



A New Way to Sell

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Changing Times, a New Dimension: The Rock-Ripple Strategy

If you sell professional services, you deserve a battle ribbon just for trying. You are operating in a tougher sales environment than anyone has seen for decades.

And it wasn't supposed to be this way. From the 1980s and 1990s into the early 2000s, there were reasons to believe that the markets for almost every type of professional service—from consulting, legal, accounting, and financial services to public relations and engineering services and beyond—would keep growing. For one thing, companies were outsourcing more functions than ever. For another, these companies were beset by more forces of change than ever. New technologies, new business models and forms of finance were reshaping entire industries. Regulatory measures and public activism were putting new pressures on companies to respond.

It seemed that service firms could count on the bubbling cauldron of change to generate not only new business but recurring waves of new *kinds* of business. There were waves of class-action lawsuits to be litigated over issues from asbestos to shareholder rights. Government mandates were changing how companies of all kinds had to construct their buildings, keep their books, and handle data breaches. Globalization was leading fleets of companies into uncharted waters and so forth. The emerging age had all the earmarks of a long-term sellers' market for professional services.

What happened?

To many people the answer is obvious: "It's the economy." And certainly the new millennium has fed us a dreary diet of sluggish economic growth mixed with crashes and crises. When clients cut budgets, certainly it means fewer deals with more competition.

But a weak economy is only part of the story, and blaming the economy won't help you meet your targets. Nor does it point to a way of growing revenues despite the difficulties if you are an executive or equity owner of a service firm—despite the difficulties.

That's where this book comes in. We, the coauthors, take a more nuanced view of what has been happening. And we have a solution to offer: a proven strategic approach to finding and developing new business. It's one that can lead to dramatic, sustained growth in individual sales numbers and a firm's top-line revenue—even in hard economic times.

We have used this approach at multiple firms, over a span of more than 20 years. We've generated consistent big gains from it, right through severe dips in the economy. During a six-year period that included the recession of 2008–2010, we have exceeded ever increasing targets, often by very substantial margins.

Is it possible we've just been lucky? Or do we have a personal gift for selling, a secret sauce that can't be replicated? No, all evidence says the systematic approach is the key. We have trained team members in this approach, then watched their results take off as they grasped and applied the basic principles. The same approach has created major new revenue streams for corporate law firms that work with us. You can learn it and apply it in your firm.

IT'S ALL ABOUT RECOGNIZING CHANGE

The real secret is to begin by understanding the world that confronts us all today, with an eye to what has changed and what has not. Selling has become harder for reasons beyond a slow-growth economy. The nature of the selling environment has changed. Most notably:

- Budget cutting isn't just a matter of client companies spending less overall. There has been a shift in how they spend. They buy cautiously and selectively, ratcheting their choices down to items deemed urgent. Nice-to-have is dead and need-to-have is becoming more strictly defined.
- Not only do clients' budgets keep getting tighter, but also people's schedules are tighter. They won't take a meeting to listen to a standard sales pitch. Often, they will barely stay with you for a standard elevator pitch, tuning out by word number six.

- Sales relationships are more fluid and cannot be established or maintained as they once were. There is little chance to build personal rapport by socializing with clients, nor can you expect client loyalty based on your firm's past performance.

Given such changes, problems in selling come largely from failure to adapt. Methods that used to work for getting a foot in the door now draw blanks. Or if a door is open because a client has a clear and present need, you cannot make consistent sales by merely reacting to the opening. Others will get there at the same time, maybe sooner.

The selling approach you will learn about here succeeds, we believe, because it is strategically suited to today's environment.

- It is an approach that can get people's attention even when their minds and plates are full, *by giving them information worth listening to*.
- It is focused on selling high-need services to clients in high-need situations—clients who will buy your services in order to deal with new threats, requirements, or marketplace imperatives they are faced with.
- This brings us to something that hasn't changed: the persistence of change itself. There are still plenty of new business opportunities. They do indeed come along in ever-recurring waves because clients' industries are still highly subject to game-changing trends and events, which generate the waves.
- The approach that wins is a forward-looking, proactive approach, the kind presented here. You don't want to be fighting for position on the crest of a wave that is already full-force (and may soon begin to die down anyway). By doing some up-front work, of a type that we'll describe, it is possible to get in front of the wave. Then when it strikes, and doors are about to swing open, you'll be at the front of the line—top-of-mind with clients who are ready to buy.

