

# One Knight in Product - E143 - Matt Dixon

📅 Wed, Oct 26, 2022 9:28PM 🕒 43:49

## SUMMARY KEYWORDS

customer, salespeople, product, book, sales, indecision, people, companies, challenger sale, research, challenger, solution, sell, create, organisation, challenge, talk, question, conventional wisdom, jolt

## SPEAKERS

Matt Dixon, Jason Knight

---



Jason Knight 00:00

Hello, and welcome to the show and the first of a two part series where we're going to learn how to sell, sell, sell. Wait, what? Sell? Oh, we put up people all about delighting the user and product lead growth? Well, yeah, sure, but there are plenty of products out there that still need salespeople to sell them. So we should probably understand how we can help them do that. Or we won't be delighting any users at all. Speaking of delighting, I challenge you to head over to one night in product.com. After this way, you can find interviews with your favourite thought leaders and some up and coming stars in and around product management. You can sign up to the mailing list or subscribe on your favourite podcast app to make sure you're never underrated again. So this episode for closers, if you want to find out why your biggest competitor isn't a competitor at all, stay with us on one.



Jason Knight 00:55

So my guest tonight is Matt Dixon. Matt's a Wall Street Journal best selling author who says he hates it when thought leaders pass off opinion as fact. Luckily, Matt's a renowned data driven expert in customer behaviour. Wait, what? customer behaviour? That's right, as regular fans are my content right now I'm big fan of product, people understanding more about how sales works. What better way to do that and talk to one of the masters. Max co authored 2000 elevens, the challenger sale which shook up the world of b2b selling, and introduced us all to rational drowning, who's here tonight to talk about a different problem, customer indecision, and how we might jolt our way to sales success. Hi, Matt, how are you tonight?



Matt Dixon 01:29

Jason, wonderful to be with you. I think maybe customer misbehaviour is what we're going to be talking about. In this conversation.



Jason Knight 01:37



Jason Knight 01:37

Yeah, well, we're gonna come back to that. But it's almost at the Thinking Fast and Slow of sales, which is, that's why I'm all here for that. Yeah, but first things first, a lot of my listeners are product people start on folks, entrepreneurs, as we discussed before this call, maybe not all experts in sales, although some might think they are many of them, just finding their way into it to some extent. So before we get into any of the details, I just want to kind of talk a little bit about you and your background, and why we should be listening to you about this sort of stuff. Sure. But at the moment, you're the founding partner at DCM insights, which is just under a year old, I think, give or take. That's right. So what's your day job at the moment? And what are you doing? Aside from writing books? Yeah, we're,



Matt Dixon 02:14

we're actually a research company. So we're really focused on doing new, hopefully, and not it doesn't always pan out this way. But ideally, groundbreaking research around changes in customer buying behaviour in helping sales teams, marketing teams, product teams, customer experience teams, Customer Success and Support teams to try to adapt what they do in light of the changing ways in which customers behave or misbehave as a word.



Jason Knight 02:41

That was that very much then almost like fundamental research that you do kind of for the money, or do you also get involved in engagements for specific companies to try and help them out?



Matt Dixon 02:50

Yeah, it's a great question, actually. So both. So we've got, we've got a couple of big research projects underway. So one of which we've just wrapped up around, dealing with customer indecision, publishing the book, the jolt effect, that's coming out just in a few weeks time, actually, here in September. And then we've got a new project we've just kicked off, we're actually studying for the first time, this is our first industry specific study, we're looking at what great professional services partners do to attract, grow, retain a client relationships. So we're talking about lawyers, accountants, investment bankers, management, consultants, architects, you know, executive search consultants, etc. And then we've also done research kind of bespoke research for specific companies. So we worked recently with a medical device company to do kind of a voice of the customer analysis to understand what their what it actually we're really focused on their perceptions of the value or in some cases, lack of value their salespeople are delivering during the commercial process. So



Jason Knight 03:50

sounds like you've got quite a wide remit, but hopefully, we can talk about some SAS stuff in there as well, for sure. Because, you know, professional services is great and all but you know, SAS or SAS is where it's Whoa, mix, you know, I'm okay with that mix as well. But yeah, I'd say that given the you've written a couple of classic books on sales, or COVID, and in some cases,

in fact, I think three classic books or won about to be classic book, hopefully. So you've written the Challenger sale, you've written the Challenger customer, you've written the jolt effect. Obviously, I know you've done the book on customer success as well. And you could argue that these books, it wouldn't even be much of an argument. I guess that these books are foundational reading for b2b sales teams. But I was curious based on a quick scan through your professional background, whether you've ever been like the Glengarry Glen Ross style, hard bitten salesman, trying to trying to make ends meet selling deal to deal making your quota, or have you always been more of a consultant research type that has been trying to help people at scale?

