

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 surgical tables. The consultants created a 30-page request for proposal (RFP) and sent it to five companies. We painstakingly answered the RFP and were one of two vendors to make the short list. As finalists, the next step was a show room visit. Now was when the fun began. The consultants provided us specific scenarios they wanted us to demonstrate, along with very clear instructions: "Don't deviate from the scenarios in any way!" Each element of the demonstration was secretly 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 the settings of our table, lights booms and monitors and carefully practiced their procedural requirements. We tailored our equipment options to address every element of the demonstration. We created special presentations to be used prior to the hands-on demonstration to address our unique product features in an attempt to differentiate our more expensive solution from the competition. We were careful to follow their guidelines precisely. We established good rapport with their clinical team and had a solid understanding of their politics, power structure and influences. While we didn't know the Surgical Center's CFO, we felt like we were able to successfully communicate our solution's advantages to her evaluation team's needs. We even had the luxury of being scheduled to do the final demonstration. Our strategy was set. A thorough demo that adhered to their defined scenarios was the final step and we delivered! After they left our building, we breathed a sigh of relief 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 my sales team 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 vendor 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 scenario they provided? Did our table, lighting and boom test meet the evaluation team's need? Did we have a competitor who suddenly innovated past us? Undercut our price? What went wrong?

After a depressing weekend, I called one of our allies at the prospect. Here's what she told me. "Bob, I still believe your solution is a better fit, in fact your product quality and features were superior, but to be honest, either one of the two finalists will work for us. The truth is that your competitor did a better job of connecting with the clinical and the business evaluators. They were able to grab and hold our attention. The selection team enjoyed their demonstration more than yours. Probably one of the biggest advantages they had was they showed Kim (the CFO) how their equipment could help us turn the O.R. over two more times per day which led to a substantial increase in Center revenue. Besides, I think people actually had fun in their presentation. They just seemed to connect with everybody. In the end, we all felt like their solution fit us better. I'm sorry". (Sound familiar?)

Analysis Of What Happened

Here's the harsh reality. If a prospect begins a product selection by evaluating ten companies, by the time they get to three, there aren't going to be many product differences. Medical Technology and the underlying software have matured to a point where all good equipment has very similar capabilities. In today's

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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 specific scenarios. It's also not by focusing all of your efforts on the clinical side of the equation. They have to win both sides of the equation; clinical and business. They have to appeal to emotion and logic. They have to present benefits in three forms; Operational, Value and Strategic.

Winning competitive deals by 2% is accomplished by comparatively lifting your scores versus your competition. But, don't be fooled into thinking that the equation is linear. The potential lift is subjective to each evaluator and selective in its applicability. Let me give you an example. My prospect told me that when my competitor presented the value based benefit of turning the O.R. more often, that benefit was directed specifically at the CFO. The scoring for the clinicians on the demonstration item titled "room turnover" was identical for both of us. All six people scored both competitors 4 points for a total of 24 points. However, Kim scored my competitor 4.5 and the CFO gave additional weight to that evaluation item. That is how the 2% factor works!

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.

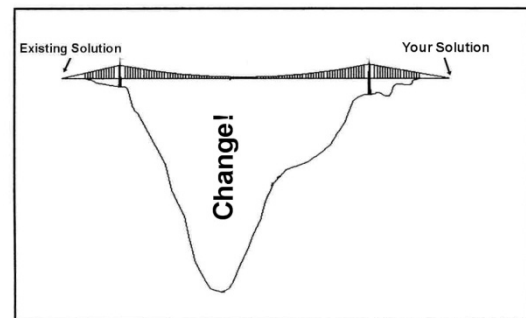
1. **Are They Adapting to the Prospect's World?**

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 PowerPoint™, flipcharts, handouts, whiteboards, props and stories? Are they varying their presentation techniques to keep the demo interesting? While demonstrating a specific element, are they completing that element by stating a clinical 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, do they fail to present benefits in a variety of ways and commit the "So What?" crime? Are they "Data Dumping" features on the prospect? Do they cause confusion and frustration by committing the "I Love This Part of my Solution" crime? (More on these 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 solution willingly while others stop and run back to the relative safety of their existing solution or worse, your competitors.



Let's focus on demo crimes. In my book "Demonstrating To WIN!" I highlight 28 crimes. Each of these crimes I personally have either committed or witnessed my 30+ years of selling complex solutions. Remember, one of your team's primary goals in a product demo is to convince each and every individual on the selection team to cross the "Bridge" from their existing solution to yours. When your people commit demo crimes, their bridge falls apart.