No mystery, really. The approach has multiple aspects, but they all come together around a simple set of core principles. The rest of this chapter and the next will use some brief stories and examples to bring out the principles. From there we'll move on to the chapters that lay out specific steps for putting the principles into action.

Now let's hear a story.

WHAT THE MAN ON THE DOORSTEP DID

Getting the customer's attention has always been a classic challenge of selling. The phrase "foot in the door" comes from the time when many goods were actually sold by cold calling door to door. So here is how a modern-day seller at a doorstep succeeded at that task—despite a selling environment that, like yours, has gotten much tougher than it used to be—by using exactly the approach we recommend for selling professional services.

A friend of ours lives in an upper-income city neighborhood, a nice, quiet place with houses that have yards and trees. He says that during the years he has been there, many people have come to his door, but he has bought from only one of them.

The folks who did *not* make a sale included a lot of door-to-door types who now have almost vanished from the picture. Our friend can't recall the last time he saw someone selling magazine subscriptions ("You can buy those online now"), while home improvement contractors have learned that the people in our friend's neighborhood may be prime prospects, but they won't buy such a service from cold callers.

Solicitors for various causes and local merchants who are new to the area still come around. Our friend has mastered the art of interrupting at just the right moment to say, politely, that he doesn't have time to talk. "It's after the person's second complete sentence," he claims—at which point he'll accept any free literature the person has, tossing it on a pile of things to be read maybe never.

Then one day the doorbell rang in the late afternoon. There stood a man from a tree-service company, in his work uniform, with a truck parked nearby. Our friend was about to do his polite send-away routine until the man said: "Sorry to bother you, but I was up in your neighbor's tree across the street and I noticed your silver maple. Did you know it has a big dead branch that's going to drop? It looks like it could come down right on the corner of your roof."

Our friend stepped out to inspect the tree. His reaction was "Whoa, how did I not see that?" And, as the man proceeded to show him, directly in the line of the branch's probable descent were shingles, gutters, and a downspout. A break-and-bounce that went the wrong way might catch the chimney or wrap around to take out a window. Thus, a service was sold.

What drove this sales process? Significantly, the tree-company man made no explicit attempt to sell—not until after the need was confirmed, when he gave a quote for removing the branch and noted some other trimming that ought to be done.

The man initiated a sale by giving the client *vital and specific information*. He pointed out, and showed evidence of, a *potentially urgent need* of which the client *had not been aware*.

When you can deliver that kind of news, it is a door opener and more. It lays the foundation for the sale. And it lays the foundation for a whole ongoing strategy if you can do it systematically—as it turned out, the tree-company man did. He later told our friend that he repeatedly got jobs the way he'd gotten this one. When out working, he didn't just try to drum up new business by handing out business cards. He kept an eye out for critical situations brewing, and often spotted them.

He had especially learned to watch for patterns that could lead to multiple, repeated sales. For instance, silver maples are highly prone to “throw wood,” that is, to shed weak or dying branches, so every yard with that type of tree got a close look.

This strategy, with some variations, is the same basic strategy we're inviting you to apply to your own selling process. In a nutshell: You learn a systematic way to detect and monitor emerging issues that could have unexpected impacts on clients' businesses. Then you become the bearer of the vital news, using it as a basis for getting and conducting meetings that lead to sales.

A skeptic might say: “Okay, the tree guy is able to spring vital news on homeowners because he's working with trees and looking at trees all the time and they aren't. The clients I'm after are experts in their industries. What are the chances of my telling them about any emerging issues they haven't seen coming?”

In fact, the chances are much higher than one would expect. Because of the very busyness of today's business world, clients across entire industries are often unaware of how events on the horizon could conspire to affect many of them. They aren't in position to see the waves taking shape, whereas you are.

Here is a rather dramatic example from our experience.

SENSE THE WAVE, TRACE THE RIPPLES

At the turn of 2007, our consulting firm was engaged by a nationwide subprime mortgage lender. The client company had come under federal scrutiny for its lending and accounting practices, and our consulting firm had highly on-point experience with such issues. During the U.S. housing bubble—which at that time had recently peaked—it was alleged the company

had been making loans to borrowers who couldn't really afford them. In addition to the investigations, some borrowers were banding together to file class-action lawsuits. And though few recognized the larger implications at first, this was more than one company's problem.

We were able to detect the implications by taking a rather simple step: we looked for them. The lender had asked our firm to conduct an independent internal review, and while a team of specialists was busy doing that, we in our sales role had an eye on the class-action suits. We began keeping track of similar matters across the United States. None were earth-shaking, but the count was going up.

Digging further, we looked at national figures for the numbers of homeowners who were delinquent on their mortgage payments. The data were readily available to us and were an important lead indicator, since delinquencies typically precede foreclosures. In short, delinquency rates were going up. This suggested that the little wave we had spotted hadn't crested yet; there was a lot more in the pipeline. We widened our search and kept digging.

No rocket science is required for such work. We were just collecting bits and pieces of data, trying to see how they fit together. In this case they formed a picture that seemed to confirm an eerie hunch we'd been having. The pattern was reminiscent of the first scattered failures and warning signs in the early stages of the savings and loan crisis, years before. Now we were seeing the leading edge of the subprime mortgage crisis.

At that stage we didn't know how big it would eventually grow, only that it looked big enough to rock more than a few boats. The next question was: whose boats? Clearly any subprime lenders were at risk, but it was equally clear to us that the ripples could spread farther than their part of the pond.

We began reaching out to the firms we viewed to be affected, including a large international bank. There, we initiated a dialogue with a senior executive. We explained that some risks had come to our attention which might conceivably affect her company. She was skeptical but interested. She said, "You'll have to show me the risks." Then she agreed to a meeting.

We arrived with pages of summary data from our files, some of it news, some perhaps not. The key was that no one had put together all of the data points as we had. Additional meetings followed. Over time, the ripples we'd seen indeed reached the financial sector, with a vengeance. The bank mentioned above needed an independent firm to conduct a review into its own mortgage issues. Our experts were hired.

From this sale alone, our up-front research paid dividends. It enabled us to win a choice engagement over other firms, some of whom had done more historical work for this client than we had. It put us miles ahead of the ambulance-chasers who came crowding in once the need was widely apparent—as so many always do, into any scene, once it’s too late for any of them to have a decent shot at demonstrating comparative advantage.

And, last but not least, our initial research and sales efforts paid long-term benefits. They put us in position to build an ongoing and expanding stream of sales as the issues evolved.

The kind of groundwork we did on the mortgage issue is a regular practice for us. It’s based on a concept we call Rock-Ripple, which is by far the best route to sustainable sales growth that we have found.

THE ROCK-RIPPLE EFFECT

Rarely is it possible to grow revenues through a series of unrelated one-off sales. These are nice when they land in your lap, but in an environment where clients are hesitant to spend, you have to wait too long or work too hard for each deal. Sometimes you can get traction by trying to extend and grow a current line of business, but most people tend not to stretch that idea far enough. They confine themselves to going after clients or jobs that are essentially the same as ones they’ve already landed, only to find that the possibilities are limited or the window is closing on that type of work.

What’s needed is a stretch into another dimension: ahead in time, much wider in scope. The idea behind rock-ripple is that disruptive events can open multitudes of new windows, and that’s where growth will be found.

- Anything that disrupts or changes the conduct of business is like a rock thrown into a pond: it makes a splash.
- The firm(s) directly affected may have an immediate need for services, and if you can win some of the work, that’s great. But there will be consequences rippling out in widening circles that affect many more entities.
- Therefore, it pays to ask questions such as: Who could be impacted? How? And how significantly?

At any given time, we have our sales team working on multiple different rock-ripple phenomena, at different stages of the cycle. Perhaps in one case,

someone has just identified a case in which a rock has landed, while in other cases we are collecting data and evaluating whether to follow up, and in others still, we're informing clients and arranging meetings. Of course, there are many fine points to implementing a rock-ripple strategy. You will learn more about them in the chapters to come.

But to get there, we must first home in for a closer look at the modern business and sales environment. This will reveal why smart, experienced people are often unaware of the ripples headed their way (or at least, unaware of their full import). It will also make several things clear: the futility of traditional sales methods, why the approach we suggest is a natural strategic fit, and what the other pieces of the approach have to be.

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