M

Matt Dixon 04:46

Yeah, I to be very clear, I've never been a salesperson, which is I actually think you know, what makes our perspective a bit unique. I mean, you can pick up any number of wonderful books written by people who've been salespeople versus So salespeople lead successful sales teams or organisations, our perspective has always been a bit different. I'm a researcher by trade. And by, you know, in terms of my background, all of the people that I have co written books and articles with are also trained researchers. And what we try to bring is sort of a an outsider's perspective on this question of, you know, what do best salespeople do differently? What you know, how are they adapting to changes customer buying behaviour, we bring data plus kind of storytelling, social science research to bear. And every once in a while we find a, you know, very counterintuitive, not always right, sometimes what we find is confirmatory. But sometimes we find like in some of the books you mentioned, ends up being really surprising to people. But I think we're always careful to say, as you were talking about challenger, I think a bit here and jolt effect. We didn't invent any of this stuff, right? These are these are things that best very gifted and talented salespeople were or had already figured out on their own. We just identified it with research methods and data. And then we told the story to try to make it actionable and applicable and understandable for everybody else. But we didn't invent it. So



Jason Knight 06:08

no trademarks here. Yeah, but you spent 18 years give or take CB which is, back in the day, when you wrote the Challenger sale in the first place. I think that stands for Corporate Executive Board if my researchers have done the job, right. That's right. And now they got acquired by Gartner back in 2017. Correct. So that's all gone now. But I guess the work use, as you kind of touched on what you did on the Challenger sale really was the combination, not the research that you did there. But given that you're not a salesperson by trade, I have to ask, why is it that you decided to double down in those areas and try and help solve those problems?

M

Matt Dixon 06:42

I? That's a really good question. I think it's it for lack of a better explanation. It's fun. And I think, I think there's a real lack of, you know, if we're, if we're honest, there's a lack of real database research that's been done in sales. And I would argue in customer experience, customer success, customer support as well. I think what what is filled the void, when there's a lack of research, we look at finance, you look at marketing, you look at HR, you look at

procurement, supply chain management, there's a lot of I mean, there are academic journals devoted to these disciplines. There's a mountain of research around marketing, but there's a real lack of hard hitting database research around sales, around customer experience, but what fills the void is a lot of personal opinion and conventional wisdom. And I think, you know, we tend to then convince ourselves of these things, and they become sort of woven into the fabric of, of how we sell or how we manage ourselves, or how we manage our teams, or how we run our call centre, or, you know, how we think about what customers want in terms of customer experience. That's what makes it so fun is when you study some of these pillars of conventional wisdom with data, you actually find out that some of them are actually flawed, they feel good. But they're actually not they don't stand the test of data, if that makes sense.



Jason Knight 07:55

No, absolutely. I think, you know, as a product guy, myself having data to back up your assertions or hypotheses also, to, as you say, kind of disprove them, I think it can be really helpful, because, you know, if you're going in there trying to disprove them, and you still prove them, then you know, you've got something right. Yeah. But you've touched on it a little bit, of course, that there's a lot of opinion based kind of law meat salespeople out there that are just sort of, you know, going off of adrenaline and doing that whole kind of, you know, heartbeat and salesperson thing. Do you feel that there's been any pushback on any of the stuff that you've written by some of those people, or maybe just the sales community in general, because they are kind of a bit more instinctive and less data back historically, and they kind of look at you as this almost outsider that's come in and said, Do it all like this, or that this is the best way to do it? And they're like, well, right, Hey, hang on a minute, this guy's never sold a thing in his life.



Matt Dixon 08:44

Ya know, 100%. And in fact, I think you're, I think you're quite right in it comes from all corners. It's not just the hard bitten salesperson, the lifelong salesperson, it's, you know, it's the sales trainer, or the consultant who's out there who's been who's actually whose livelihood and whose product and solution is based on something that we're saying is actually flawed or is based on assumption and conventional wisdom. So what I found with challenger is the world kind of divided into a couple of the sales world, at least the people who read it, the half the world, loved it and said, Now I know what explains why this person is really successful, or why the way I've sold has actually really worked for me, or in some cases, the entrepreneur or the startup founder, for instance, you will talk about challenger in a little bit more detail, but But I think when they read that book, they say, boy, this is how I built this business. I went out there and I challenge because and I, because you have to when you're starting a new business, right? There's no sometimes you're dislodging an incumbent. And sometimes you are creating a you've got to carve out budget for something that the customer had no idea they even need it before, right? So you know, the only way you can be successful is by challenging and what frustrates entrepreneurs and founders is that the as they scale the sales team, they find that the people they bring on it kind of they lose their mojo with it and now they're just talking about feeds and speeds and features and benefits. And they they've lost what Nate what got put the company on the map. And so founder is speaks to founders. But so then there's the other half the world who totally hate it, right? hate everything it stands for. But what's interesting about that, and I think there's a little bit of like an Escher drawing in here

somewhere one hand is drawn. The other is what's so interesting about that is when you push the argument to that level, where half the world violently agrees, and half the world violently disagrees. Everybody wants to talk about it. And it creates a lot of debates. And so for us, at least as we were building a business, and we were trying to make a name for ourselves, what we found so interesting is that we got called into lots of discussions where people were just sharpening their knives ready to know, they wanted to hear us talk about it, but they knew they disagreed. And then other people who were like, Yes, finally, somebody's codified what what it is, I know my best sellers do, but there were lots of wonderful conversations on both sides of those that were had in the ensuing years.



