Business901

Podcast Transcription

Implementing Lean Marketing Systems

Working the New Sales Funnel

Guest was Craig Elias

Related Podcast:

[Turning Prospects into Customers]

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Transcription of the Podcast

Joe Dager: Welcome everyone. This is Joe Dager, the host of the Business901 podcast. With me, today is Craig Elias. He is the creator of Trigger Event Selling™, author of Shift! Harness The Trigger Events That TURN PROSPECTS INTO CUSTOMERS. Intrigued by the title, I did not read it till it was recommended in another book, and I was not disappointed. Craig, thanks for joining me and I'd like to congratulate you on a great book.

Craig Elias: Joe, my pleasure. Thank you very much for having me.

Joe Dager: Could you start out by explaining how that title, Shift, helps define triggers and the connections you make from them.

Craig Elias: Yeah. It's funny because when I came up with the idea for the book, I actually had 3 different books in my head at the same time. I wanted to try and find titles that were similar, so the 3 books at one point will become Shift, Shove and Stay. How do you take advantage of the events that shift people out of being happy to being unhappy, that's the first one. The second book is designed to be called Shove. How do you create the events and push aside your competition? The third book, one day, will be called Stay, which is how do you prevent the events and keep your customers but the shift is basically people go from being happy and not looking one day to being unhappy and too busy to

look for something else the next day and that shift is created by these events.

Joe Dager: What are triggers? How do you define triggers in the selling arena?

Craig Elias: Yeah. It's funny, the way I kind of came with this was actually the summer of 2002 and what happened for me is, for 20 years I was just this lucky sales guide and then one day it stopped because my employer at that time was called Worldcom and they needed to cut the 11 billion dollars in accounting fraud and I did something for the first time in my life. I looked back on my success as a sales person and I realized that this window of dissatisfaction and this shift that happened and when I spent more time looking at that I learned that there are 3 different types of events that move people between different buying stages. And, the first event is when somebody wants to change. They start thinking of changing. They define what the problem is. They start thinking about all the different ways of solving the problem, and they generally choose what they want to do.

But, the problem is that they haven't had a second event, which either affords them the time or the money to keep moving down the process and then very often depending upon the scenario, people have to have a third event where they can justify the decision to other people. I tend to focus on this book, the first book, all about that first event. What makes somebody want to change and how do find a way to get in front of them before anybody else. Its generally caused by a bad experience with the current provider, can be any of a bunch of different ways. This is what the competition does; we can't change it. We just take advantage of it. We can harness the changes that happen inside the organization or household. Whatever you're thinking about this, that you want to get into, and one of the

big ones for me is a change in people. The other one is very often they change in places. There're the bad experiences, the competition, the changes inside our prospect, we try very often an awareness strategy, “Hey, we’re better. Hey, we’re faster. Hey, we’re cheaper” but the research says you can try that but the success rate is incredibly small.

You’re better off trying to take advantage of what’s naturally happening in the momentum that customers have, trying to find a way to push people into unhappiness.

Joe Dager: Are you saying that instead of building this big awareness funnel, okay, you know that you’re trying to dump more and more people in and they’re on down the funnel that there’s a better way of doing it that you’re looking for specific events within organizations that will kind of narrow that focus a little bit.

Craig Elias: I’m going to say yes and no. Yes, in general, what you really want to try and find a way to do is figure out who the people that are most likely to change in the next little while and how do you get to them before anybody else. You want to narrow and there’s an element of focus and I’ve seen some research done by a guy named Joe Gallivan when he was at a company called SiriusDecisions, and I think, I don’t remember the statistics exactly but when you had a narrower funnel, what I think they classified as 3X or less, you were something like 65% more likely to make quota as a sales person. What you do is you get rid of all the fluff and crap that you hope will one-day turn into a customer.

