



The Presentation Trap: Why Making Presentations Can Cost You The Sale

by JEFF THULL

In many conversations with sales professionals, I am often surprised that even the most sophisticated professionals get caught in the presentation trap. They spend an inordinate amount of time preparing for a razzle-dazzle presentation and often lose sight of the issues at hand. Everything salespeople do before — the prospecting, contacting and qualifying of potential customers — seems to be aimed at creating the opportunity to present their solutions. Everything after — the downhill run to the sale itself that includes overcoming objections, negotiating and closing — is designed to support and reiterate the presentation. Consequently, sales organizations devote a tremendous amount of time and resources to creating compelling presentations and proposals.

The irony is that most of this effort is lost on customers. Presentations that are too early in complex decisions are largely a waste of time.

Conventional salespeople hate to hear this because the presentation is usually the key weapon in their sales arsenal. It is their security blanket, their comfort zone, and they loathe giving it up. They seem to

be on a mission to relentlessly educate the customer because, after all, they will not buy what they don't understand.

Understanding the Purchase

Exactly right — customers will not buy what they don't understand. A presentation can take customers to a higher level of understanding, but it is one of

A presentation can take customers to a higher level of understanding, but it is one of the least effective methods for accomplishing that goal.

While customers may be greatly impressed with the offering being presented, they still lack a compelling understanding of how it applies to their situation, and they do not know why they should buy it.

the least effective methods for accomplishing that goal because:

- A presentation — even one that includes advanced multimedia elements — is, in its essence, a lecture. The salesperson is the talking teacher and the customer is the listening student. The big problem with teaching by telling is that little information is remembered. People retain only about 30 percent of what they hear. The use of visual aids (e.g., a PowerPoint slide show) boosts retention rates to 40 percent, but the generally accepted rule of thumb among learning experts is that more than half of even the most sophisticated presentation can be lost.
- A typical sales presentation rarely devotes more than 10 to 20 percent of its focus on the customer and their current situation. Generally, 80 to 90 percent of a typical sales presentation is devoted to describing the seller, its solutions, and the rosy future if you buy. Therefore, while a presentation may raise the customer's level of understanding, that gain is usually centered on the solution being offered. All too often, salespeople are dealing with customers who are not sure of the exact nature of their problems, how your products and services impact other areas of their business, who would be concerned about it, and what the cost is in the absence of it. Nevertheless, those salespeople are spending most of their focus on the solution and not the implications to the customer's business. As a result, while customers may be greatly impressed with the offering being presented, they still lack a compelling understanding of how it applies to their situation, and they do not know why they should buy it.
- The third compelling reason that presentations are a waste of time in complex sales is that your com-

petitors are following the same strategy and are also busy presenting. Unless you have no competition, your customers will surely hear their story, too. They have meetings set up with you and one, two, or even more of your competitors. In each meeting, a sales team is presenting the best side of its solutions. Your team is telling the customers that they need the solutions that only your company offers, and your competitors are making the same arguments about their solutions. In every case, the presentations are heavily skewed toward the seller and the solutions.

Look at this from the customer's perspective. Based on what we said about the customer's area of comprehension, it is highly likely that two-thirds or more of the information that customers hear falls outside their area of comprehension. Further, what they do hear sounds very much the same. What does the customer understand? Price. As you may already expect, everyone is now starting their downward spiral to commoditization — the natural outcome of presenting too much, too soon and too often.

To help you avoid falling victim to the presentation trap, ask yourself these critical questions:

1. What percentage of your sales presentation/proposal is devoted to describing your company and your solution?
2. What percentage of your sales presentation/proposal is devoted to describing your customer's business, their problems and objectives?
3. How well do customers understand their own problems?
4. How much of your presentation is focused on persuading and convincing?
5. How well can your customers connect your solutions to their business situation?

How do customers then respond to competing conventional presentations? From my experience, customers respond to presentations in several key ways. First, they concentrate their efforts on the information that falls inside their area of comprehension. Customers attempt to make the complex understandable by weighing those elements that vendors' offers have in common and eliminating those elements that

Two-thirds or more of the information that customers hear falls outside their area of comprehension.



ABOUT THE AUTHOR:

For the past 22 years, Jeff Thull, CEO/President of Prime Resource Group, has gained a reputation for his expertise in the

arena of sales and marketing strategies for companies involved in complex sales. His wealth of real world experience has made him a leading authority and valued advisor for executive teams of major companies worldwide. Contact Information: Prime Resource Group, Inc.; (800) 876-0378; www.primeresource.com.

do not fit neatly onto a comparison chart. When this happens, salespeople's ability to differentiate their offering from the competition is subverted, and price, the one common denominator of all offers, again raises its ugly head and is likely to become the deciding factor in the sale.

Second, customers may also respond by not responding. They listen politely as you "educate" them, thank you for your time, and promise to get back in touch when they are ready to make a decision.

Finally, some customers may actively respond. They may ask you to justify the information you have presented or challenge the viability of your solution. This is the response that every conventional salesperson is expecting. The customer objects and the sales professional goes to work overcoming those objections. When this happens it is apparent that there has been a disconnect along the way and back pedaling is often the only way out.

Creating Relationships

Ultimately, sales presentations exacerbate communications between buyers and sellers, leading to frustration, misunderstandings, conflict and adversarial relationships — all of which impede the salesperson's ability to create cooperative and trust-based relationships with customers.

The advice I share with sales professionals wishing to avoid the presentation trap is: "Don't present." Instead, use a diagnostic approach — simply stated, conduct a thorough diagnosis to uncover problems and expand the customer's awareness of their situation. Once the problem is clearly understood, and the customer perceives all the ramifications of that problem, then the salesperson is justified in making recommendations, and a presentation will not be necessary. When you guide your customers through this process, you will be establishing a high level of credibility and finding yourself jointly developing optimal solutions, which will ultimately benefit both you and your customers. □

Copyright © 2006, Manufacturers' Agents National Association

One Spectrum Pointe, Suite 150, Lake Forest, CA 92630-2283 • Phone: (949) 859-4040 • Toll-free: (877) 626-2776 • Fax: (949) 855-2973
E-mail: MANA@MANAonline.org • Web site: www.MANAonline.org • All rights reserved. Reproduction without permission is strictly prohibited.