87 emails and 15 text messages each and every day. Consider how this same condition has infiltrated our presentation technology.

If you're old enough, take yourself back to a presentation where the salesperson dimmed the lights, turned on the overhead projector and began displaying black and white transparencies on the wall. The first thing you did was strain your eyes to see the thickness of the file folder holding the transparencies. This was your gauge as to how long the suffering would last!

Then the technology improved. We bagged this archaic approach and began to produce *color* transparencies. What an improvement! However, in a few months you were back to cringing when the salesperson brought out the file containing those dull, out-of-date presentations.

Ah, but then we graduated to Microsoft PowerPoint™. Another improvement! The overhead was still there but now a liquid crystal display flat-panel was placed on top of it. It was great! OK, the lights were still dim and the resolution was awful, but presentations could change on the fly, which made them more interesting and applicable.

At the same time, the PowerPoint™ presentations grew longer. The information on the screen got busier. Cute little graphics appeared in the corners of the screen. The new presentation equipment became more sophisticated so you could leave the room lights on. But the audience ran into an even bigger problem. There was no longer a thick file folder containing transparencies, only a huge, *invisible* disk drive. With PowerPoint™, there was no way to gauge how long the suffering would last!

Many salespeople and demonstrators use PowerPoint™ presentations as a crutch and most prospects don't appreciate it in the least. Prospects want to see a software demonstration from a real person who can lead them across the Bridge from their old system to a new, highly productive one. They've spent a lot of money to sit through your presentation and they want *steak*, not just *sizzle*. Gone are the days of making a visual point by using a white-board or flipchart but, so too are highly interactive,

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focused demonstrations of the software that fits their needs. They've been replaced by *canned* PowerPoint™ presentations. Well, if that's what your sales team has been doing, they need to rethink this kind of presentation.

There's nothing wrong with an organized, focused PowerPoint™ presentation. I use them in every demonstration. However, they should *never*:

- Be more than 30 minutes long.
- Contain more than 25 slides.
- Have more than six bullet-points on a slide.
- Use an over abundance of cute graphics. (The only exception to this, of course, is if you're selling PowerPoint™!)

On the other hand, if your sales team is going to use PowerPoint™ in their presentation, they should *always*:

- Use graphics that are professional and pertinent. Whenever possible, avoid using the clipart that comes with PowerPoint™.
- Launch into your software at several points throughout the presentation. This helps keep the presentation interesting and varied.
- Include video clips and ScreenCam™ in your presentation. Just make sure they fit the topic at hand.
- Use a flipchart to illustrate points and engage the audience.
- Check with your prospect during the Discovery to make sure they aren't anti-PowerPoint™. If they are, material should be presented using notes or a flipchart.

Lengthy PowerPoint™ presentations have a tendency to lure sales people and demonstrators into teaching the prospect about your software

instead of effectively demonstrating how it will improve their situation. It's very common for demonstrators to spill out the raw capabilities of your software in a PowerPoint™ presentation without focusing on benefits that specifically apply to this prospect. Obvious you say? I challenge you to look at your sales team's existing library of presentations and review the date they were last changed.

Crime #2 – The Data Dump - Have you ever witnessed your software demonstrators rambling from one software feature to another? When they do this they're performing a "data dump" on the prospect. You know the situation. They start out showing someone a particular software feature, and it quickly manifests itself into six related but different features. By the time they finish (five minutes later), you look at your bewildered prospect and they have no idea what your team was just attempting to demonstrate. They just committed the "Data Dump" crime.

Assume for the moment that your demonstrator is selling a nurse's information system. The primary purpose of your software package is to allow nurses to enter products and services they have provided to a patient in the hospital. They're about to demonstrate a feature in your software that allows the prospect to scan the patient's chart in order to begin the process of entering the products used for billing purposes. They start by saying, "At this point, I'm going to show you how you can walk up to a patient's bed and accurately and efficiently enter materials against her bill. What I can do is pick up the patient's chart and scan their ID number. I could also scan the ID number from a wristband. If I need to, I can enter their numbers on the keypad or find them by name. In fact, from this same hand-held unit, you can find any patient in any

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bed across the entire hospital chain! Anyway, now that I've entered the correct patient into the system I can begin entering the materials against their hospital bill. If the patient is still in the room, I enter the products by scanning them. However, if I get interrupted during the process, I can stop what I'm doing and begin entering nurses' time cards if I need to." At this point, the prospect stops the demonstrator and says, "Wait a minute, I would never allow a nurse to enter time cards for other nurses. Why in the world would you let them do that?" Your demonstrator now begins playing defense, and 20 minutes later the prospect has no idea what they set out to demonstrate to them!

Data dumping has a number of causes. First, your demonstrators feel compelled to show anything and everything your software can do *right now* because:

- This is the one and only chance they have to impress this prospect with their software.
- The prospect might interrupt and ask them to explain the software more thoroughly.
- The competitor has this feature so they better explain your software has it also.
- The prospect might not be impressed with the feature they set out to demonstrate, so they feel compelled to reach further and show more.

Second, data dumping comes from a lack of proper preparation. If your people don't know what is, or is not important to the audience, how can they possibly focus the demonstration on the prospect's primary needs? This is one reason why a Discovery of your prospect must be done prior to each demonstration.

Third, data dumping can be a byproduct of sheer excitement. Your demonstrator is so excited

about the depth of features in your software they discuss each one of them at every possible opportunity. Their knowledge of the software isn't in question. Your prospect knows they understand the functionality of the software. The prospect simply can't digest it all.

Finally, data dumping is caused by not following a feature with a benefit. Your demonstrators should always *Tell* the prospect what they are about to see, *Show* that segment of software and finally *Tell* the prospect the benefit.

Data dumping achieves one clear result: it confuses the prospect and stops them from crossing the Bridge during a demonstration. We've all been there, haven't we?

It's counter-productive for your demonstrator to data dump on the prospects. Tell your people to demonstrate a feature of your software and demonstrate *only that feature*. They spent hours preparing for a reason. Tell them to stick with their original plan.

Crime #3 – Would You Please Just Finish That Thought?

- Want to know something that's even worse than data dumping? How about when your demonstrator starts to show a feature, but jumps to something else before they finish showing that one thing? If they're data dumping, at least they're presenting a complete feature of the software even though they left out the benefit. Contrast that with the rambling and meandering that occurs when they don't even finish a thought.

This crime is driven by a fear that they won't have another opportunity to show the prospect the other important features later on in the demonstration. They may be baited into committing this crime because they think the

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prospect will surely understand the benefits of the breadth of your software. This is no way to demonstrate software. Prospects can't relate to this kind of meandering thought. They need concise thoughts, benefits and closure.

For example, assume your demonstrator is showing an order-entry system to Chris who is the telephone sales manager for an auto parts retailer. Chris's company has many locations across the country. His telephone salespeople usually sell parts from local stock but they can also sell from other locations. On occasion they'll even authorize one of their suppliers to ship parts directly from the manufacturing facility to their customer. Your demonstrator wants to support these needs by showing the flexibility in your order-entry software. The dialogue might go something like this, "OK, Chris, I'm going to show you all the different ways you can fulfill a customer's request for a new water pump over the telephone. As I request the item from my inventory, *which by the way*, I can find via a part number, a manufacturer ID number, his part number or all or part of the description. *Anyway*, I find the item he wants and check my local inventory for the item. I don't have it in my local inventory. I know this because the system gives me this warning message, and if I look on the screen I see I have none available. If I have the item in stock, I can also see on the screen his price for the water pump, *which by the way*, is determined by a price matrix. Our price matrix is really powerful..." 45 minutes later, Chris finally learns how to source his water pump! What do you want to bet Chris had just a few unrelated questions along the way? Plus, he's got to be thinking, "Man, this order-entry system is really complicated!"

Your demonstrator set out to show Chris how he can source a water pump from either local

stock, another location or direct from the factory. He should demonstrate that *and only that*. Do not under any circumstance allow them to meander to other subjects. If Chris asks him the question, "Bob, how did the system determine the price for the water pump for this customer?" tell them to delay the answer with a response like, "Chris that's a good question and one I'll be covering in great detail a little bit later, if that's OK with you." Nine times out of ten they'll say, "No problem, as long as you're covering it later."

Some key phrases will warn your people that you're about to begin meandering:

- Which by the way...
- In addition to...
- Oh by the way...
- We also can...
- I forgot to mention...
- Another feature we offer is...
- Not only can we...

Help your people to listen for these phrases, and coach them to *STOP!* If they have trouble recognizing when they do this, tell them to ask a teammate to flash a non-verbal signal when they start committing the crime.

Think of each feature in a demonstration as a complete thought. Tell your demonstrators to concentrate on demonstrating features associated with one process flow from beginning to end. Have them stick with their flow as they demonstrate a piece of functionality. Failure to do so will frequently result in taking one step forward across the Bridge and three steps back.

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Conclusions

Face the brutal fact that very few software companies today have the good fortune of securing a significant, innovative advantage over their competition. Most competing products do basically the same thing. If you really want to win by 2%, dare to be different. Be adaptive. Be creative. Be crime free. Be a Bridge Demonstrator.

About the Author

Bob Riefstahl has spent over 20 years selling and demonstrating software to all sizes of companies and audiences. His firm 2WIN! Global provides sales *and* demonstration training for companies with complex product offerings. The training focuses on winning tactics that compliment your existing sales strategy (e.g. Solution Selling™, Strategic Selling™, etc.) in customer facing events. Sessions have a 1-2 day duration and are delivered on a global basis in a variety of languages. His book “Demonstrating To WIN!” has been enjoyed and delivered in over 30 countries. It is available at www.2WinGlobal.com and all major on-line book sellers.



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