I don’t know if you read any of Guy Kawasaki’s books but when I spend time with him he says, “Craig, hope is not a strategy. Take all the hope out of your funnel and focus.” So

that's, I agree with you there, but I do agree that there is a subset of the audience, the marketplace, that even though they have not shifted into this window of dissatisfaction, you still want to try and foster a relationship and nurture them because they have 3 big characteristics. They have money; they have the authority to spend it, and they have influence. I like to build relationships early in the process, so when they have the events they become my customer because if they have money, they don't have to have that second event where they can afford to change. If they have authority, they don't have to have another event where they can justify the change. Very often they have one event, and they buy and the cool thing is if they have influence, they have lots of friends just like them, and I get referred in and it's really quick, really easy and very profitable.

Joe Dager: Everybody's always talking out there now that sales has transformed from the world of let's say Zig Ziglar's Secret of Closing the Sale, okay, we all read that, to one of understanding behaviors from manipulation to understanding, where does your book fit? What's Trigger Events selling? Is it manipulative or is it more of understanding?

Craig Elias: I'm going to say, sometimes I feel like a politician when I answer these questions, I'm going to say it's advantageous. It's basically taking advantage of the things that happen naturally to make it really easy for someone to see the value in what you do, decide they want to become your customer and finally make a purchase. There is an element of, I'll call it science, behind this and what I like people to do when I get to spend time with them is I like them to reflect on their own successes, and if they reflect on their own successes, they convince themselves, "Hang on a second that happened here. That happened here, how come I never noticed this before?" It's like when you buy a new car,

what do you see all over the road?

Joe Dager: Your car.

Craig Elias: Your car, right?

Joe Dager: Yeah.

Craig Elias: As soon as I tell them it's there, they go "Oh my God, there it is, there it is, there it is." And, in many ways, that's basically all I do. I just turn on this thing called selective perception by giving people, and it's basically two very simple exercises and the rest is easy. In the book, the first 3 chapters is basically what I figured out the summer of 2002 when I reflected on 20 years of success. The 4 chapters that come behind it is what I had done for 20 years to be able to make that luck, time and again success happen.

Joe Dager: Well, you bring timing into it. Can you introduce that into the conversation here?

Craig Elias: The first thing I figured out in the summer 2002 is that when I was trying to get people to buy stuff from me, they're always in one of three different buying modes. The first one is called status quo, happy with what they have and see no reason to change. I realized very quickly there are people on the other end of the spectrum that are actively engaged in the process of searching or alternatives. These people are unhappy, and they're doing something about it. And, the first thing I figured out in 2002 was that every single 6,

7, 8 figure deal that I could remember what I realized is I got to someone between those two commonly known buying modes, what I call this window of dissatisfaction, unhappy, thinking of changing but so busy solving other problems, they haven't gotten to this problem yet and when I got there first, my average close ratio was about 80%.

Joe Dager: Most of us look at the numbers now that they say that, you know; salesmen aren't invited 'till 60% of the sales process is finished.

Craig Elias: Correct.

Joe Dager: I would say that window of dissatisfaction fits in before that 60%. Can you explain that? I mean, how do you get in before that 60%?

Craig Elias: Yeah. You're totally right. And so, there's a book called The Challenger Sale and basically they say that by the time a prospect phones a vendor, 57% of the decision has already been made. Basically, what's happened is someone has defined the problem, and they've designed the solution and now, they're just calling vendors to see if they can get the lowest price. And, what is interesting is there's some research I've seen done by a guy named Andrew Gaffney for the Demand Generation Report and he says two interesting things. First of all he says that, and I'm talking about business to business, 80% of B to B purchases are unbudgeted, unplanned. So, created by triggers the way I think about that, and the crazy thing is that 97% of the time it is a customer, a prospect who reaches out to the vendor and initiates the process. We as sales people have gone to the point where we rely upon marketing, inbound all that stuff. We're very reactive in our approach versus

proactive in our approach, and it has a big impact on close ratio. I've seen two pieces of research. Sorry, heard of one piece, seen another. I saw one piece of research in '09 that says "By the time someone calls you, the odds you get the business are about 16%." About 40 years before that Xerox did some research, and they had the exact same number, so basically 1 out of 6 or 1 out of 7 if they phoned you first.