Jason Knight 10:55

Sounds good. Also, any publicity is good publicity. Right? That's right. Should that marketing book next? Yeah. Now I've read it twice in my time, and it seemed proudly behind me on my bookshelf, although no one can see that, because this is an audio podcast, but you'll have to trust me there. I put it there. I can see it. There it is. Oh, this old thing that just happened to be there. But for everyone else's benefit, and those who haven't made it yet, what is the core hypothesis of the Challenger sale? Yeah,



Matt Dixon 11:21

so I want to do Jason's maybe take even a step back and say, you know, what, got us to the, to even study there. So, you know, I think, for if I were to over the Grand kind of arc of sales history, at least in the last 30 or 40 years, it b2b salespeople have grown up in a world where they have been taught to be good solution sellers. And what that means at its core is going in and asking, finding out what's keeping your customer up at night, and then prescribing a solution that might address what's keeping them up at night. It's all about asking great questions, diagnosing needs, etc. And I think, you know, as we, the years before the research, we'd sort of sensed a disturbance in the Force. And it was that, you know, sales leaders were telling us, that approach, which worked really well in the 70s 80s 90s seems to be wobbling a bit. And the thing that's causing it to wobble is the fact that customers today are inundated with information. In fact, they're out there learning on their own. So one of the data points we talk about, actually, in the Challenger customer, though, when I present the Challenger sale research, I actually start with the data point is that the average customer is almost 60% of the way through the buying journey before they ever reach out to a salesperson. So gone are the days where the customer has no idea what they need. And and you can go in and ask them, what's keeping them up at night, and then talk about your feeds and speeds and do your demo and so on and so forth. The customer today has already figured out what's keeping them up at night. They've already researched competitors out there vendors and suppliers they could work with. They've created a shortlist they've even probably figured out about how much this is going to cost them. And then they create that shortlist. And they call a few players, and they force them to compete on price. And that puts the salesperson in quite a difficult spot. So the Challenger sale was really a study designed to understand what do the best salespeople do in that world where customers learn on their own. And the big takeaway was this is that in the first go round, we collected data on about 6000 b2b salespeople across industry, including many in in SAS and in the high tech sector. And that data set later expanded into roughly a quarter million salespeople around the world. And what we found is down to the very last person, each salesperson could be placed statistically into one of five different selling profiles

or approaches. So you've got hard workers who are very focused on kind of throughput and volume of opportunities and just work in the numbers, right? They treat sales like a factory floor, you've got challengers who are kind of like the debaters on the team, right? They've got to a point of view and they're not afraid to use that point of view to push the customer a bit out, not physically, but push them a bit intellectually outside. Right? That's right, you as if you could even do that, right. Zoom has not developed that capability just yet. The physical kind of book. So push the customer intellectually, to bring new ideas about how to make money, how to save money, how to mitigate risk, things that customer hadn't even thought of before. You've got your relationship builders, relationship builders with a classic needs diagnosis rep. Come in, find out what's keeping the customer up at night advocate for that customer, respond and react to whatever they they ask for. You've got your lone wolves, your lone wolves are kind of like the prima donnas of the sales organisation. They, they don't use your marketing collateral, they sell product features that don't yet exist. They sell things you you know, they seem right. They ask for forgiveness instead of permission.



Jason Knight 14:35

They don't even ask for forgiveness. Yeah, that's right. Well, in most



Matt Dixon 14:38

companies, if we're Frank, accepting regulated businesses, if they kill their number, they're allowed to get away with that. Yeah. 100% And then the last profile was the problem solver, problem solvers kind of like a customer success or customer support person but in salespersons clothing so more more interested in post deal execution and making sure the customer is quite happy with what they purchase, which customers while but but sales managers can see And because they want to hand that off to the cause the CES team or to the the implementation team. Yeah. So when we look at that, so if I propose academically interesting, but we look at this and we overlay performance, what we found was two things. The first thing we found is that when you look at performance across the board, there are basically if you look at average performers, there's even representation across all five of those profiles. But when you look at high performers, so the top 20% of sellers challengers win by a mile, so or I should say kilometre since we're, you're in London,



Jason Knight 15:29

so we do miles we do most Okay, fine. Especially after Brexit, that's all say for another generation.



Matt Dixon 15:35

That's right. So they win by a wide margin. It's actually, I think, what we found is that challenges were 39% of high performers. The bigger surprises this, though, was not so much that the challenge was when it was that the relationship builders, the people who sell exactly the way we were telling people to sell, go in and find out what's keeping that customer up at night, finished dead last, only 7% of high performers fell into that relationship builder profile.

