

The Challenger Sale

Summarized

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A 15-page guide
to the 240-page
sales book.

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Challenger Sale by Matthew Dixon & Brent Adamson

★★★★☆ on Goodreads

Published 2011

Quick Synopsis:

In the Challenger Sale, Matt Dixon and Brent Adamson lay out the ideas and strategies behind some of the most successful sales teams - and reps - today.

Neil Rackham, author of the mega-bestseller Spin Selling, called Challenger Sale “The most important advance in selling for many years.” Like Spin Selling, Challenger Sale researched 6,000+ salespeople and 90+ companies across different industries to determine the characteristics and approaches that successful sales reps take, and provide a roadmap for selling more effectively.

Matt and Brent believe that solution selling is no longer effective, and buyers are fed up with answering questions and probes from sales reps who deliver no value.

This summary will walk you through a new approach to successful selling - the Challenger model. We'll start with some key terms, jump into the full summary, and end with sharable quotes you can use to show off your knowledge (and impress your boss).

Key Terms

Challenger Sale: A sale in which the rep teaches the prospect something about their business, tailors their pitch to resonate with customer concerns, and takes control of the sales process.

Commercial Teaching: A sales approach where the rep teaches a prospect how to think about commercial needs.

Resonance: An informal measure of how strongly a sales pitch or story maps to what a customer cares about. Reps should be crafting their pitches to resonate with each individual customer and address their biggest concerns.


The PAUSE Framework: A framework used in sales manager coaching, it consists of 5 elements:

1. **Preparation for the coaching conversation** - managers need to prepare for the coaching conversation
2. **Affirm the relationship** - create a safe situation for coaching to occur
3. **Understand expected behavior** - managers should understand what to look for in a meeting
4. **Specify behavior change** - managers should have objective standards for judging behavior
5. **Embed new behavior** - managers should give reps the tools to implement coaching suggestions. Tools like action plans and the like are useful here


Chapters 1 -3: The Challenger Approach

The Challenger Sale is based on one of the largest sales studies ever conducted. One key finding was that **53% of customer loyalty is driven by the sales experience - not brand, price, service, or even the product.** This experience is largely dictated by a customer's interaction with a rep.

According to their research, every B2B sales rep falls into five different profiles that define the skills and behaviors they use when interacting with customers. These profiles describe a rep's natural mode of interacting with a prospect, and are not mutually exclusive –

 **The Hard Worker**

- Doesn't give up easily
- Self-motivated
- Interested in feedback / personal development

 **The Lone Wolf**


- Follows own instincts
- Self-assured
- Deliver results but difficult to manager

 **The Relationship Builder**

- Classic consultative rep
- Builds advocates internally
- Creates relationships with prospects

 **The Challenger**





- Different view of the world
- Loves to debate / pushes customer
- Strong understanding of customer's business

 **The Problem Solver**

- Highly detail-oriented
- Reliable responds to stakeholders
- Ensures all problems are solved



In the study the book is based on, what the authors call the “Challenger Approach” to sales is the one that’s most correlated with actual sales performance among high performers. In the study, they found that –

- **40% of high sales performers primarily used a Challenger style** - as opposed to one of the other four sales styles the book identified. 
- **High performers were more than 2x likely to use a Challenger approach than any other approach.** 
- **More than 50% of all star performers fit the challenger profile in complex sales.** 
- **Only 7% of top performers took a relationship-building approach** – the worst performing profile. 

As sales complexity increases, so does the success rate of the challenger approach. However, this Challenger approach only worked better among high performers. Among average performers, all profiles were roughly as successful as one another.

This is a disruptive finding, as most sales training and sales teams today are geared towards creating and encouraging the Relationship Builder, the least effective of the five profiles.

A challenger rep has six significant traits that distinguish them from the other sales profile types. A challenger rep ...

1. Offers a unique perspective to the customer
2. Has strong 2-way communication skills
3. Knows the individual customer's value drivers
4. Can identify economic drivers of customer's business
5. Is comfortable discussing money
6. Can pressure the customer

The above traits are not held exclusively by challenger reps, they're just more commonly used together by them. A rep with a "relationship builder" style will often have excellent two-way communication skills, but they'll lack other challenger traits - like the ability to pressure a customer.

According to the book, a challenger rep is defined by the ability to do three key things well –

1. **Teach** customers something new and valuable about how to compete in their market.
2. **Tailor** their sales pitch to resonate with the decision-maker's hot-button issues.
3. **Take control** of the discussions around pricing and challenge customer's thinking around the problem.

We'll dive into each of these activities in the next sections.