In 2003, I did some research for my first company. The one that won the billion dollar idea competition and my research said that 'if you're the first one in during this window of dissatisfaction, the average close ratio is 75%.' Last year, Forrester released some research, and they said the number is 74%, on the same thing. In ten years that hasn't changed, so it's all about how do you get there. The way you get there is by understanding the events that caused people to become customers. The way I think about this is you start with a list of people that have become customers in the last little while and you just go down the list and say, "Hey, which ones happened fast, which ones were easy to reach the decision maker, which ones paid full price or didn't spend a lot of time trying to grind you down and which ones are willing to be a reference or a testimonial.

When you look at your customers this way, you take the ones that have 3 or more checkmarks next to their name and these are the people you probably got to in the past while they're in the window of dissatisfaction and then you simply analyze those people to figure out what were the events that made them unhappy with the status quo.

Joe Dager: I think that's a great lesson to be learned. It's a great way to take a look and it's like you've started marketing towards an opportunity versus trying to market towards

problems.

Craig Elias: That is a big piece and here's what I find interesting. I had really 3 big epiphanies in that summer of 2002. The first epiphany was I just got to find people that are unhappy and thinking of changing. When you call someone like that, they'll say, "You know what, I'm thinking about changing. Why don't you phone me back in December." You phone him back in December, and it drives you crazy because they've already made a decision. When the next time someone hears "I'm thinking of changing" you need to know those are the perfect prospects. Right, if there's a fit.

My first epiphany, the window of dissatisfaction, my second epiphany, these triggers or events, I call them trigger events that shift people from one buying mode to the next, but my third big epiphany was the fact the for the first time in 20 years, what I had done, instead of analyzing my losses like my bosses always said, "If you lose the business, you never lose the lesson". You would conduct a lost sales analysis.

For the first time in 20 years, I did a WON sales analysis, W-O-N, analyzed the business I had won and then out of curiosity, I actually went to the internet to learn more about this process of analyzing your wins and I started with a generic search of sales analyses. Go to Google, type between quotes the two words "sales analysis." The importance of the quotes is that's a phrase, so the search results have to contain those two words together in that order. I found about a million pages on the internet. I said to myself, "Well, I'm not going to read a million pages." How do I go, like how do I refine the search? I added the word lost to this phrase, "lost sales analysis." I found 50,000 pages on the internet, and I said to

myself, “I’m not going to read 50,000 pages. Why don’t I just replace the word Lost and add the word Won? So, now I’m looking for a phrase, Won Sales Analysis.” In the summer of 2002, I did that search. Do you want to guess how many pages on the internet talked about how to analyze your Wins, so you can repeat them?

Joe Dager: I would say under 10.

Craig Elias: Good answer. The answer was 2. I’m totally flabbergasted about it all the time and energy people spend analyzing sales. They talk about, look at all the stuff they lose, and they lose more than they win and try to guess or hope they can figure out how to win next time around. My epiphany was “Hey, forget the lost sales analysis. Let’s outsource that to somebody else. But as an entrepreneur, salesperson, whatever, I need to do my own Won sales analysis because that analysis turns on that selective perception and has you seeing that car, or all the customers are prospects that just had a similar event.

Joe Dager: People that listen to this podcast, will know you’re singing my tune. We’ve talked a lot on this podcast about appreciative inquiry, what we call SOAR. We are looking at strengths, opportunities, aspirations and results. It’s the way I frame sales. You’re beating to the right drum on this podcast, Craig.

Craig Elias: Well, another way that I think it’s important when people use language when they’re talking to customers around this whole opportunity outcome piece is that I learned something in January of this year. It was very fortunate that I had a chance to go to a place called Babson College and Babson College is like the Harvard/Yale on the planet for

teaching entrepreneurship. And, I went there because I was teaching entrepreneurship at the University of Calgary at that time. I went there and I learned a very simple, incredibly powerful thing and I don't know whether someone said it or I thought of it in my own head but when you use verbs when you're talking to customers or prospects, you're now talking about outcomes, aspirations, what someone's getting out of being your customer. The challenge is most people use nouns to describe a product or service that they're selling, and they force the potential customer to do these mental gymnastics and try to figure out how does this product help me reach the outcome that I'm after.

Joe Dager: Can you describe maybe one of the triggers in the book a little bit in more detail, so that the listeners have a taste of one of what you talk about there.

Craig Elias: Yeah. I'm going to focus on what I think is the most powerful of the lot, and it's the most powerful for a bunch of different reasons. And, for me, the most powerful one is a change in decision makers at an account or in a family or whatever that might be, right. A decision maker enters a new environment. They want to prove they're good. They want to make change happen. They want to make change happen fast, and they very often have few ties to the current vendor. I've seen research that says a decision maker, new in the role that those that will spend large amounts of money, a million dollars or more, they make that decision the first 90 days in their job.

One of the things that I would suggest for people if they're, you know, trying to convince people to do things differently, look for a change in executives. You go to LinkedIn, you create what you might just say an ideal client or ideal relationship profile, "I'm looking for

CIOs for companies that are 100 to 250 million dollars and they're in the United States" and what LinkedIn will do is it will create a result of all your connections and you can choose, first, second, third group, whatever and then, so it gives you a list and that list is okay but what you do is you take that search and you save it. And, when you save that search, and you tell LinkedIn, "Tell me every week when somebody new has that criterion." Every week you'll get a list and sometimes I get a list of a hundred, you know, twenty, a hundred fifty, a hundred and eighty people in my network that now meet that criteria, new in the role, ten times more likely to change.

I'm a big fan of LinkedIn, a big fan of job changes, but the other piece I think people need to understand just because a guy named Ringo changes jobs, right, doesn't mean there's only one opportunity. Ringo has a new job; you want to go talk to him. You go talk to him, and you figure out the guy that used to have that job, this guy named George. So, now you go phone George because George is new in the role. Right, you talk to, you know, a few weeks or months later, Ringo has been replaced by John. You go talk to John, and the first question you ask John is 'where did you come from' and you realize that a guy named Paul now has that job. So, one simple job change from a LinkedIn alert gives you 4 completely different opportunities right in front of your face.

Joe Dager: You sound like a salesman at heart. How did you ever get into this profession? What drove you to it?

Craig Elias: What drove me to it was when I, so I got involved in a billion dollar idea contest in 2003. I took what I learned in '02 started a company, online information

exchange that trade information on triggers. I got involved in a billion dollar radio contest. I won the contest moved to California to collect a million dollar prize but in my early days I had no revenue. I was doing these information sessions to create awareness around the things that we did, and I kept getting all these requests from CEOs. Like, I give a little 25-minute speech, and they go, "Craig, this is really cool. Can you give my team the 2-day version?" I'm thinking to myself, "Two-day version, I have 25 minutes."

What I started doing was just slowly rounding it out, doing more of it, giving longer presentations, so now when I talk, you know, I will admit that it takes me probably if I'm in front of a large audience trying to get them to do it takes me about an hour. I can spew all this stuff and get it out in 15 or 30 minutes, but people generally don't do stuff with it, but I kept getting requested, "Can you come to this? Can you come to this? Can you come to that?" What happened was I became a dad at the age of 40 and I decided that I wanted to spend a lot of time with my son and so I wrote a book to make it easy for people to do what I teach without my having to travel all over the place. Now, my son is getting older. I now do a little more travelling and spend more time on stages and in front of audiences.

Joe Dager: You eluded it to on a little bit earlier but how do you prevent your loyal companies from having these triggers and someone else taking advantage of a trigger with them?

Craig Elias: So, two ways you can do this. The first one is I don't do a Lost Sales Analysis, but I suggest you do a Lost Customer Analysis and when you lose a customer, I think it's really important that you go back to that person and say, "Hey, Joe. I totally," and I use

the word respect "I respect your decision to leave. Can I ask if you a few quick questions?"

The first question for me is 'What did you value most about being our customer?' because I want to figure out what did they really get, what was the outcome, right, the aspirations they reached. Second of all, I want to ask "What was it that triggered you to move? What event made you say now it's simply time?" When you understand what that event is you want to try and find a way to minimize that event as much as possible. Good old fashion Pareto Analysis, you go, "Oh, some of my customers are leaving because we're changing sales people. We need to find a way to have a transition plan. The inside sales guy becomes the outside sales guy. We keep the relationships intact." The third question always is 'Is there anything we could have done to keep you as a customer?' So that in the future if someone does have that event, you know what you could or should do in order to prevent them from leaving.

I'm a big fan of the lost customer analysis. The other way you can do this. If you haven't lost any customers and you're trying to figure out 'how do I prevent myself from losing customers when I get them' if you're a startup, let's say. What I would do is I would figure out who's your ideal client, and you phone them up and you just say, you know, "I apologize for the interruption. I'm not trying to sell you something. I just want to understand 3 quick things. Can I take 2 minutes?" and the answer is usually yes. First question always is "Who do you use right now for this kind of product or service?" They tell you. Then, you say, "Well, whom do you use to use for that product or service?" and they'll say, "Oh, I used to use the company whatever." And then, the third question is "I'm curious, what was it that caused you to switch?" What we're now listening for from that

Executive or decision maker is they've switched vendors because they had a bad experience, something happened along the way, what was it that made them switch. You can then again take that information and try to minimize that happening to your customers when you get them.

Joe Dager: I think that's a great set of questions. This sounds like a pretty powerful thing to be talking about in sales meetings. Should we be talking about this in sales meetings?

Craig Elias: Sales meetings should be focused on what should we be looking for, like how do we figure out what is our ideal client profile. That's the first thing during sales meetings. I think the second thing we need to figure out is, okay, of the deals we're looking at how do we help people. People have an event where they want to change; there are two events that have to happen that people will afford to change and just by the change. When we're talking to customers, to get them to the next stage I think we need to make it really easy for them to digest information, so they can make decisions really quickly because they don't have a whole lot of time.

And then, the question is 'how do you help them afford what you've got. I'm a big fan of using what's called a land and then expand strategy. Take a small sale today to build a relationship, establish credibility, to know full well that when they decide they want to move on, you're the one most likely to them as a customer. That's the second event, how do you make it easy to afford the time and money to become your customer. The last one is that 'how do you help them justify it.' A lot of decisions are justified based upon what happens in the outside environment. If you can look at what a competitor to your customer

or prospect is doing and say, “Hey, these guys just did this.” They go, “Oh, we need to do that” and they take this information back and that’s their justification to somebody else. For me, at a sales meeting the question is “How do you get someone to the next step” by finding a way to facilitate those triggers around afford and justify.

Joe Dager: So, my last question for you, how can I have a year like you did in 2002?

Craig Elias: It is really very simple, and it’s all about the power of reflection. Look at the deals that have really good characteristics, happen fast, you know, built the relationship with the decision maker, didn’t grind you on the price, willing to be a reference or a testimonial, and you need to ask those people very specific questions and there’s 4 of them, in this case. The first question is, you want to ask “What event or what events lead up to this purchase?” And, when you ask that question, more times than not, they’ll tell you about the second event where they had more time or had more money.

You then have to ask a second question and the second question is “When did these events you just told me about, when did they happen?” and what you’re listening for is what was the first event that made them want to change.

