

# Spark Selling Workshop & Coaching

## Session 4



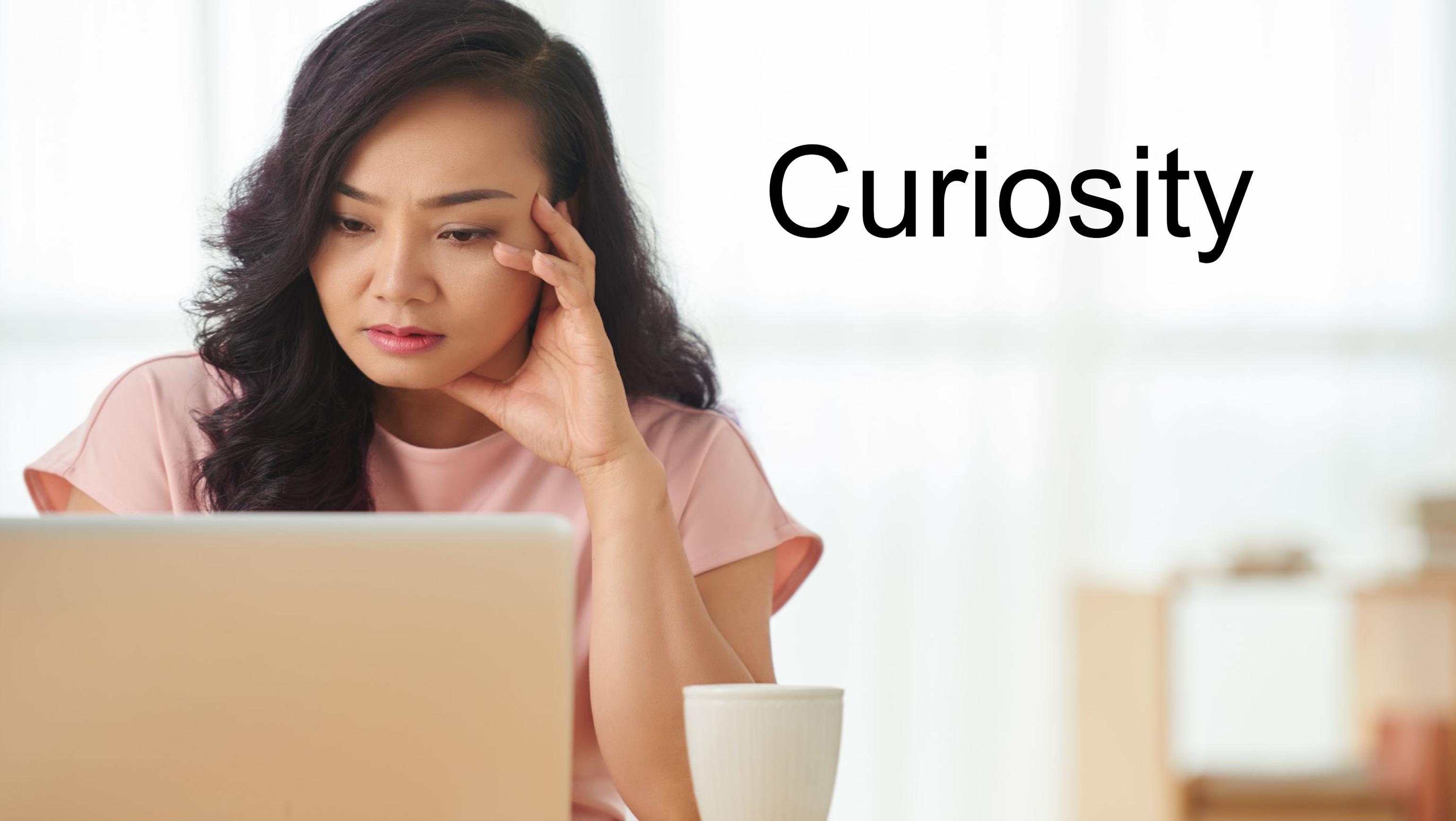
With Jeff Molander & Jed Fleming

Session #3

Effective message cadence,  
sequencing & qualifying

Session #4:

Advanced research &  
communications tactics



# Curiosity

Calls w/  
Direct reports  
(5 min. no selling)

Public docs  
(annual reports, etc.)

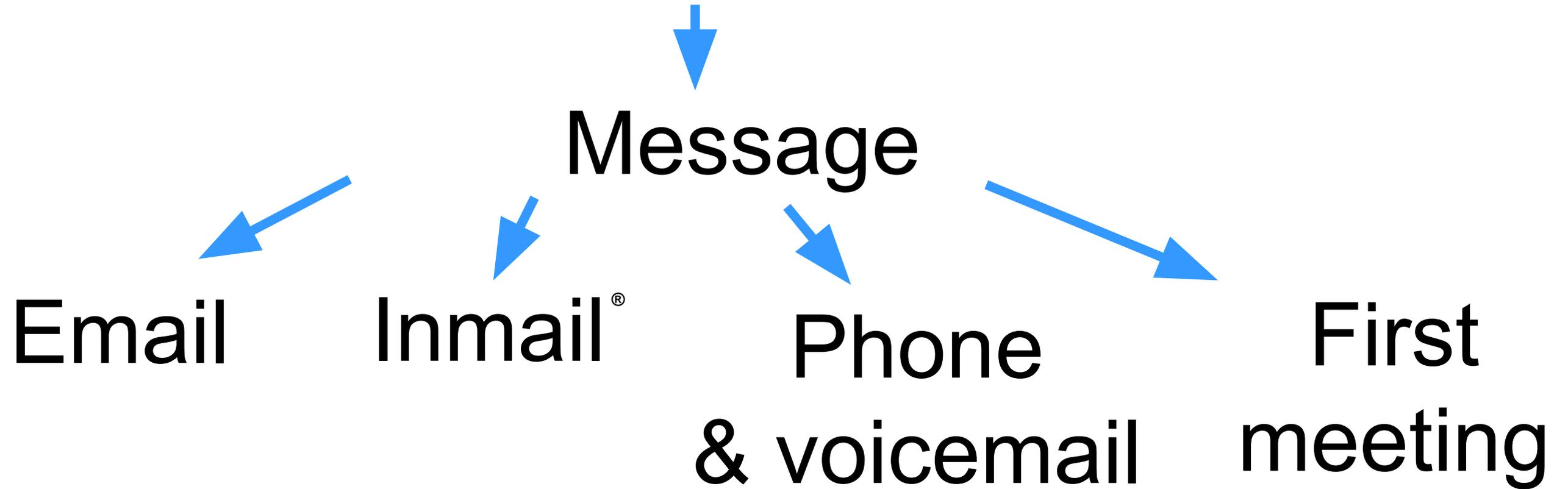
Google  
Searches

Research

Private databases  
(subscription research)

LinkedIn  
Profiles

# Research



# Let's geek-out on research...

## Over to Jed!



With Jeff Molander & Jed Fleming

# Welcome to Session 4 - Change Facilitation & Prospect Research

- ❖ What is Change Facilitation, & why know about it?
- ❖ Integration of Change Facilitation process into today's Sales process
- ❖ How Sales Prospecting is evolving & why it's rooted in Servant Leadership
- ❖ What's a buyer's decision System & why is it important?
- ❖ The importance of 'Context' in the buyer's System
- ❖ Facilitative Questions for different situations, **to use *now***
- ❖ Presumptive Summary examples **you can begin using *now***
- ❖ Introduction to Prospect Research - Tailored & Targeted Messages
- ❖ How Prospect Research Methodology Works - Basic & Intermediate Levels
- ❖ Prospect Research - Sources of strategic insight
- ❖ Industry Publications as good sources of insight



# Already been using Facilitative Questions

## We modified live Email Messages in Workshop Sessions 1-3: Examples are:

Gregg, what are you doing to address the skills gap - given the GBMA / BNMA merger?

What are you doing to address sprains, strains & repetitive stress conditions early, before they become costly?

Are you doing everything possible to keep soft tissue injuries at a minimum?

This triggers me to ask: How are you helping your Leaders be more productive?

Are you doing everything possible to make your Leaders more productive?

How would you know when it's time to consider a different approach to prototyping?

What would cause you to look at different ways to prototype?

How would you know if considering a different approach to prototyping is worth it?

How will you know when it's time to consider a different product development path?

Is preserving the status quo more important than guarding against profit erosion?



Those facilitative questions were used to **obtain the initial conversation.**

Once you're **in the discussion**, use facilitative questions (*must be neutral*) to help your prospect **get what they need, determine internal change they alone can identify & agree to, and demonstrate that your focus is totally on the success of your prospect's business.**

**Today we'll focus primarily on the use of facilitate questions, from the 1st conversation, on.**

# What's Change Facilitation?

A support process to lead buyers through system-based decisions - separate from product-based decisions