Crime #1 – So What? – In the past 10 years our team has worked with some of the largest technology companies in the world in every corner of the globe. We have learned that technology companies like Microsoft, SAP, Oracle, Adobe and IBM share something in common with the Life Sciences market. The #1 Demo Crime committed is So What? Billions of dollars, euros and yen are lost every year because of this crime.

This crime seems like it would be easy to fix doesn't it? Unfortunately, it is not. There are several reasons for that. First, many of our product

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demonstrators come from a clinical background. They were an RT, Nurse, Doctor or other practitioner so benefit selling is not *natural*. In fact, to many practitioners, benefit selling is insulting! The benefit of a surgical table that, at the touch of a button, changes position for each surgeon's procedural preference is obvious right? Maybe, maybe not. Remember, this is a 2% game. The So What? Crime is remedied by providing the prospect with context of what they are about to see, demonstrating that element only (see Data Dump below) and providing them with a benefit.

Let's go back to our scoring. On the demo element titled "table memory" I present the benefit that when the surgeon walks in the room the table is in the ready position for a knee scope at the touch of a button thus saving time and improving the initial experience in the room the scoring completes. 5 of the 6 clinicians give both me and my competitor a 3.5. However, the 6th practitioner gives me a 4. Why? Because they like the idea of a surgery starting out on a positive note. 2%.

Crime #2 – The Data Dump – Worse than the So What? Crime is when your demonstrators commit So What? 10 times in a row! We call that the Data Dump. For example, they start out showing someone a particular feature, and it quickly manifests itself into six related but different features. By the time they finish (ten 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 trying to sell a Allgretto Wave Laser used for Lasik surgeries. They are demonstrating to a group of eight practitioners, a business manager and a clinic owner. The demo starts out like this:

"The Wavelight Allegretto Wave Eye-Q Lasers offer several advantages. This begins with an ergonomic design that is lightweight and will easily fit through standard doorways. It has an easily adjusted swiveling patient bed and is insensitive to temperature and humidity conditions. Changes to your operating environment are not normally needed because of the sealed beam path, which is also one of the reasons for the laser's tolerance toward humidity and temperature fluctuations. It is also important to know that the swiveling patient bed's power supply is automatically shut down when the laser is in operation. Also, considering every aspect of the refractive procedure, there is a built in Slit Lamp. (7 minutes later). Finally and most importantly, the accuracy of the laser is unprecedented!"

Ask yourself the question "Are the features important to the prospect's evaluation team?" Probably. But, what was the benefit of each of those features to each person in the room? If your competitor has similar features for less money, which one are they likely to buy if ego isn't part of the evaluation equation? Are the business manager and clinic owner deriving benefits from this data dump?

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

- This is the one and only chance they have to impress this prospect with their solution.
- The prospect might interrupt and ask them to explain the feature more thoroughly.
- The competitor has this feature so they better explain your solution 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 product they discuss each one of them at every possible opportunity. Their knowledge of the product isn't in question. Your prospect knows they understand the functionality of the laser. 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 particular process or product function then *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 one process (or scenario or function) of your product and demonstrate *only that process*. They spent hours preparing for a demonstration. Tell them to stick with their original plan.

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Crime #3 – I Love This Part of my Solution –

“Well, since you flew all the way to Los Angeles and we have 20 minutes before you leave, why don’t I show you something that I love about these ventilators. It’s these quick access knobs for rapid support and rapid weaning. They allow you to adjust any of the settings you consider ‘favorites’ by simply dialing the knob. So for example, if you want to change pressure or rate, you simply turn this knob to your desired setting and your done. No menus to navigate through!”

Sounds good doesn’t it? However, you learned in Discovery that this group of Respiratory Therapists (RTs) work primarily on the pediatric floor and having a knob that can quickly change the settings is an invitation for disaster as kids love to turn knobs!

It is wonderful to love your solution. The enthusiasm you exude can be contagious with the prospect. But, relevance is *everything!* Trust your Discovery!

Conclusions

Face the brutal fact that very few 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 spent over 20 years selling and demonstrating technology solutions to all sizes of companies and audiences. His firm 2WIN! Global, provides sales *and* demonstration training for life science companies in every corner of the earth. The training focuses on winning tactics that compliment your existing sales strategy. His book “Demonstrating To WIN!” has been distributed in over 75 countries and is available major on-line booksellers and at their website www.2WinGlobal.com.



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