And actually, when we look at as sales become more complex, as solutions and offerings become more sophisticated, that spread grows even more. So you find that in truly complex sales challenges are 54% of the high performer population and relationship builders are only 4%. So the spread, widens. And what it told us was this, and we talked challenges, what makes them unique are a whole host of things. But the primary thing again, is that they bring that point of view, that idea the customer hasn't even considered before. And what it told us is gone are the days of asking the customer what's keeping them up at night, because today customers can learn on their own. But the thing they can't learn on their own, is the thing that typically should be keeping them up at night is the unseen opportunity. And that's what the challenge is leading with that thought provoking, counterintuitive, frame breaking idea that gets the customer. Importantly, not just to think differently about my product and my company, but to think differently about themselves. And so that's what that's what challenges do really well.



Jason Knight 16:57

So it's like a Jedi mind trick is what we're saying here going back to that Star Wars.



Matt Dixon 17:00

It's a bit of a Jedi mind trick. But you know what's so interesting? Is that a big part of Challenger, I think, what made it unique? Was it yes, it's a story of these skills. How do you teach the customer something new? How do you tailor that message, depending on who you're selling to? How do you take control and hold your ground and key moments in the sale, but a big part of it was, and this is where you know, product and in marketing and the rest of the organisation really plays a big role. It's not just about individual salesperson skills. It's also that organisational capability. So we've got to in order to do this, this isn't free consulting, we're not just trying to introduce new ideas and opportunities that we can't solve, what we're trying to do is create an opportunity that ties cleanly to what makes our product unique. And what that requires is that product and marketing and leadership are able to define the reason the customer should buy your product instead of your competitors products. And then you architect a story that starts a problem maybe starts a fire that leads to the fire extinguisher that only your products can put out that conflagration you've created for the customer. So, yeah, I mean, it sounds like a bit of a parlour trick. But but we've seen a lot of companies be successful with this. But the important thing is it doesn't start with the product. It doesn't lead with the product and what makes it unique. It leads to the product and what makes it unique.



Jason Knight 18:18

Yeah, it's interesting, actually, if we think about some of the ways that product and user research, people will go out there and talk to people you're trying to understand their jobs to be done and things like that. I mean, this isn't quite the same, because you're not asking to some extent, you're kind of telling to some extent, but it still feels a lot more closely aligned with this kind of like going in trying to basically, yeah, I mean, I've read the books, I've you know, I know how some of the approach works, but like going in there. And effectively. I think this is where the rational drowning comes in, like telling them that they've got a problem. Yeah. And then like leading them to really think that they should care about this. And then and then at the last,



you know, the kind of little little punch at the end to say, Oh, by the way, our solution is the best thing to do that and like really leading with their problems or their unknown problems and trying to just differentiate yourself, which feels really super aligned with product in many ways.



**Matt Dixon** 19:06

100%? And actually, I would, I would, I think that things like, you know, really understanding how do your best customers use your product now. So if you think about my last job, before I started my own company, I worked at a SaaS company for about four years. And, you know, one of the things as we were trying to establish product market fit was really and we had a handful of customers, you know, who are keeping us afloat and paying the bills and, and giving us that brag sheet of logos we could take to go raise money. Classic. Yeah, we spent a lot of time trying to understand why do these people love the product so much? You know, because we had built a lot of things that we thought were really cool. But what was so interesting is we sit down and understand the job to be done understand what where do they see the value were to and we we push them hard to articulate. Why do you buy from us because you could buy from lots of different players. In those nuggets, those those became the key, you know differentiators. that were unique, defensible, credible, valuable. And those were the things that we were leading to. So once we define that, which is the hardest part, the rest of it kind of that the second question I think you asked yourself is, what would have to be true for the customer in order for them to want to pay for what makes your product unique. So you've got to then create that need or opportunity in for us, at least and I think is true for many companies. It's not obvious to the customer that they need the thing that your product is best at. And so so you've got to do the legwork. You've got to do the research, you've got to create that story that has both the rational it's factually true that you have this problem or opportunity. And it has the emotional impact, that you care deeply about solving it. And so you know that that is the core of a challenge our approach and you can't really answer that question. salespeople have inklings, I think as to what the answer to that question is, but but really, it requires marketers requires leadership, it requires product to really sit down and have the clashing of swords in the splintering of shields about, you know, look, you know, if you think why your product is the best. And what you run to is platitudes like, well, we're the most customer centric company, and we're the most innovative and the most entrepreneurial. Did you know, we're the leading global solution provider of fill in the blank, by the way, in our research, we found that 80% of companies in every single industry describe themselves that way, which is, by definition, not unique. So you've got to create that Venn diagram of what is the customer looking for now, or things they don't know they should be looking for, but they should be looking for? What do our competitors do? And then what do we do, and where you want to focus in on is the area of overlap between your customers known and unknown needs, and your product capabilities that is not shared by your competitor. And that's where you have a laser focus on your sales pitch.