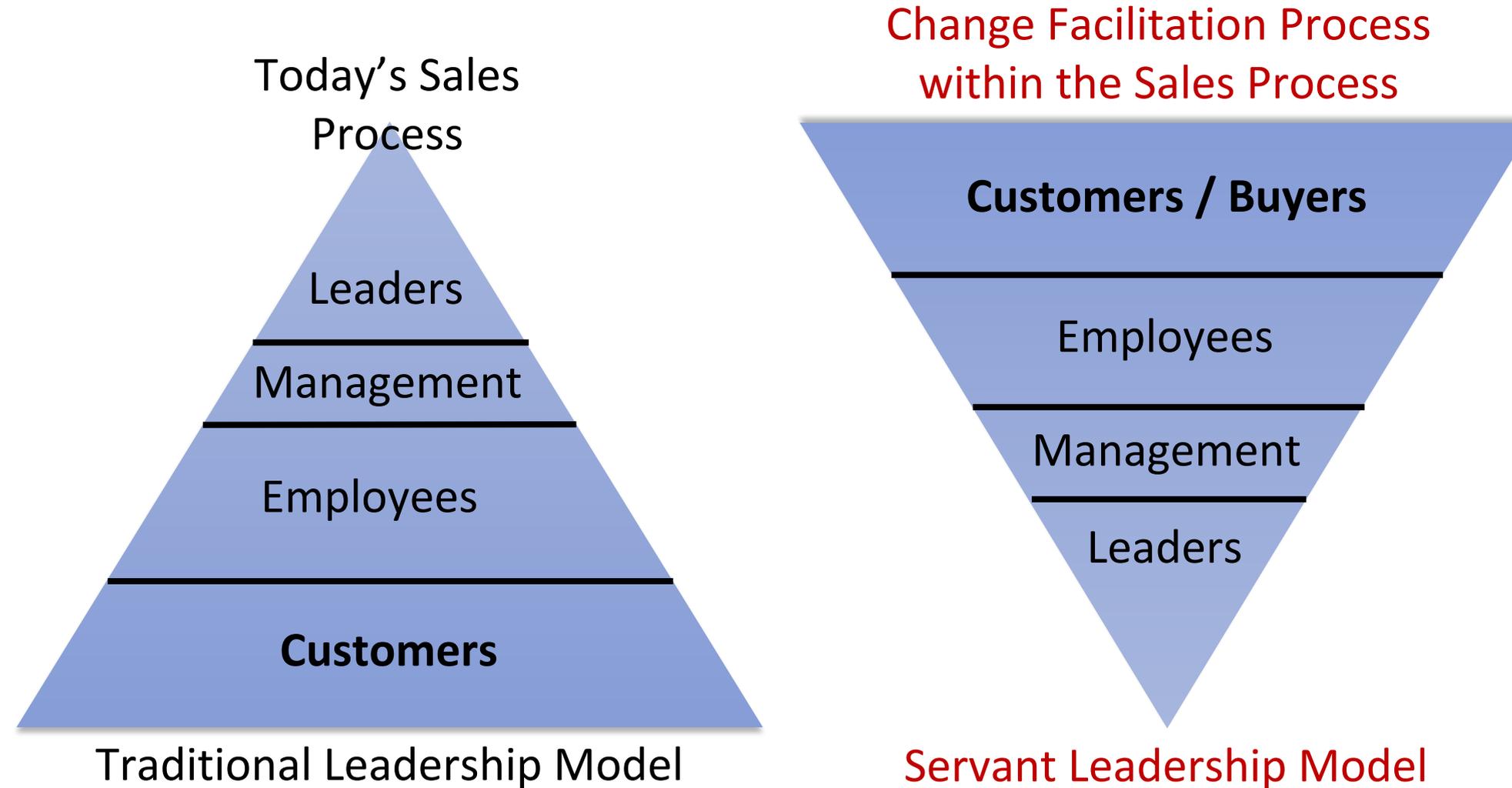
**Neutral Navigators** help buyers steer a process of deciding how they can make changes, choose a new vendor, & fix a problem *by aligning internal 'Systems'*



Investing time in Change Facilitation helps make the sales process easier, faster, more successful



# Servant Leadership

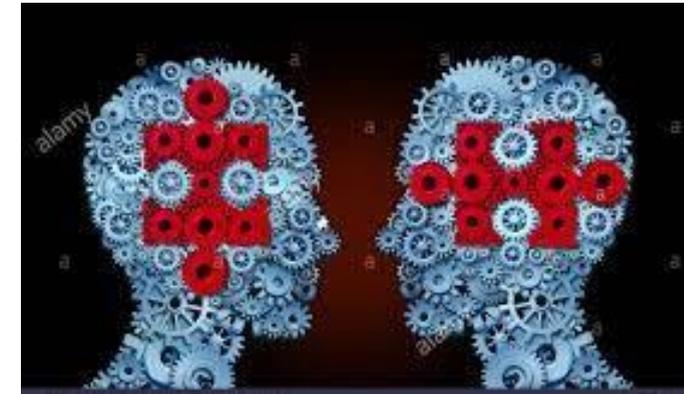


## Why Servant Leadership?

In Change Facilitation, your job is to help navigate a decision you're not part of, & this decision is not about you.

