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# A Sales Evolution or Revolution?

What's changed in sales methods  
over the past 30 years and what it means  
for modern sales-based organisations.

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By Keith Dugdale and David Lambert, 2014  
*Authors of Smarter Selling: How to grow sales by building trusted relationships*

A 2012 Harvard Business Review article titled *The End of Solution Sales*<sup>1</sup> announced that star sales performers had turned their backs on solution selling. A few years earlier in the book *Selling is Dead*<sup>2</sup>, Neil Rackham, author of *SPIN Selling*<sup>3</sup> (and the originator of what became known as consultative selling) also announced the demise of traditional sales approaches. But is this really true? Has there been a revolution, or is it more of an evolution?

## From traditional to consultative selling and beyond

Traditional approaches (originating from the United States and first documented in E K Strong's 1925 book, *The Psychology of Selling*) characterised by a well-rehearsed pitch, the ability to handle objections and prescribed closing techniques dominated the sales landscape up until the 1988 publication of *SPIN Selling* by Rackham. Backed by research into 35,000 sales calls, Rackham argued that traditional approaches to selling that work in low-value, simple sales do not work for high-value, complex sales. Thus consultative selling was born, and for years to come legions of salespeople and consultants learned to ask questions to identify problems or pain points, to 'push the bruise' to escalate the pain, and then offer the cure.

Solution Selling also became popular during this time, particularly with Information Technology vendors. Articulated by Michael Bosworth in his book *Solution Selling*<sup>4</sup>, the approach was very similar to consultative selling, focusing on identifying a problem that the seller's solution could address, questioning to develop a deeper understanding of the problem, then matching to the seller's solution.

For a time, these approaches flourished, but as early as 2005 Rackham recognised that something was wrong. In the foreword to the book *Selling is Dead*, he wrote:

*"For some years I've felt that classic selling skills models, including many that I have created, rely too heavily on selling solutions to problems. Today, the most dynamic growth opportunities come from divergent offerings. Salespeople following problem-based models often fail to uncover opportunities until very late in the call - if at all. What is needed is an approach that encourages discussion of opportunities much earlier in the sales process."*

By 2012, Bosworth too had reached a similar conclusion:

*"Nearly two decades after the publication of *Solution Selling*, the sales profession hasn't changed much. Other professions have evolved and moved forward, but we're still doing things the same way we did 20 years ago, and it's still not working."*<sup>5</sup>

Daniel Pink neatly summed up the reason why change was needed in his 2012 book, *To Sell is Human*<sup>6</sup>:

*"Much of what we believe about sales derives not from the inherent nature of selling but from the information asymmetry that long defined the context in which people sold. Once that asymmetry diminishes and the seesaw rebalances, everything gets upended."*

*Whether you're in traditional sales or non-sales selling, the low road is now harder to pass and the high road – honesty, directness and transparency – has become the better, more pragmatic, long-term route."*

The ideas we developed for *Smarter Selling*<sup>7</sup>, first published in 2007, grew out of a recognition we also had for the need for change. In *Smarter Selling* we described **how** to make the changes that Rackham, Bosworth, Pink and others have recognised need to happen – the move from problem-based consultative selling to a broader, more future oriented approach with a bias for identifying opportunities.

We also recognised the need to re-integrate an appreciation and understanding of the person or people making the buying decision into sales approaches that had become too step-by-step, process-oriented and inflexible. In focusing too much on rehearsed questioning approaches, salespeople had forgotten that people buy from people. The behavioural aspect of the buy-sell relationship was being overlooked. At around the same time, author Dov Siedman<sup>8</sup> noticed the same thing:

*"There is one area where tremendous variety still exists, however, one place that we have not yet analyzed and commoditized, and which, in fact, cannot be commoditized: the realm of human behavior – How we do WHAT we do."*

*The tapestry of human behavior is so varied, so rich, and so global that it presents a rare opportunity, the opportunity to outbehave the competition."*

Our interest in the behavioural or human aspects of the buy-sell relationship ultimately led to the creation of the Octagon Behavioural Questionnaire<sup>9</sup> and the advent of Relationship Capital<sup>10</sup>.

### **From Consultative Selling to The Challenger Sale<sup>11</sup>**

In 2011, while working on the 2<sup>nd</sup> edition of *Smarter Selling*, we contacted Neil Rackham and asked if he would be interested in writing the foreword to the new edition. His response was that under normal circumstances he would, however he was about to write the foreword to a new book that included some of the most critical research in sales approaches conducted for many a year – and he did not want to be over exposed. The book Neil referred to was *The Challenger Sale* by Matthew Dixon and Brent Adamson.