**Jason Knight** 21:46

Absolutely sounds like a big collaboration between sa product, product marketing, marketing in general sales, get them all together, come out of that winning story. So I've got a couple of quickfire questions from Sure. I've own head of sales. So Kenny, if you're out there, this is for you. So we'll keep these ones short. But the first question is, the challenger sale methodology is obviously proven like it's been about for a bit, it's based on data. So it's hard to argue of, in some ways. Sure. Some people will try. But I guess, what's the perfect scenario, with your



prospects in particular, like the perfect prospect, the perfect product, the perfect thing that you'd go out and be most successful with the Challenger sale methodology? Like we've talked about? complicated products? We've talked about SaaS products, like, yeah, what's the sweet spot that this really makes the most difference?

M

Matt Dixon 22:35

Yeah, that's a great question. I would say to the first one, if I look at a part of this is derived from I think we're now 10 years post writing the book 10 years plus, which makes me feel old. But when I look back on that, and I ask, you know, where, where has it really taken off? And I think it took off in a lot of places. But there are a couple of segments that are types of businesses where just really became part it was like in the water. And these companies are really drinking the Kool Aid, if you will, I think. One is fast moving tech startup world. And I think it's for the reasons we talked about before, because the only way you are successful in that space, is if you can challenge customer thinking because you are either dislodging an incumbent or you are creating a need, that often the customer does not realise they have. And so the only path to victory is is challenging the mental breaking the mental model that the customer has. I think the other area where I've seen this is actually the author of the third of the second one, I think, is in commoditized spaces. So we see a lot of companies that really struggle, you know, commercial lending, where it's the interest rate one bank charges is the same as everyone else, right? I think about executive search firms where we all have access to LinkedIn, like your your candidate Rolodex is the same as mine, think about distributors where other companies distributed literally the same exact product, you know, so then I even talked to a company recently that was in there were miners of rock salt. And that is a very, that is a basic commodity, right? It is exactly the same, and was still able to glean from, you know, some tough discussions, the way that they deliver their product, and they package it. And the way they manage the supply chain fundamentally different from how their competitors did the product itself. The salt is the salt, but the way it was delivered was actually quite unique. So I think that's the second one. And the third one I'd probably say is complex sales, you know, is what we're talking about. Whether it's you know, med devices, sophisticated manufacturing, robotics, things like that, long cycle construction, there's another one long cycle sales, that challenger approach really does resonate with those types of companies.



Jason Knight 24:47

Sounds good. Well, let's make sure those people buy the book. Second quickfire question, what aspects of the book do you find most difficult to land with sales teams?

M

Matt Dixon 24:55

Gosh, I think the hardest one Probably is that in this again to go back to the organisational role in getting challenger, right? If you've got nothing insightful to share, if you don't have a real database story that creates that rational drowning that emotional impact that leads to your solution. If you don't have what we call commercial insight, that you're not challenging, you're just annoying. You know, because you have a lot of salespeople go out there and think that after reading it, well, I should just go out and tell my customers, they're doing it wrong. And if you've got nothing to replace that with, if you don't have a better insight, then again, you're

just aggravating your customers. And that's a recipe for disaster. So I think that's the hardest part actually, I think that part of the second thing for salespeople is, it can feel uncomfortable, right for them, especially if they grew up as kind of relationship builders, everyone wants their customer to smile and nod and love them and, and be in they want, you know, they'd love the happy years of, you know, great sales conversation. So it can feel uncomfortable to go in and have the create what we call constructive tension in the dialogue with customer. So getting salespeople comfortable with that, and understanding that that's actually it, even though it's counterintuitive. That's actually what your customers are looking for. That's the value they see in your interactions is your ability to change the way they think and to challenge. We've done 1000s of interviews with customers, everyone from C level executives to board chairs and board members down to middle managers. And almost to a person they say, the thing that salespeople in suppliers and vendors don't understand is that I see them as a window into the outside world for me, they're going to meet with more people like me in a week that I'm going to meet within a year. So don't ask me what's keeping me up at night, tell me what should be keeping me up. And I bring that challenge my thinking they're desperate for that.



Jason Knight 26:42

Sounds good. And again, great advice for the first part of the sale, but the Challenger sale talks about owning the conversation and doing some of the stuff you just said. But there's another second part of the conversation that we should be talking about now. And this is about your new book, The jolt effect, which is talking a lot more about not so much owning a conversation, but how most sales deals are lost, not to a competitor, or to an alternative solution. But basically to no decision at all. No decision. That's right, which obviously is for a product person really disappointing. Because as product people are sitting there saying, Well, you know, we solved this problem the best or we got the best features or we've got the best deal. So the best that you do nothing. Yeah, this starts with thinking about some of the work that people like April Dunford have done around positioning work and like yeah, how there's always either just excel that they can use or get an intern to do it or something like that. Yeah. But ultimately, in the book, you're saying that there's no decision problem is a huge problem, a massive problem for salespeople,



Matt Dixon 27:43

you're not too far off actually adjacent I would say it is for the average company it is most we found it was anywhere between 40 and 60% of all deals are lost to no decision. So not to the customer buying from a competitor, but from the customer just doing nothing. Now you know what's interesting is it'd be clear these are customers who go through the entire typically the entire sales process eating up valuable seller time, product team member time, engineering time, customer success, time, executive sponsor time, solutions, engineers, the whole clown car of supporting staff who helped us try to sell deals. And that's to say nothing of all the customers own time, that of their colleagues and you know, their legal department, their procurement department, their finance people, everyone who gets involved, right? It is a massive deadweight loss, not just for us, but for our customers as well. And the conventional wisdom out there has always been that, you know, if the customer starts to show signs of winding up in that wasteland of no decision, they start to, you know, demonstrate some, if you will, some cold feet kind of tendencies, they waver and they waffle and they backpedal, and they hem and haw, and they straddle the fence and they start to talk themselves out of what

seemed so clear to them early on. The conventional wisdom is the only reason that could be happening as you haven't beaten the customer's status quo bias, right? So either they believe that what they do today is good enough, or they're not convinced that your solution is a more compelling alternative. Or it could be I think the status quo stinks. I think your solution is way superior. But getting from A to B is going to be a monumental task for us. And life is too short. We have other priorities. It's not as we say the juice is not worth the squeeze. But it's got to be for one of those reasons, right? You have not defeated or beaten the customer status quo. And so what most salespeople do in our data, we found that it was 73% of the time salespeople when they see that customer start to waver, they break out their beat the status quo playbook and they hammer the customer so it comes across in two different ways. So the first way is more of the carrot approach. So they start talking about the rosy projections and look at how wonderful things will be when you buy a solution. You must not admit you must missed in the demo. This particular benefit today. Let me tell you again, how much how awesome this is. It's a win the customer is not swayed by the rosy projections and the the RE articulation of features and benefits and ROI We put away the carrot and we break out the stick. So that's the Fudd approach like fear, uncertainty and doubt. So what we're trying to do in that moment, is demonstrate for the customer the cost of their inaction. So these problems, you know, Jason are not going to solve themselves. And remember, you told me that your employees, your team hates you for making them use that homegrown product you guys have, you really do need to get them on a modern system, that, you know, we tried to create that burning platform that the customer has no choice but to abandon. But what surprised us is that 84% of the time when salespeople do that they actually make the situation worse, not better. So they make it more likely the customer actually does nothing. And that was a kind of stumped us. Because the first question we asked was, well, clearly the best salespeople must be doing something differently to beat the status quo, maybe challenge or whatever approach you're using is not resonating in the same way. And so that we got to do something to break the vise grip that the status quo has on our customer's mind, right, the gravitational pull of the status quo. But when we dug into the data, we realise it wasn't really that it was that we were asking the wrong question that the better question to ask is, what would motivate somebody to do nothing? And when you ask that question, what you find is that no decision losses contrary to conventional wisdom, we've all every salesperson, worth their salt has been told for years and years and years by their manager and their leader. If the customer gets cold feet, you have not beaten the status quo. So we can we use the carrot and stick approach to try to do that. But what we didn't realise until we dug into the data is that that is only one of two possible reasons a deal can be lost to no decision. Now, to be clear, 44% of no decision losses are attributable to the fact that the customer either thinks their status quo is good enough, or they don't believe your solution is more compelling. It's not always not worth the change journey. But 56% of the time, it's not because they prefer the status quo. It's because they're actually indecisive about changing it. Now those two things probably sound to listeners as one in the same but I'll peel back the onion one more layer and explain why they're not indecision as a function, it turns out of three things. The first one is the customer being unsure of what to pick. So you know, when especially early on in sales, and in marketing, for sure. We love talking up all the features and benefits, all the bells and whistles, all the roadmap items, all the partner integrations, all the different ways to configure, we're eminently configurable, you name it, we can do it right, you let 1000 Flowers bloom. But this is the customer saying this all looks good to me. And I'm afraid of picking the wrong configuration or picking the wrong version of the proposal. And if I do that, that might be an irreversible decision. So we call that valuation problems, I don't know how to value one option versus another. The second one is a lack of information. So this is the ironic state of mind, the customer has in a world where they're swimming in information. They're feeling like it must be the next white paper that I will read that will have all of the answers will tell me where all the bodies are buried. And all the pitfalls are. And I cannot move forward until I do

more homework, I do more research. And then the third source of indecision we call outcome uncertainty, outcome uncertainty is the customer feeling like they have no assurance of success. They may agree that the ROI projections are believable, they may give you credit for the fact that your reference customers love you. And those success stories in this case profiles look awesome. And they are very similar companies achieving phenomenal results with your platform. But what if it doesn't work out for us, and if it doesn't work out, and this whole thing goes sideways, somebody's head is gonna roll and it's usually the person whose name is on the contract. And that's me, right? So I know you're asking me to take a leap of faith here. And I've no guarantee this is going to work out. Now if you think about those three things, I don't know what to choose, I haven't done enough homework, or I might be left holding the bag with no assurance of success. The status quo does not make an appearance in that list of indecision drivers. And so can easily be that you have a customer who commits to the fact that the status quo is sub optimal that your solution is far is the best option in the market, and that the change is worth it. But nevertheless can still be worried they're going to pick the wrong configuration. They maybe haven't done enough research, and they have no assurance of success. And so we go back and we treat every indecisive customer like a nail and we just hammered them all day long with our status quo playbook. That's why more often than not, if the customer is not struggling with status quo bias and preference for the status quo, that approach really backfires. And it just adds more for the customer to be worried about and concerned about leading to far worse outcomes for the salesperson.



Jason Knight 34:15

Yeah, I mean, there's obviously a lot there. And we'll probably need a couple of different episodes to go through every single facet of that. But obviously the book which people will be able to buy soon, I think 20th of September or something that's coming out, yeah, talks about the jolt methodology, which actually stands for four things. And we're not going to go through them all now. But just to kind of call them out the j stands for judging the level of customer indecision. Yep. So trying to work out how indecisive they are. Yep, The O stands for offering a recommendation. So making sure you have reducing the choice that yes, the choices that they have kind of touch on some of the things that you've just said, you've got a limiting the exploration so making sure that you're not giving them time to try and just keep trying to work out that next thing. Yep. And then there's T taking a risk off the table. So trying to do this get removed. and make sure that they feel that it's a safe enough bet that they can stake their reputation on it. So yeah, Sid



Matt Dixon 35:05

said by the way, far more eloquently and succinctly than I would have. So you are you are going to be my co host or co pilot on future podcasts.



Jason Knight 35:14

Well, though you go,



Matt Dixon 35:15

I would, I would actually let me summarise so you good walk through there and what what those four behaviours are, you know, we like it because it's, it's memorable. But it also speaks to what's happening here, right, our customers stuck there stuck wrapped around the axle with their own indecision. And what we got to do is jolt them into action. And that's how we do it is those four things you talked about? Now, if I were to summarise at the highest level, what it tells us is that in sales, remember, 44% of our no decision losses are because in fact, you have not beaten the status quo. So you need a playbook for beating this as well. I would argue challenger is one of those playbooks, right, it is about showing the customer the pain of same and how it's worse than the pain of changing and getting them to commit and express their intent to move forward. But once we do that, what stops occupying the customer is their preference for the status quo. And what starts occupying them is their fear of failure. Yeah, that they might be making a big mistake. And so that is where Indecision is rooted in. So we need a second playbook for overcoming customer indecision. And the difference between those two is this, that beating the status quo is all about dialling up the fear of not purchasing. How do you show the customer the cost of their inaction? How do you create that burning platform? Right. But overcoming Indecision is totally different. It's actually about dialling down the fear of purchasing. Right? Yeah, because what they're now worried about is not whether to change what they're now worried about is making a mistake. And it's not just that they might get fired. That's extreme, of course, it could just be as simple as being made to look like a fool, or everyone snickering about how you spent a lot of the company's money and you didn't do enough homework or you you picked configuration a and it really should have been be a boy, we over invest in the solution, nobody's using the platform. You know, these are things that people get really worried about, because these are reputational fears. And as we talked about the book, nobody ever got fired for maintaining the status quo. But lots of people do get fired, or at least lose face when they try to change it, and it backfires. And that's what people get hung up on. And this has a really powerful hold on us as customers. In fact, I will tell you, the fear of missing out pales in comparison to the customer's fear of messing up, they are okay with missing out, but they are not okay with messing up. And so we've got to get them comfortable that they are making a great decision, choosing the right configuration, they've done plenty of homework, they're in good hands with you as a trusted adviser. And they're not jumping off a cliff without a net, we've got their backs, we're there to get those returns that we promise, they're gonna look like a hero, not like a fool.



Jason Knight 37:37

Well, no any more like a fool anyway.



Matt Dixon 37:39

That's right. We won't make it worse. The rest of it's on you.



Jason Knight 37:45

But I think it's really interesting. There's so much again, we could probably fill multiple episodes with this. But yeah, there's so much there, kind of touched on earlier that kind of Thinking Fast and Slow, tight all the different cognitive biases that are kind of underpinning these decisions. And I think one of the things I found from both books, of course, and I don't want to blow too

much smoke up anywhere, but like, it's, it's really good to see that kind of real academic background going into it. Because yeah, it makes you start to feel that there's actually something there rather than just someone had some success with some random a post that they tried a few random times and just happened upon something like, it just crept seems to touch so much on so many of the things that get caught out by these books about behavioural psychology and all of that. So it's really interesting.



**Matt Dixon 38:24**

Yeah, it's, you know, we tried to do a lot of the findings, you know, whether it's in challenge or effortless experience, or the new book, a lot of the findings are surprising to us as researchers, not what we expected. And it gives us confidence to your point that they can be explained through by people much smarter than we are 3040 50 years of social science, cognitive psychology, behavioural economics. Yeah, so we delve deeply into that stuff. And the new book is, is no different. It's got a tonne of that, that we brought to bear. Now, my co author, Ted McKenna, and I probably read about 30 years of social science research, which I won't wish on any of your listeners, however, we did summarise the key points and what are for as a salesperson as a product person as a member of the commercial leadership team. What is it that you need to know from this research that helps explain why what we found is not an aberration, but is in fact rooted in real human behaviour?



**Jason Knight 39:16**

Absolutely. All right. So I work in a product team. Yep, we're responsible for building the product. I work very closely with the commercial team at my company. How can I help them with the jolt approach? Yeah, like how can I help them remove customer indecision from my side? Like is there anything I can do to help them along the way with that?



**Matt Dixon 39:37**

Absolutely. There's a role for the organisation on each of those behaviours but I think the one we're a product I'm certainly not the only one but I would say the one where product really has a key role to play. Isn't that Oh, offering the recommendation so this is about narrowing up the choice that now keep in mind is product people and I'm a product person by trade as well. And I I love a robust group. roadmap and I love the I love the optionality. I love the eminent configurability. But these options are created a double edged sword. So they really feel good early on, like no customer wants to talk to a vendor that has a one size fits all solution. They love that when they engage, you know, go to our website, read our white papers, maybe attend a webinar, or they're in a drip campaign, or even when they have those early demos and conversations with salespeople, let 1000 Flowers bloom, make the customer feel like we can tailor this to them to their specific needs. But at some point, what was attractive early on ends up creating consternation later on, because it all looks good to the customer. And so as product leaders, what we need to do is help our salespeople understand that there are a certain set of configurations that we know, depending on maybe different ICPs, or use cases or needs based segments that really, really ring the bell for our customers. Now, how do we set those up? And how do we guide our customers from 1000 options down to maybe three configurations, and then use the Goldilocks principle to steer them to the one that we know, they're gonna be

happy. And then the role of the salesperson is not just to present that. But to put their personal seal of approval on it. You know, in my experience working with lots of customers just like you, this is the configuration that our customers love. And they get tonnes of value out of it. And by the way, if your needs change later, we can grow and expand with those changing needs. Don't worry about it. But let's pick this one. And let's go because you're not making a bad choice. And we're here. In fact, we're making a great choice. But getting to that narrow set of options is something that product really needs to help salespeople with. And in a lot of that, as we talked about before, is built back from what do our best customers, how do they use the product? Right? How had they configured it? What are they using it for? Sometimes those are surprising things to us right now what we designed the product to do. But when we can package those into kind of a happy meal or a pre configured option, it makes the job of selling and narrowing up that choice that a lot easier for the salesperson.



Jason Knight 41:55

absolutely excellent advice there. And I'm assuming that the Goldilocks principle doesn't involve sending any bears around if they don't buy as well. No bears. Right. So as we said the books out I think September 20. Yep. Presuming available in all good bookstores, virtual and otherwise, everywhere. Yeah, everywhere. But aside from the books, where can people find you after this? If they want to chat about Yeah, sales in general, or research or behavioural economics? Or Sure, try and find out some of those thought leaders that you've got opinions on and get you to name some names?



Matt Dixon 42:25

Sure. Absolutely. Yeah. Certainly any listeners can connect with me on LinkedIn and tell me you heard you heard me on on the show and what you liked or disliked about it, and happy to have you be connected, continue the conversation. But if you're interested in learning more about the jolt effect, and how can you bring some of this thinking to your organisation jolt effect.com is the kind of landing page with a lot of free resources, upcoming advanced, but other ways that you can manifest some of these behaviours and skills and techniques in your own commercial organisation.



Jason Knight 42:56

All right, well, I'll make sure to link that all into the show notes. And hopefully, you'll get a few people heading in your direction and learning how to sell a few pens to a few people. Perfect. Well, that's been a fantastic chat. So obviously really glad we got to spend some time tour some fascinating areas around commercial product collaboration. Obviously, we're sure the best of the book. Hopefully we can stay in touch. But yeah, that's for now. Thanks for taking the time. Thanks, Susan. appreciate the invite. As always, thanks for listening. I hope you found the episode inspiring and insightful. If you did again, I can only encourage you to hop over to white knight in product.com. Check out some of my other fantastic guests, sign up to the mailing list or subscribe on your favourite podcast app and make sure you share your friends so you and they can never miss another episode again. I'll be back soon with another inspiring guest but as for now, thanks and good night.