# In Change Facilitation

- ❖ A different job than you're used to
- ❖ Learn to *add* a new style of thinking
- ❖ Listen for **Systems**, not information
- ❖ Listen for **Context**, not content
- ❖ Listen for what's **meant**, not what's said
- ❖ Help resolve challenges to the **status quo**



A 'buying decision' is far more complex than just fixing a problem

- decision to change vs. filling a product need -



How a buyer prepares their 'System' to buy  
can't be managed by today's sales process

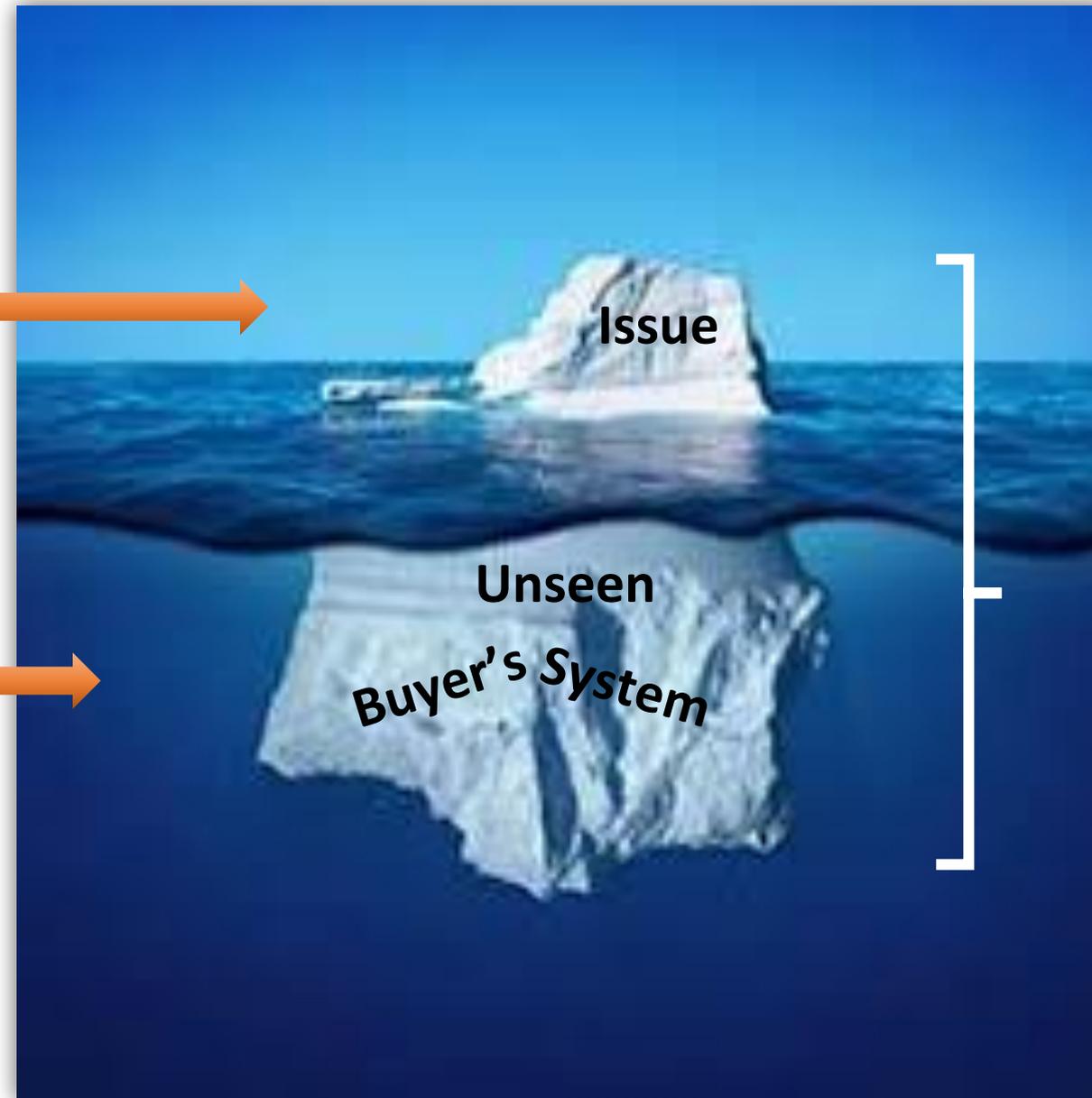
Sales has little to do with whether a buyer ends up in a position to buy,  
unless Sales works within the buyer's 'system' as a neutral navigator

# Buyer's 'System' - Sales Doesn't See or Understand

Business problem or issue



Problem created & held in place by the 'system'



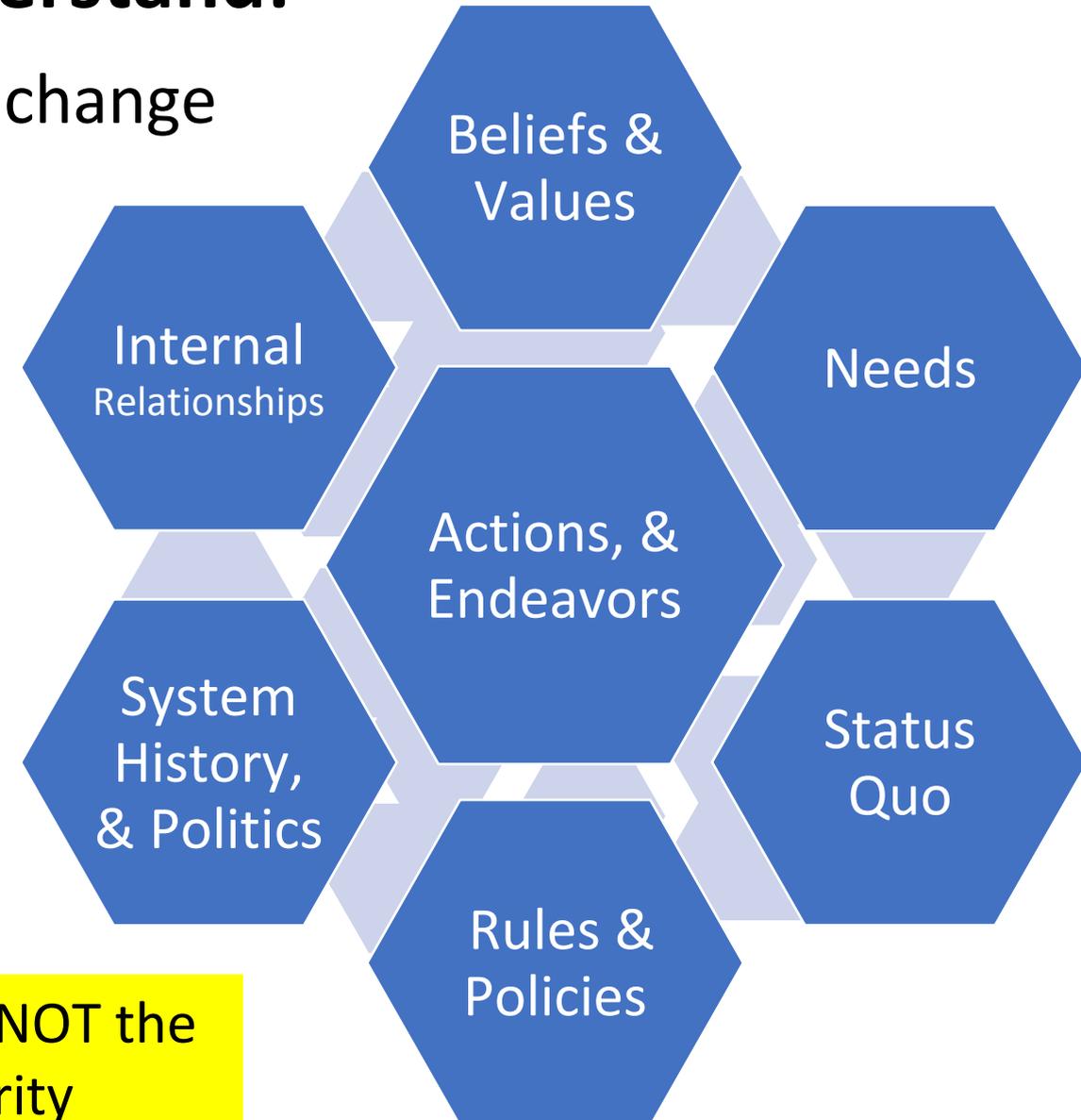
**Entire iceberg must move forward as one buyer's 'system' before buyer will buy**

*Has nothing to do with vendor products/services.*

# Internal Buyer 'Systems' are Complex

## The buyer's 'system' must at least understand:

- ❖ Which elements need to be included in the change
- ❖ Who needs to buy-in
- ❖ What change might look like
- ❖ How disruptive it might be / The risks?
- ❖ Have a plan to manage any disruption
- ❖ How to think in 'Context'



