

CATCHING ZEBRAS

**Transforming Your Sales Force
by Shifting Your Focus**

JEFFREY KOSER AND CHAD KOSER

Change is required if you intend to survive!

Dumb sales people need not apply.

A director of sales once called me and said, “If we have you build our Zebra, but I can’t get the sales people to do it, will we get any benefit?”

NO!

Dumb directors of sales need not apply.

A vice president of sales at one of our client companies once stated, “This account isn’t a Zebra, but I can win it anyway.”

Dumb vice presidents of sales need not apply either!

Now that we have offended two of the upper sales levels, let’s get started.

Our Zebra is for the elite sales force and the elite within the mediocre sale force.

The Zebra concept itself is simple. Create the profile of your perfect prospect and measure all other prospects against perfection. Zebra score every prospect, decide your tipping point and don’t go over it. This is the hard part. Saying no for sales people is very hard. Yes is in their vernacular. No isn’t even in their DNA. So when we tell you that part of the success of this process is to say “no,” you’ll understand this process will take some inspection to ensure it succeeds. Someone once said that you can’t expect what you don’t inspect. Inspection is necessary for the Zebra way to succeed. You can drag a Zebra to water... you get the idea.

How can changes you make in your sales department help your business sell through these record breaking financial times?

The sales department is aware of everything that is right and wrong with your business. As such, your sales people are in a unique position to solve your business's problems. It's time for sales to show leadership by taking initiative, and perhaps time classic old-school sales management to get out of the way!

There are several keys to business leadership that can be driven by sales. Good sales people know when they are going to win, but all too often they can't communicate why. A good sales person knows when they are working a real prospect, but most of them haven't found a way to translate that "gut-level" instinct into something the rest of the organization can learn and benefit from. Sales people are some of the most adept at adjusting to change, but many in leadership positions within sales have not adapted to leverage this unique strength. For some reason sales leadership has not kept pace with the other areas of the business world and, as a result, there is a large potential opportunity being left on the table.

For years, businesses have implemented structured initiatives in other areas to eliminate waste and cost. For example, virtually every organization has long been aware of their supply chain in terms of time, cost, waste and the potential payoffs associated with streamlining operations in this area. Alternatively, sales is an area of the business that operates at 15% efficiency. Would executives take action to implement strategic business initiatives to address this inefficiency if they were aware of this issue? You bet they would!

Take a look at your sales pipeline forecast at the beginning of your last quarter. What is the total value of the "potential" business that could have been closed by the end of that quarter as presented by your sales leadership? How much of that total potential did you convert to revenue? Divide the

actual amount converted to revenue by your beginning sales pipeline value to calculate your sales efficiency. Classically, sales departments close less than 15 percent of their sales pipeline forecast, so don't be surprised if your calculation ends up somewhere near that mark. Though this result sounds low, it has long been the status quo for the vast majority of sales organizations.

Now let's be honest; this metric represents a terribly unacceptable amount of inefficiency! Because your business operates at 15 percent sales efficiency, this means that sales, presales, customer service, administration, middle management, executive management and you personally waste time and energy on something that 85 percent of the time is not going to produce the desired result.

The best company in any industry closes about 15% (even Wal-Mart fits this description, with 14% of the retail market).

Now that we have identified the problem, definition of the specific details becomes critical. In our consulting business, whenever we present these statistics to sales vice presidents, they challenge the numbers. The most common response is that they close more like 50 percent of what actually CLOSED in a given quarter. The operative word here is the word "closed," by which the VP of Sales means *someone won the business*, even if it was a competitor. In other words, they are not accounting for the deals that were "lost" to apathy. The best company in any industry closes about 15% (even Wal-Mart fits this description, with 14% of the retail market). The combined rest of the competition closes about 15%, and 70% never buy that quarter. Though I'm not usually one to look at the glass

as half empty, even if that is the case, what happened to the remaining 70% in the forecast that didn't close?

The answer is that the business left in the pipeline at the end of the quarter actually “fell” to the largest competitor of all—apathy! Apathy is the culprit of all the non-decision deals that didn't buy from anyone. Apathy is what causes a prospective deal to be moved over into the next quarterly forecast, and then the next, and the next. When non-decision deals are included in a quarterly forecast, sales departments only close 15 percent of all that they manage, work toward, and strategize about. So apathy is to sales what tryptophan is to Thanksgiving; ultimately it ends up lulling your sales team and even your executive management to sleep, rendering everyone ineffective to focus their energy on where it really counts. In the Thanksgiving example, that would include cleaning up the dirty dishes and spending valuable time with family and friends. Tying the example back into sales, this is energy that should actually be focused on other prospective deals that could otherwise be closed in the current quarter. Without focus, even deals that could have been won, don't close or are lost.

A struggling economy means that sale cycles are now getting even longer, which means the “apathy” portion of your company's sales pipeline forecast is growing. We know now how the current financial crisis was created, but what are we going to do to address this resulting sales crisis at a time when

Apathy is the culprit of all the non-decision deals that didn't buy from anyone.

our organizations need life-giving revenue more than ever? What can sales do to promote growth and life within the organization, rather than continuing to compound the impending struggle?

The answer is to treat the disease of apathy at its source, which stems from the old-school belief that all sales activity is good activity. This flawed belief is as ancient as sales itself, and in reality, sales was born with this disease. Previous methodologies have taught that making enough sales calls, any and every sales call, will put money in your business's pockets. The belief that a given level of activity will lead to a given level of success has been and will be forever flawed. Further, conventional, activity-driven sales wisdom dictates that sales departments need four, five, or even six times the targeted revenue number in the pipeline to ensure the forecast is met.