Chapters 4-5: Teach for Differentiation

The authors believe that solution selling doesn't work as well anymore. Customers are less likely to spend time helping reps discover their needs. Their research found the seven highest-impact areas that make for a positive customer experience occur when –

- A rep offers unique / valuable perspectives on the market
- A rep helps the customer navigate alternatives
- A rep provides ongoing advice and consultation
- A rep helps the customer avoid potential landmines
- A rep educates the customer on new issues / outcomes
- The supplier is easy to buy from
- The supplier has widespread support across organization

The teaching approach they outline is called “Commercial Teaching,” where a rep teaches their prospect how to think about their needs. This approach must –

Lead to your unique strengths. Why should people buy from you over anyone else?

Challenge customer assumptions. How can you reframe the problem for your customers?

Catalyze action. Customers need to understand why they should take an action, and the urgency to do it now.

Scale across customers. Your sales team must have a core group of market or industry insights that scale across different kinds of customers.

Commercial teaching is an entirely new skillset reps will need to learn under the challenger framework. To make this easier, Matt and Brent broke down the six components that make up a world-class teaching pitch:

The Warmer

Build credibility and show your prospect you understand their challenges. This serves as the introduction for the pitch.



The Reframe

Connect those challenges to a bigger problem or opportunity they hadn't previously considered. Build credibility and show your prospect you understand their challenges. This serves as the introduction for the pitch.



Rational Drowning

Next, show prospects the numbers behind why they should think differently.



Emotional Impact

Then, create an emotional connection between the pain in the story you're telling and the pain they feel every day in their organization.



A New Way

It's time to convince them of the solution. Show them the new way they should be thinking about their business.



Your solution

Finally, demonstrate how your solution is the best one out there, and how it fits with the new way a prospect should be thinking about their business.

CHAPTERS 6-7: Tailor for Resonance & Take Control

In any pitch, it's absolutely critical that your audience understands and relates to the story you're telling by tailoring to their problems and how they see the world.

Your pitch must get buy-in from an entire organization in order to win. Creating a pitch that resonates is a key factor in winning organizational support. And, as we saw earlier, a supplier having widespread organizational support is one of the strongest indicators of a positive sales experience.



To ensure resonance, the pitch should have messaging that's tailored the decision-maker you're speaking with. Directors will have different concerns than VPs, and VPs different than a CEO.

Taking control is the last key ability a challenger rep must have. Taking control of a sale means that a rep demonstrates and holds firm on value - not competing on price - and keeps momentum going across the sales process. Reps must take control early on and veto prospects who are unlikely to move forward or get key decision makers involved.

This isn't easy! Successful challenger reps must be willing to deal with a bit of tension and pushback on price. Any price pushback can be mitigated by focusing on value provided.

Chapters 8-9: The Challenger Sales Manager

Challenger Sale also conducted a study on sales management to determine what makes for an effective sales manager. In it, they found that –

- **Sales management ability (selling, coaching and owning) accounts for 73% of management effectiveness.** 
- **The last 27% of sales management ability is comprised of management fundamentals like integrity, reliability and listening.** 

Of all the skills a sales manager could have, the most important skill is being innovative: figuring out creative ways to help their reps move deals forward. The second most important is coaching their reps. An innovative sales manager does three key activities –

- 1. Investigate.** They identify obstacles in the way of a new sale, gather feedback in terms of what is / isn't working, and then identify how to resolve customer pain.
- 2. Create.** They innovate around new ways to position an offer, identify the ideal business outcome, and work with reps / customers to define and explore new sales solutions.
- 3. Share.** These managers also share tactics and best practices, develop and sustain cross-functional relationships with others in the organization, and filter news / information from elsewhere in the organization to their sales team.

The Challenger Sale team uses a PAUSE framework in their sales manager coaching that helps sales managers effectively coach their reps. PAUSE stands for:

Preparation for the coaching conversation - managers need to prepare for the coaching conversation

Affirm the relationship - create a safe situation for coaching to occur

Understand expected behavior - managers should understand what to look for in a meeting

Specify behavior change - managers should have objective standards for judging behavior

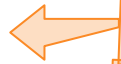
EMBED new behavior - managers should give reps the tools to implement coaching suggestions. Tools like action plans and the like are useful here

After working with 10+ organizations to implement this process, Matt and Brent found that not every high performer is a challenger. It's very possible to have reps who fit other sales profiles and are still high performers. However, implementing the challenger process can maximize the performance of your sales force as a whole.

Unfortunately, **20-30% of reps won't successfully transition to the Challenger model for various reasons.** It's helpful to understand that this won't be a perfect transition and expect some number of reps drop out of the process.

STRUT YOUR SMARTS - QUOTES WORTH SHARING

“How you sell has become more important than what you sell.”



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“Challengers aren’t so much world-class investigators as they are world-class teachers. They win not by understanding their customers’ world as well as the customers know it themselves, but by actually knowing their customers’ world better than their customers know it themselves, teaching them what they don’t know but should.”



“What sets the best suppliers apart is not the quality of their products, but the value of their insight—new ideas to help customers either make money or save money in ways they didn’t even know were possible.”



“The best sales conversations present the customer with a compelling story about their business first, teach them something new, and then lead to their differentiators.”

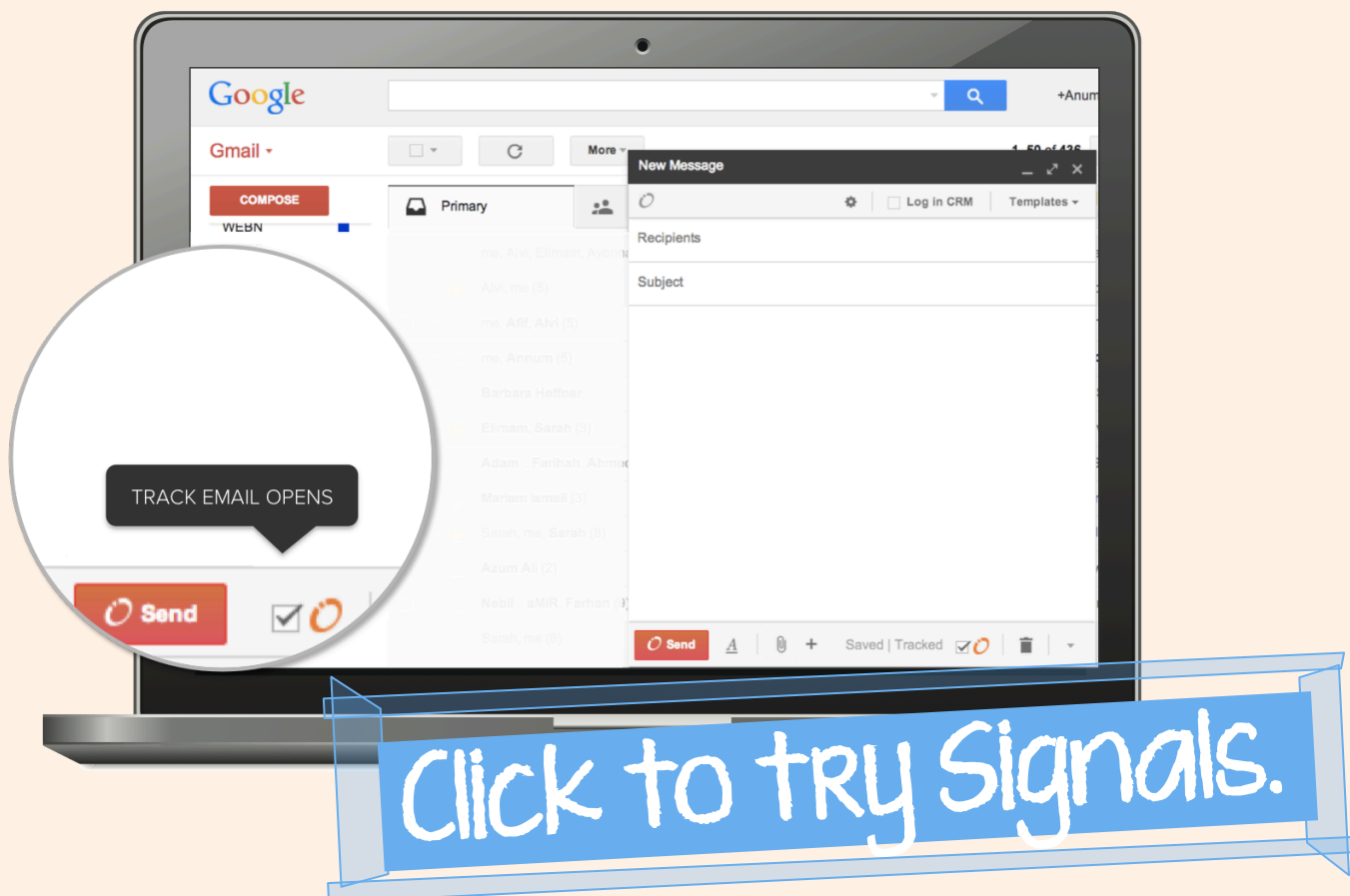


Become a Challenger Rep with Email Tracking

Signals is a free tool for tracking email opens and clicks.

Imagine receiving a notification that a hot prospect has clicked the proposal link you pasted in your email. Now you're not just emailing, you're better understanding when your prospects are engaging with you and can tailor conversations accordingly.

Let Signals help.



Acknowledgements

When all your time is focused on selling, it's hard to find time to sit down and read an entire book. But that doesn't mean we should ignore the most talked about sales books. That's why I decided to sit down and do the reading for you.

Whether you're a pro salesperson or simply considering sales as a profession, I hope this summary was helpful in understanding what Challenger Sale is all about.



Enjoy reading,

Justin Mares

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