This entire conversation is about the **buyer's decision**, NOT the buyer's need, problem, solution, timing, budget, authority

## In Selling Mode

- Prospect - more careful exchange
- Prospect reveals less
- Looks with caution
- Prospect more closed-minded
- Prospect more guarded
- Vendor – More talking
- Vendor trust takes longer
- Vendor talks about themselves

Amygdala

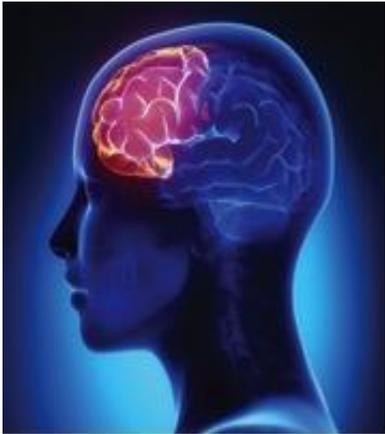


Produces Cortisol  
The Stress  
Hormone

## In Change Facilitation Mode

- A more relaxed exchange
- Prospect reveals more – System
- Engages with interest
- Looks with an open mind
- Prospect more forthcoming
- Vendor – More listening
- Mutual trust develops easier
- Vendor talks about prospect
- System

Prefrontal Cortex



Produces Oxytocin  
The Trust  
/ Bonding  
Hormone

# Understanding “Context”

- ❖ Context: Background, environment, framework, setting, or situation surrounding an event or occurrence.
- ❖ To know Context, we have to focus on changes in Buyer’s decision System, **not selling**



# Using Facilitative Questions – How to Listen

**Lead the buyer through a sequential process of self-discovery, with questions about:**

- ❖ What to look for
- ❖ What to notice
- ❖ What needs to be accounted for
- ❖ What's in the way of moving off the status quo
- ❖ What needs to change in their environment... & more.



**Remember, only the buyer can answer your Facilitative Questions!**

**Facilitative Question Examples:**

How are you currently working with vendors to help you \_\_\_\_\_ ?

How will you manage the internal change of a new \_\_\_\_\_ solution?

How did \_\_\_\_\_ become a problem?

Who's committed to keeping it a problem?

# Developing Un-biased Facilitative Questions

## Keys to selecting the Facilitative Question to ask:

- ❖ Listen for what is “meant”, not what is “said”
- ❖ Ask *mainly* “What” or “How” questions – usually not Why
- ❖ “Why” questions can pass judgment
- ❖ Think buyer systems, & context
- ❖ **Maintain servant leadership & neutral navigator position – It’s all about the buyer**
- ❖ Buyer alone, has to come up with their own best answers – Not sales
- ❖ **When successful, Sales will help shorten the buying cycle**



### Facilitative Question Examples:

How would you know if it was time to reconsider \_\_\_\_\_ ?

What would need to happen to make \_\_\_\_\_ a major priority?

Is keeping the status quo more important than exploring new possibilities that might expand your business?

What needs to happen for the company to agree they want to try something different?

# Facilitative Questions – **Caution**

If you try to develop Facilitative Questions from any mindset other than 'Servant Leader', you'll:

- ❖ Only hear Content & Information, not Systems, not Context
- ❖ Want to pitch
- ❖ Make uninformed assumptions about buyer needs
- ❖ Start gathering 'problem' information too early
- ❖ Try to offer a solution – *You're right back in selling mode*
- ❖ *Translates to less reliable pipeline & sales forecasts*



# Examples of Facilitative Questions

## **Opening questions for the first few email / VM messages, and early conversation – Situation-dependent:**

How would you know if it were time to add new \_\_\_\_\_ to what you're already providing to your team?

How is your current vendor helping you be as successful as you want to be, so that you're getting all you need from them?

How are you currently working with vendors to help you \_\_\_\_\_ ?

How are you adding new vendors when you're looking for new <service or product> lines?

Before your team decides to add a new vendor relationship, what internal issues would need to be managed?

How would you know if it was time to reconsider \_\_\_\_\_ ?

What needs to happen for the company to agree they want to try something different – to improve the numbers?

Is keeping the status quo more important than exploring new possibilities that might expand your business?

What would need to happen to make this a major priority?

## **Questions in a discussion after a problem has been identified – Situation-dependent:**

How did \_\_\_\_\_ become a problem?

Who's committed to keeping it a problem?

What's stopping you from having a <system or solution or service> that's better than OK?

What's stopping you from making it better?

Would doing something different make a difference?

What would success look like to you?

What do you want to get out of a <product or service> that differs from what you have now?

What needs to happen for the team to welcome change?

What relationship issues need to be addressed?

How will you know how much you're being adversely affected by analytics insight you don't have?