*The Challenger Sale* is based on extensive research conducted through the US-based Corporate Executive Board. From a sample of 683 salespeople engaged in business-to-business relationships across multiple industries, Dixon and Adamson discovered that a type of salesperson described by them as a 'Challenger' achieved massively superior performance in a complex sales environment when compared to the other 4 types

labelled Problem Solver, Relationship Builder, Hard Worker and Lone Wolf. Challengers and Relationship Builders are characterised thus:

The Challenger (27% of sample)	The Relationship Builder (21% of sample)
<ul style="list-style-type: none"> <li>• Always has a different view of the world</li> <li>• Understands the customer's business</li> <li>• Loves to debate</li> <li>• Pushes the customer</li> </ul>	<ul style="list-style-type: none"> <li>• Gets along with everyone</li> <li>• Generous in giving time to help others</li> <li>• Builds strong advocates in customer organization</li> </ul>

While acknowledging that the five groupings are not mutually exclusive, they argued that they were statistically derived and “completely describe the five most common profiles found in the real world.” Their findings gave them the confidence to write an article for the Harvard Business Review website in 2011 declaring that “Selling is not about Relationships.”<sup>12</sup>

In 2012, Keith flew to Washington to meet some of the team responsible for the Challenger research to talk about their findings. A key part of the discussion was around relationships. The Challenger results showed that relationship sellers were not that successful, particularly in complex sales. This runs contrary to our experience, where the building of Relationship Capital is paramount. As it turns out, the issue was purely around the definition of ‘relationship’. In simple terms their findings showed that social (friend) relationships were not very successful, but that relationships built on trust and honesty were. When Dixon and Adamson talk about a relationship they are talking about what we call a social relationship.

Our experience, working with more than 15,000 sales consultants across 4 continents and multiple industries, confirms that social relationships are of very little value and can, in fact, get in the way of doing business. It is not always easy to change the conversation from the weather and family, to business challenges and opportunities. The descriptors of a Challenger salesperson above are completely aligned with the ‘how to’ approaches we outlined in *Smarter Selling*. We also agree that where the relationship allows it, pushing the customer to think ‘outside the box’, to consider causes as well as symptoms, is hugely valuable. However, you can only push the customer if you have established a strong level of trust. Without it, if you push your customer, they will show you the door.

### Let it RAIN

Adding to the debate about relationships, RAIN Group have recently published a number of articles and cited survey results that support their 3 Levels of RAIN Selling approach<sup>13</sup>. The 3 levels are Connect, Convince and Collaborate. The articles authors, Mike Schultz and John Doerr, argue that sales winners apply all 3 of these levels in combination to achieve superior sales performance.

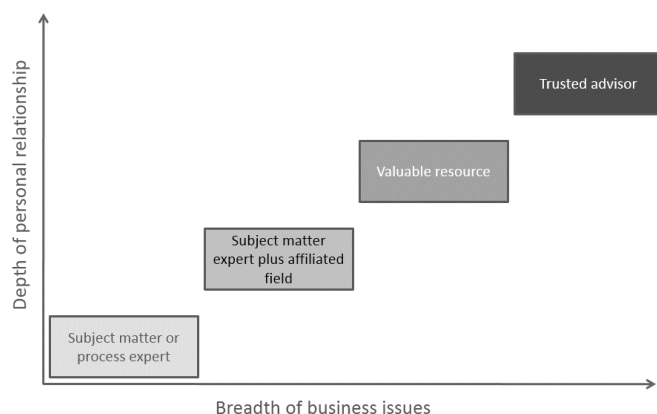
		MAJOR POINTS	INSIGHTS
<b>LEVEL 3</b> <b>COLLABORATE</b>		<b>Sellers who win:</b> <ul style="list-style-type: none"> <li>Collaborate with buyers by being proactive and responsive</li> <li>Collaborate with buyers to educate them with new ideas and perspectives and bring value to the table themselves</li> </ul>	In Level 3, sellers drive demand, create their own opportunities, and become essential to the buyer. Through collaboration the buyer becomes a partner in the process, and owns moving the sale forward as much as the seller.
<b>LEVEL 2</b> <b>CONVINCE</b>		<ul style="list-style-type: none"> <li>Persuade buyers they will achieve worthwhile results</li> <li>Minimize the perception of risk by demonstrating experience, building trust and inspiring confidence</li> <li>Persuade buyers they are the best choice</li> </ul>	Level 2 minimizes losing to “no decision” and maximizes competitive wins.
<b>LEVEL 1</b> <b>CONNECT</b>		<ul style="list-style-type: none"> <li>Connect the dots: they understand buyers’ needs and craft compelling solutions</li> <li>Connect with people: they listen to buyers and connect with them personally</li> </ul>	Solution sales is not dead, but it needs to change fundamentally; it’s no longer enough. Level 1 is simply the price of entry.

Broadly, we agree with the concepts put forward in RAIN’s approach. The psychology is clear, and as long as the salesperson’s positivity is not completely out of synch with the customer’s state of mind then the customer is likely to engage well. In fact, if you take ‘Level 2: Convince’ out of the RAIN process, we believe their ideas are not that different to our own, nor to those elaborated in The Challenger Sale.

### So what’s different?

Where we would add a word of caution is around the level 2 Convince approaches. On the face of it, persuading buyers that you are the right choice seems obvious. However, if persuasion leads to a narrowing of the conversation to your area of expertise or product/service application, it carries two key risks:

- 1) In focusing on your area of expertise you bring the conversation back on to your agenda, you demonstrate self-orientation and you risk moving your trusted advisor<sup>14</sup> status backwards (see graphic on following page).
- 2) In the short-term you miss opportunities that may have emerged if you had not narrowed the conversation and risk limiting the breadth of future discussions. On the flip side, keeping the conversation broad and future-oriented tends to throw up unexpected information and opportunities to help. The most consistent feedback we get on the application of *Smarter Selling* is that the salesperson finds out so much more than they did in the past.



Source: *The Trusted Advisor*, David H Maister, Charles H Green and Robert M Galford, 2001.

We find that persuading intelligent, well read and researched customers is not always a creative and engaging process - when it is clear the aim is to sell your offering. Mindful of the old adage that *'people like to buy, they do not like to be sold to'*, we firmly believe the onus is on proving to your customer that you trust them (such that they in turn will trust you) and one way to achieve this trust is through not trying to control or persuade them.

## Two revolutions with a side order of evolution

The change from traditional 'push' approaches to a problem solving and matching approach (characterised by consultative and solution selling) was a revolution. This does not mean that there are no longer people in a B2B environment clinging to the old ways. Sadly the opposite is true.

The second revolution is the internet. As Daniel Pink noted, the removal of information asymmetry has upended everything. A July 2012 HBR article<sup>1</sup> states that B2B customers completed, on average, nearly 60% of a typical purchasing decision—researching solutions, ranking options, setting requirements, benchmarking pricing, and so on—before even having a conversation with a supplier.

Moreover, the internet and globalisation have fuelled competition to the point where it is now very hard to sustain product or service differentiation for any period of time. Other methods are needed to differentiate.

The side order of evolution is the changed emphasis of salespeople and consultants from being salespeople who know their offerings to being business people who know how to sell. This is demonstrated by the Challenger Sale research, RAIN Group's findings, our own experience and that of many others. Being a business person who sells requires greater and broader knowledge plus curiosity and desire to learn. It also demands a greater focus on behaviour, as noted by Dov Siedman.

Responding to this changed environment takes effort and commitment. As a result, not all organisations are able, or even willing, to make the changes required.

## How can you achieve change, and what does the available research tell us about improving sales skills?

There are many ways to improve sales skills and so increase sales performance. Training is often seen as a panacea, but the painful truth is that training in a vacuum is largely a waste of time and money.

This has been cited many times and was emphasised in a recent report from the CSO Forum<sup>16</sup> based on data from 1,500+ companies. It concluded that

*“... the greatest impact we found had nothing to do with the courses themselves; but rather, what happens after the students leave the classroom.”*

Perhaps more surprisingly, the report also concluded that, while returns on investment vary widely:

*“... on average, commercial training programs generated better improvements in sales performance than internally developed courses. We also saw different returns between individual commercial training offerings.”*

We see this too. Many times we have followed other firms into clients, where the training provided previously has not had the desired impact – often because the training provided reinforced existing internal habits (around customer analysis, handling objections and closing), when what was needed was a change of mindset and an upskilling of peoples’ ability to create and nurture value-based, trusted relationships.

In addition to the RAIN and Challenger Sales Research quoted above, research by the Financial Times, Cranfield University, DDI, Aberdeen Group, AICPA, McKinsey and HBR paints a picture of rapidly changing buyer behaviour, fuelled by advances in technology.

From all this research, we take a few simple pointers for action. We’re not saying these are the only things that should be done, but we are saying that if you undertake these actions, the available research and our own experience and conversations suggest that you’ll see a marked improvement in sales performance:

- 1) **Focus on developing skills that differentiate.** Your product or service is easy to imitate; the behaviour of your salespeople is not.
- 2) **Have a clearly defined account management program and align sales development programs directly with sales goals.** Return on Investment (ROI) measures should be linked to key accounts and should include forward oriented measures of relationship progress in addition to more traditional measures of current or past financial performance.
- 3) **Ensure that you have sufficient internal support to achieve success.** Specifically, have senior executives and line-managers committed to support the sales development program. Without visible support and active sales coaching, any development initiative will fall short of expectations.
- 4) **Do your due diligence.** If you’re working with an external partner, talk to clients of that provider to confirm they helped them achieve the same sustainable changes you are trying to achieve.
- 5) **Invest in people in preference to investing in systems.** Despite rapid advances in technology, in a B2B environment, the face-to-face sales experience remains by far the biggest determinant of buyers’ choice. Dollars invested in Client Relationship Management (CRM) systems at the expense of dollars invested in people have largely failed to deliver the hoped-for improvements in performance.

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**Keith Dugdale** and **David Lambert** are authors of *Smarter Selling: How to grow sales by building trusted relationships* (Financial Times Prentice Hall) and developers of the related training programs which have been delivered to more than 10,000 people worldwide to help them build trusted relationships in business. As the Managing Directors of *The Business of Trust*, and *IOWEU International* respectively, Keith and David work closely with professional services and B2B firms all over the world to help grow their businesses.

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