Question number three, ‘What made you choose us.' I did not ask a why question. I had been taught, and I believe that ‘why’ questions tend to make people defensive, so I asked the question ‘what made you choose us’ and what I find amazing is that some of our prospects have this amazing ability to take art content. They have inch experience, let’s call that context and they do this thing called mental gymnastics. They take art content,

art context, sorry, art content and their context, and they do these mental gymnastics and they understand what's the real value of being our customer, and they tell us what that is.

We then take that and we spoon feed it to our next prospect or potential customer by again using verbs that talk about outcomes or an aspiration that say 'we can help you do this.' And, when you pitch like that to potential customers they don't go all out more to getting that product from somebody else, they generally ask a question 'how,' "How did you do that?" When you go to a logistics company or a trucking company and say, "I'll help you establish preferred vendor status in a highly competitive marketplace." The question is 'How' and I go, "Well, I sell really expensive tires, really expensive tires last longer, fewer breakdowns, better mileage, you have a highest on time delivery of all of the vendors in the industry and because you have the highest on time delivery when someone really needs something delivered that they need to have delivered, they'll pay you the highest price because you have the best on time delivery. I didn't say, "Do you want to buy expensive tires, Joe?" So, that's the third one.

Question number four is always, "What can we do to make it easier to become a customer?" And, I've actually found some research on this by a guy named Kurt Lewin, K-u-r-t L-e-w-i-n. He talks about this thing called force field analysis and we, in our attempt to facilitate or drive change whether it's in sales or other ways, we pile on all these driving forces, change because of this, change because of that. What we don't realize is that there are these restraining forces on the other side that prevent that change from happening and you're generally far better off by removing one of or two of or three of the restraining forces than you are to try and create another driving force.

Joe Dager: Oh, you're speaking to the tune of a few of my Six sigma guys who are sitting there going to the sales guides now with the force field analysis. What's the best way to contact you and find out more about your book, of course, it's is on Amazon but your website and the contact information.

Craig Elias: So, here's what I prefer to do. If you send me a LinkedIn connection request and I've been on LinkedIn for over eleven years. I'm usually 3,956 of 300 million people. So, go to LinkedIn, look for Craig Elias, send me a LinkedIn connection request and I will do two things. I will accept it as fast as I can and when I accept it I will send you back an e-mail that has all my contact information. It will have the preview chapters of my book, and if you like the preview chapters, there's a link in that e-mail. You just fill in the form, and I will send you an Adobe Acrobat copy of the entire book for no charge.

Joe Dager: Wow. That's impressive. Well, I think that a lot of people should take you up on that. Appreciate the time you've given me. You're out and about to go have some sushi, I think.

Craig Elias: I am at that.

Joe Dager: Okay. So, I thank you very much, Craig. This podcast will be available in the Business901 iTunes store and the Business901 blog site. So, thanks, Craig.

Craig Elias: Joe, pleasure. Have a great week.

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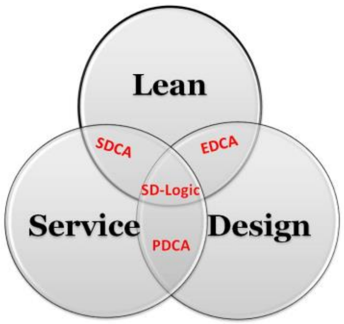
Implementing Lean Marketing Systems



Joseph T. Dager

Business901

Phone: 260-918-0438

Skype: Biz901

Fax: 260-818-2022

Email: jtdager@business901.com

Website: http://www.business901.com

Twitter: [@business901](https://twitter.com/business901)

Joe Dager is president of Business901, a firm specializing in bringing the continuous improvement process to the sales and marketing arena. He takes his process thinking of over thirty years in marketing within a wide variety of industries and applies it through Lean Marketing and Lean Service Design.

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