# Examples of Facilitative Questions

## Questions in a discussion after a problem has been identified – Situation-dependent: *(Continued)*

What is your current thinking about improving with your existing <systems or services>?

What is **not** worth the effort of changing?

What needs to change no matter what?

What needs to happen for the company to agree they want to try something different – to improve the numbers?

Is keeping the status quo more important than exploring new possibilities that might expand your business?

What would need to happen to make this a major priority?

How have you handled these problems in the past? What were the outcomes?

## Questions when the Facilitator & Buyer are further along in the buying process – Situation-dependent:

How will you manage the internal change of a new \_\_\_\_\_ solution?

What is **not** worth the effort of changing?

What needs to change no matter what?

Have you considered all the political & historical factors that got you where you are, & will continue to have influence?

Have you aligned the stakeholder policies that have maintained the status quo?

What would need to happen to have your company get involved in a new service pilot?

How does your company handle change?

What needs to happen for your team to welcome change?

What needs to happen for the company to agree they want to try something different – to improve the numbers?

Is keeping the status quo more important than exploring new possibilities that might expand your business?

# Presumptive Summary Examples

- ❖ Would sound like this: *[can be used in the beginning of many prospecting calls]*  
**“It sounds like your current vendor is helping you be as successful as you want to be, and you’re getting all you need from them.”**
- ❖ To a prospective buyer who says they’ve always done all of their own training inhouse: **“Sounds like you do the best job figuring out the skills your folks need to develop, and provide the best material to help them succeed.”**
- ❖ (Listen for what is “meant”, not what is “said.”)



# Prospect Research

- ❖ CEO / C-Suite: Tailored (1-to-1) (*always*)
- ❖ EVP / SVP / VP: Tailored when possible
- ❖ VP / Director / Mgr.: Mainly Targeted (1-to-Many)
- ❖ Walking through 2 (Tailored) Research examples:

**Pfizer & AMD**



# Sales Prospect Research - Tailored (1-to-1)



Prospect "Company" Research – Find that "nugget of strategic insight" MOST important to the CEO

## 1. Where to find Strategic Insight (examples):

**Where:** [Annual Report](#); [Company 10k Report](#); [Strategic Plan](#); [Forbes](#); [Hoovers](#); [Dun & Bradstreet](#) (for privately-held companies); [Biz Journals](#); [Bloomberg](#); [Harvard Business Review](#); [PWC](#); [Google](#) - Various key words / key phrases (*dig 6-8 Google screens deep*).

## 2. Company Financials – Highlights & Insight of Trends...Last 3 Years (if available):

**Income Statement:** Gross Revenue / Cost of Revenue / Total Operating Expense / SG&A / R&D / Gross Margin / Net Income.

**Balance Sheet:** Cash on Hand / Net Receivables / Total Assets / Curr. Liabilities / Long-Term Debt / Common Stock / Stockholder Equity.

**Cash Flow:** Cash Flow from Operat. & Invest. Activities / Cash Flow from Financing Activities / Change in Cash & Cash Equivalents.

**Ratios:** Leverage Ratios: (debt to asset & debt to equity ratio); Liquidity Ratios: Quick Ratio & Current Ratio; Profitability Ratios: Net Profit Margin, Return on Equity, & ROI.

**Where to Locate Financials:** in [Annual Report](#) & [Yahoo Finance](#) (if publicly-traded); [Dun & Bradstreet](#) (for privately-held), [more](#).

## 3. Top 2-3 Financial Measurements & Business Drivers by Industry or Company:

**Where:** [Google Searches](#), [Industry Trade publ.](#), [Company Annual Report](#), 10k Rpt., Company website (sometimes), and more

**Aspects of a Business Driver:** Affects Performance, Is Measurable, Compares to a Standard, & Can be Acted upon.

# Basic Business Ratios to Consider

1. **Quick Ratio:** Also called the [acid test](#). How well current liabilities are covered by cash. Inventory takes time to sell and convert into [liquid assets](#). Companies like to have at least a 1:1 ratio here. **(Current Assets - Inventory) / Current Liabilities**
  
2. **Current Ratio:** **Current Assets / Current Liabilities**: This ratio measures the financial strength of the company. 2:1 is treated as the ideal ratio, but it depends on the industry. **Current Assets** = Stock, Debtor, Cash and bank, receivables, loan and advances, and other current assets. **Current Liability** = Creditor, Short-term loan, bank overdraft, outstanding expenses, & other current liability
  
3. **Earnings Per Share:** **(Net Income - Dividends on Preferred Stock) / Average Outstanding Common Shares**
  
4. **Debt-Equity Ratio:** Borrowing too much can reduce the safety margins behind what a company owes, jack up its [fixed charges](#), reduce earnings available for dividends and even cause a [financial crisis](#). **(Long-term Debt + Short-term Debt) / Shareholder Equity**. A modest ratio of 0.23, acceptable under most circumstances.
  
5. **Profit Margin:** **(Net Income / Gross Revenue) X 100**
6. P/E Ratio (Price / Earnings)
7. **Price / Book:** Stock is trading at \_\_\_\_ X Book Value
8. **ROA** = 6.47% = Management Effectiveness
9. **ROE** = 16.96% = Management Effectiveness

# Sample Strategic Insight - VF Corporation - Parent to Vans

## VF Corporation - Annual Report 2017:

From the CEO: Letter to Shareholders - Delivering on our Commitments:

**Our Brands:** 25 brands in 3 business segments:

**Outdoor & Action Sports:** Vans, The North Face, Timberland, Kipling, Napa Pijra, Timberland PR, SmartWood, JanSport, Eastpac, Reef, Eagle Creek

**Jeanswear:** Wrangler, Lee, Riders, Rustler, Wrangler Riggs, Rock & Republic.

**Imagewear:** Dickies, Red Kap, Bulwark FR, Workrite, Walls, Kodiak, Terra, Horrace Small.

2017 was a strong year for VF – a year that began with an intense focus on **transforming VF Corporation into a more consumer- and retail-centric company**.  
Now it's time to build on our early momentum and continue to deliver on our commitments as long-term value creators

We also challenged our teams to work with senior leaders to increase our organization's metabolic rate – to move faster, collaborate more and transform the way we work.

### **OUR STRATEGY:**

2017 saw the introduction of our **2021 Global Business Strategy**, which **outlines our five-year plan to transform VF and accelerate growth around the world**.

**Our strategy focuses on a set of key mega-choices that will unlock new opportunities for sustained success:**

- Reshaping VF's portfolio and enabling our powerful brands;
- Transforming to a more consumer- and retail-centric model;
- **Elevating our direct-to-consumer (DTC) business, while prioritizing digital;** and,
- Distorting our investments toward Asia, with a heightened focus on China.

# Prospect Business Research - Recipe Unlimited - Parent to Swiss Chalet

**We'll empower these strategic choices with increased investment and focus on six critical capabilities:**

- Design and innovation;
- Demand creation and brand experience;
- Insights and analytics;
- Retail excellence;
- Demand and supply chain agility; and,
- Talent.

**In year one of our new business strategy, we:** Invested in new capabilities and leveraged brand assets to fuel our digital platform

**LOOKING AHEAD** As we look to solid performance and results in fiscal year 2019, **we have identified four areas of strategic focus that will further elevate our performance.** We will:

- 1) Maximize value creation and optimize our portfolio;
- 2) Accelerate our consumer-centric transformation and growth;
- 3) Drive operational efficiency to create investment capacity to fund our highest priority growth initiatives; and,
- 4) Create and enable a high-performance culture. Along the way, we will sharpen our strategy and our employee value proposition, further uniting us in our commitment to be a catalyst for movements that improve lives and make our world a better place.

**2021 Global Business Strategy:** (Strategic Choices)

1. Reshape Our Portfolio
2. Transform Our Business Model
3. Elevate Direct-to-Consumer; **Prioritize Digital:**
4. Distort Toward Asia

**RISK FACTORS:**

RECP.TO at (C)\$27.51/share (\$24 to \$30, 52 week range).

Price / Book: 3.46 (RECP is **Undervalued**, Stock trading at only 3.46 times Book Value)

ROA = 6.47% = Management Effectiveness

ROE = 16.96% = Management Effectiveness

P/E Ratio: 19 (\$19 in share price for every dollar of Equity.)

In late 2018, company insiders increased their holdings...good sign.

## **But:**

Here's the "**But**": Current Ratio = .41 (paying 59% of short term debt with long-term loans: LTD \$109.8M)  
(Otherwise, cash flow would be a serious problem. **Organic cash** flow IS a problem today.)

**Volatility:** Beta = 1.02 (under 1.0 is preferable) Historic volatility has been a problem for this stock...  
and this is based largely on company fundamentals.

Therefore increasing **top line revenue, reducing operating costs, reducing LTD, improving EPS, & improving Cash Flow** are priorities for RECP.

Session #1

Spark selling method:  
success principles

Session #2

Scaleable ways to provoke  
response

Session #3

Effective message cadence,  
sequencing & qualifying

Session #4:

Change facilitation & research  
deep-dive

# Spark Selling Workshop & Coaching

**Congrats!**



**With Jeff Molander & Jed Fleming**