Consider the consequences of applying this same thinking to inventory. If inventory levels were run at 15 percent efficiency, inventory levels would have to be maintained at 6 times their current levels. The cost of carrying six times the amount of inventory including warehousing, management, movement, damage, equity, and the increase in complexity would result in the death of your business. To painfully connect the dots, this level of sales efficiency, or should we say inefficiency, is burying your business!

Do we finally have your attention? It's time for a solution, and that solution is to apply a simple new metric to sales. The metric is simple so that your organization can quickly and effectively adopt it. The new metric we propose is a Zebra sales score, and it needs to be applied to every deal in your pipeline forecast. A Zebra is the profile of the perfect prospect for your business. The Zebra score tells you how close every deal in your pipeline is to perfection. A minimal Zebra score is established, identifying which prospects should be entered into your pipeline, so that each and every prospect in your pipeline for a given quarter has a strong chance of being closed in that quarter.

A Zebra is the profile of the perfect prospect for your business. The Zebra score tells you how close every deal in your pipeline is to perfection.

By investing just 5 minutes using the Zebra score to qualify each prospect opportunity that enters your pipeline, it is possible to close 90 percent of the business you pursue. As a result, it now becomes possible to predict with 90 percent accuracy, at the beginning of the quarter, the amount of revenue you will close by the end of the quarter. No longer will it be necessary to stuff your pipeline arbitrarily and artificially with many times the actual needed "opportunity" in an attempt to meet a revenue target that is just a fraction of that. Ultimately, this strategy will also allow you to grow the REAL value of your pipeline by enhancing your focus on only the opportunities that can be won in a given quarter. Translation: You can use this new strategy to generate more revenue for your organization than previously possible!

Here's how it works. The process must begin with a paradigm shift in thinking, and that shift comes with the understanding that not all prospects are *your* prospects. This is a simple premise, but less than one percent of sales organizations have, and actually *follow*, a process to eliminate unwanted prospects and customers. This is a recipe for disaster now more than ever!

Avoid the disaster by developing and answering the seven questions about each prospect that can change your business.

To develop your Zebra:

1. Define the types of companies that are your best customers.
2. What do they look like operationally?
3. Who is the person in a position of power that made the promises that got your project approved?
4. What funding was required?
5. What level and type of return-on-investment did you prove?
(We will go into more detail about this later.)
6. What role did technology play?
7. What were the service requirements where you won in the past?

Don't try to define all customers. Instead, define your best customers. The best customers are the ones where you win the 9 out of 10, who matched the attributes defined by the previous seven questions.

To help with this process, now think about the most recent business you lost, or the business you won that you actually should have walked away from because you failed to create the promised value. This is your anti-zebra.

You now have a continuum from worst to best. By answering the previous seven questions thinking about these prospects and customers, you will begin to identify a strategy that addressed the aforementioned decision of “just say no.”

How do you ensure you are defining the right descriptions of these attributes in developing your profile of potential clients? You test it. As you now know there are seven questions that you answer about each prospect. The questions are scored from 0-4, 0 being the extremely unfavorable “anti-zebra” response, and 4 being an extremely favorable response. A perfect Zebra score is 28 (7×4).

For most of our customers, a Zebra score of 23 means that prospect will buy 90% of the time. When you finish your Zebra, you test it by scoring the last five deals you won. They should score at or near 23. Then test your Zebra score against deals that were lost to competition. Finally, test it with a deal that, in your heart, you don’t ever think will close. Lost deals, and deals you don’t believe will ever close, will always score less than 19.

Congratulations, you have a Zebra!

Some will say this is nothing new, that a Zebra is nothing more than account targeting. Have you met anyone whose sales organization operated at better than 90 percent efficiency? Meet Patrick Williams, who is Senior Vice President Corporate Sales, at StarCite, Inc. Pat’s sales organization uses the Zebra and closes 91 percent of the business they forecast on a quarterly basis. Other business benefits Pat has enjoyed include a reduction to sales cycle length of 21 percent, and increased average selling price by 74 percent.

These other two business benefits are a result of selling value. Let’s discuss the value-based sale that is the way to sell value in a down economy.

EVA is the Way!

Now that you know to only pursue Zebras, how are you going to get appointments at the right levels and close business?

Okay, you created your Zebra—which is different. But these are RECORD BREAKING FINANCIAL TIMES. How bad? “It’s official: The U.S. is mired in what will turn out to be the longest downturn since the Great Depression,” wrote *BusinessWeek* in its December 15, 2008 issue.

How are you going to sell and close business with this level of financial and economic noise? Can you do what you did yesterday and sell the same amount of products, services and maintain margins? NO—you’re not even going to get close!

Competition for the sale of your solution is going to come from places you never even imagined. Not only will you face the normal myriad of competitors, you’ll face more. There will be competition you’ve never even heard of coming out to try and close business—any business. Your biggest competitor—apathy—is going to rear its ugly head even more than before. And your solution is going to compete with every other way your prospect might choose to spend that same dollar. Even seemingly unrelated projects will be in competition with you because there will be less discretionary available dollars.

Your biggest competitor—apathy—is going to rear its ugly head even more than before.

How do you sell anything in an environment where a capital project to automate a warehouse is in competition with a new computer software application, or a punch press, or “doing nothing” because your prospect is worried more about survival than growth or improvement?

It is going to take something that is true sales innovation to win business today. There is a way to sell that can help overcome this record breaking financial crisis, Economic Value Added—“EVA” is the way! But you’re going to have to learn some new financial terms to be successful at this. Are you game? