Peter E. Cohan
The Second Derivative
1532 Scenic Drive
Trinidad, CA 95570
T: +1 650 631 3694
E: PCohan@SecondDerivative.com
W: https://GreatDemo.com

Stunningly Awful Demos – Insufficient Discovery

Imagine walking into a doctor's office and, before you can open your mouth, the doctor immediately writes prescriptions for a broad range of drugs… The doctor then says, "Let me know if any of these drugs seem to help address any problems you have."

Or:

Imagine walking into a doctor's office and (again), before you can open your mouth, the doctor immediately writes prescriptions for a broad range of drugs… A few days later you come back, at which time the doctor says, "So what seems to be the trouble?"

How are these different from presenting a demo to a customer before doing any Discovery?

"No Decision" Rates Too High?

A sadly terrific way to *increase* the number of "no decision" outcomes is through insufficient Discovery. The result is a long, painful and expensive path to nothing…

Consider a typical Situation Slide with its six elements:

Job Title and Industry:
Critical Business Issue:
Problems/Reasons:
Specific Capabilities:
Delta:
Critical Data or Event:

Most vendors do gather a portion of the Problems/Reasons statement: "We need a new system…," says the customer. "Great!" says the vendor, "We've got a whole range of those to choose from…!"

What's missing?

No Critical Business Issue: means there may be a lack of a strong driving force for change.
No Specific Capabilities: without these, what do we show in a demo? The result is often the horror of the "Harbor Tour" demo…
No Delta: means there is no articulated value equation on the part of the customer.
No Critical Date: means this sales opportunity could go on forever!

Want proof?

6 to 1 – that's the ratio of successfully closed sales using Great Demo! vs. "Harbor Tours", as tracked by one Great Demo! Workshops customer. More specifically, he reported that for business that closed during a 12 month period, 62 sales projects used Great Demo! Discovery, preparation and delivery methods vs. 9 sales projects where Discovery was deemed insufficient and the resulting demos were Harbor Tours. Sales projects ranged from approximately $200K - $1.5M in deal size.

Equally (or more) interesting were the numbers reported for "No Decision" outcomes: For those sales projects that had a complete Situation Slide for each key player, No Decisions ran at less than 10%. For sales projects that had incomplete Situation Slide information No Decision rates were above 60% (ick).

Forecast Failures and Pipeline Pain

Far too many sales organizations equate "activity" with "progress". For example, some sales managers track (and often incent) the "number of demos delivered" as a measure of forecast and pipeline activity.

In the situation above, sales people were incented to schedule demos (as many as possible!) as a key indicator of overall pipeline activity – which resulted in a negative feedback spiral of doing more and more unproductive demos, resulting in less closed business per demo, causing management to increase the number of demos per sales person per quarter to try to increase pipeline. There was much moaning, whining and gnashing of teeth…

When senior sales management reviewed the data in the situation above, they made two very interesting process changes:

First, it was mandated that adequate Discovery information be uncovered prior to scheduling a demo – specifically including review of Situation Slides prior to agreement to proceed with a demo. (There were some loopholes for extenuating circumstances, but the gross majority of demos are now preceded by what is considered adequate Discovery).

Second, sales pipeline measurements were changed – from the "number of demos scheduled/completed per sales person" (a measure of activity) to the "number of demos completed per sales person per $ of revenue" – a very clever way of measuring the effectiveness of Discovery, demo preparation and delivery.

The bottom line? This particular team will be having one terrific "President's Club/Sales Kickoff" in a wonderful location this year!

New Hire Candidates – Where It All Begins

Are we surprised when we find that sales and presales people (those already hired) are not particularly strong at doing Discovery? We shouldn't be. Most candidate interviews don't explore the candidates' Discovery skills.

Interestingly, we often ask candidates to deliver a brief presentation to test their ability to present information clearly and compellingly – we test their ability to "tell". However, we rarely invest similar energy in asking candidates to perform a Discovery session of some kind – to evaluate their ability to "ask".

No wonder we end up with new hires that tend to talk first and ask later (if ever…)!

OK, fine. But what about folks already on-board? Here are a few ideas to consider…

Early Adopter vs. Majority: Features vs. Solutions

Early Adopters and Technology Adopters love to talk about features – and often identify problems *themselves* that can be solved, synthesizing solutions from the feature set. They embrace change and are excited about exploring on their own.

Everyone else – the Majority – is not interested in change, typically, and needs to feel that a problem is critical before choosing to address it – they are interested in solutions, not features and functions.

Early Adopters and Technology Adopters are great, as customers, but they inadvertently train us to skip Discovery. They simply ask us for a traditional product presentation. We get comfortable "selling" this way and so we present the same product feature/function overview to Majority prospects – who may not even realize that they *have* a problem – and who then wonder why we are wasting their time…

Majority customers need to have Discovery done, both for our sake – and for theirs, to help them understand the depth and breadth of their problems.

Provocative Questions – Starting Discovery

Using provocative questions is a great way to start conversations and move a discussion into Discovery. A good provocative question causes your customer to:

- Rapidly qualify himself in or out as a reasonable prospect
- Agree that there *is* a problem to solve
- Open up to further questions

For example, imagine you sell sales process management/automation software and are at a conference with piles of prospects present. You join a table for lunch with 8 other people and everyone introduces themselves briefly. Someone asks you, "What do you do?" Your response can range from boring to intriguing:

Boring: "We sell sales process automation software." (Yawn…)
Typical: "We help sales teams improve their processes." (OK thanks, next…)
Provocative: "Have you ever seen a sales team document their opportunities consistently?" (Not typically – hmmm, I'm interested…!)

For the provocative option above, a "No" response (often accompanied by a wry smile or wince) tells you that the prospect *has* that problem – and the prospect may immediately volunteer more information, "No, in fact our sales people 'sandbag' on deals they are confident about and have 'happy ears"' on far too many opportunities that never close…!" At this point, you can comfortably launch into Discovery questions about the team, sales cycles, current processes and tools, etc.

The key to formulating strong provocative questions is to take a key indicator or qualitative measurement of what you do and rephrase in the form of a question.

For example, in the world of demos, I love to ask, "Have you ever seen a bad software demo?" If the response is yes (and it often is…), we are off and rolling comfortably into a Discovery conversation.

"Why" Questions – Uncovering the Drivers in Discovery

"We need a new system…" says the customer. "Great!" says the sales person, "We've got several possibilities for you…!" And the discussion then proceeds to explore lists of features and functions, needs and use cases. This is all wonderful, but what's missing?

"*Why* do you need a new system?" is a critical question to ask, when appropriate. The answer to this question may change the entire dynamic of the Discovery discussion and the resulting sales process.

For example, if the customer responds, "Well, we've been interested in a new system for some time…" it may suggest that the customer is not really serious and that solving the problems inherent in the old system are not sufficiently important – it is not a Critical Business Issue. This sales opportunity is a good candidate for a "no decision" outcome.

On the other hand, if the customer responds, "Well, the COO has mandated implementing a new system to drive down costs and she wants it in place before we complete an upcoming acquisition…," then you have identified a Critical Business Issue ("reduce costs") and a Critical Event (before the acquisition takes place). This sales opportunity is much more likely to end with a completed order.

Burn Victims

"Have you tried to fix this before?" Answers to this question can yield interesting and sometimes surprising information.

Customers who tried to address problems previously and failed are known as "burn victims" – and they tend to be *very* careful about subsequent solutions!

A "Yes" response requires careful follow-up questions. "What happened?" is a good starting point. You want to understand what actions were taken, what tools were purchased, what was implemented, when this all took place – and what were the outcomes for the organization and those who were impacted.

If the answer is "No," your response could be "Why not?" It might be that the problem was never big enough to address (but now it is) or that prior solutions were perceived as insufficient (in what ways?).

What's in a Name? More Than One Might Expect

The process of gathering information about customers' situations is variously labeled "Discovery", "Qualification", "Analysis" and other terms. Interestingly, the *name* used by your organization may encourage or discourage the effectiveness of the process.

Consider: "Qualification" is (often) about putting boundaries around a sales opportunity: "Is it adequately qualified?" This may yield a limited set of answers to questions such as:

- "Does the customer have a problem – have they admitted 'pain'?"
- "Is there budget allocated?"
- "Is there a time-frame in mind?"
- "Do we know the pathway to purchase – who will make the decision?"
- "What alternatives or competitors is the customer also considering?"

The answers to these questions tend to focus inwards on getting the deal done for the vendor.

"Discovery", on the other hand, is all about exploration and suggests images of uncharted waters, novel vistas, new viewpoints and ideas. Discovery is a process of asking questions – that may lead to more questions. It should be perceived as an "Archimedean Spiral" of exploration, covering more and more territory (for those who are inclined, here's the Wikipedia reference: http://en.wikipedia.org/wiki/Archimedean_spiral).

One nearly consistent attribute of very successful sales people (those who consistently make or exceed their numbers and are a pleasure, generally, to work with…) is their ability to perform broad and deep discovery. They ask "Why, who, when, where, what, and how" questions. They plumb for details and search for high-level drivers. To paraphrase a famous outdoors equipment company (The North Face), they never stop exploring.

Interestingly, people who are known as Discoverers or Explorers are often perceived as heroes – those who opened new worlds or brought new knowledge to light: Captain James Cook, Louis Pasteur, Madame Curie, Captain James T. Kirk (who was also known to boldly discover splitting infinitives…). Contrariwise, the list of heroic people who were known for qualifying or putting boundaries around things may be much shorter!

A Few Stunningly Awful Analogies

Presenting a demo to a customer without performing any Discovery is like:

- A doctor prescribing before doing diagnosis… (bad)
- A surgeon cutting random openings before doing diagnosis… (really bad)
- Getting in one's car and driving with no destination in mind… (clueless)
- Punching-in random telephone numbers in hopes of getting connected to a specific person… (really clueless)
- Presenting a 62 slide product and technology presentation on the 27 modules of a vendor's offering, preceded by a 14 slide corporate overview (after spending 10 minutes introducing the vendor's team and their individual backgrounds)… (completely clueless – and all too common!)

Other analogies? Let me know…!

More Discovery – Less Demo

The phrase "less is more" is often applied to Great Demo! methodology – and refers to the idea that demonstrating exactly what is needed for a customer's specific situation yields crisper, shorter and much more successful demos.

Interestingly, with respect to Discovery, one might say that "more *requires* less" – meaning that the more Discovery that is done with the customer, the shorter the resulting demos will need to be to secure the business.

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