

Good morning, my name's John Woodcock with The Family Business Institute.

This morning I have a question for you, is construction and specifically business development really all about the relationship? When I talk to contractors and ask them to describe their strategy to acquire new work and retain existing customers, I often hear something just like that. Well, I want to talk a little bit about that this morning and how that line of thinking might just be a little bit of a double-edged sword.

First, don't get me wrong. Paying attention to and building lasting relationships is absolutely critical but approaching sales and the acquisition of work in this business with a mindset that is exclusively relationship focused might not be a winning strategy. That's at least according to a body of work by Matthew Dixon and Brent Adamson and the hundreds of businesses that have bought into their approach that they call The Challenger Sale in which they wrote a book about by that title.

So, what do these guys have to say? First, they argue that in a business-to-business world, there are really five types of sales professionals. One, there's the hard worker. They win on hustle. They're self-motivated. They don't give up. Number two is the relationship builder. They're generous with their time and they build strong advocates within a client organization. Three, there's the problem solver. They're detail oriented. They respond to client problems like warranty issues. Four, there's the lone wolf. They follow their own instincts. They're self-assured, but they're tough to manage. And lastly, there's the challenger. They take a different view of the world. They love the debate. They like to push the client, and they're experts on the client's business and industry.

So, then they took this sample of sales professionals and they looked at the highest performers across this sample across a number of industries and they grouped them based on these five types. When the product or the service was of low complexity, say like selling a commodity like fuel oil, the top performers in this group were pretty evenly distributed across all five types. There were as many top performers that fell into the hard worker category as in the problem solver, the relationship builder for example. But when they looked at businesses where the sales transaction was complex, like construction, the results were astounding. 54% of the top performers in their survey were challengers. Second place went to the lone wolf where 25% of the top performers were cut from this cloth, but only 4% of the top performers of the thousands of sales professionals that they looked at were of the relationship builder type. Wow.

Now, this doesn't say that relationships are not important. You won't win much work if your business development professional is a jerk or unlikable, but it does say that in a world of closing complicated transactions, like a multi-year multi-million-dollar construction project that gets spent over many months or perhaps even years, you just might be more successful with the challenger mindset than one where the focus is on keeping the client or the prospect happy and behaving in ways that seems safe or don't push issues.

So why is the challenger salesperson so much more successful in complex transactions? Well, because in this world, we're really not asking the client to choose our product or service over someone else. We're asking them to think entirely different about how they approach a capital project. We're asking them to think differently not just about the project, but perhaps their entire business.

So how is the challenger different? There are really three key pillars that the authors talk about, teaching, tailoring, and taking control. First, they teach to differentiate. This isn't just any kind of teaching. It's commercial teaching. Challengers learn enough about the client's business to educate them in ways that gets them to the right solution. Their expertise allows them to differentiate themselves and provide insight into the value drivers of a potential solution.

Second, they tailor for residents. You can teach all you want, but if you don't make it relevant for the client, it won't matter. Often this means making it resonate in different ways for different stakeholders. The vice president of facilities at the local university, for example, may have very different priorities than the head of the physics department who's going to use the

new laboratory building that you want to build. Challengers get that and they're able to navigate and adapt in ways that allow them to create solutions that resonate with all of the stakeholders involved in the selection.

Lastly, they take control of the sale, particularly when it comes to talking price and decision making. This is where the real difference between the relationship builder and the challengers become apparent. Challengers are not afraid to push the conversation on price because they understand in a meaningful way how to shift to talk about real value. It's not that relationship builders don't care about understanding value, but by definition, they're inherently programmed to avoid conflict and keep peace and please the client.

Here's the hard part. To be effective, you need to be effective at all three of these pillars. If you're not able to teach in a way that resonates with your client, the teaching won't make much of a difference. And if you're not comfortable taking control, pushing on issues, all that teaching won't result in better deals. But the good news is these skills can be learned and there are examples of sales teams transforming themselves in a number of ways and in a number of companies. Now, as a reminder, I'm not advocating you ignore relationships. Not at all. They're paramount. But what I am suggesting is that when we're trying to win business, when the deals are complex and the stakes are high, there might just be a better way.

Thanks for tuning in this morning. As always, take a look at our [Contractor Business Boot Camp](#) where we actually dedicate an entire day to business development and sales. Good morning and have a great day.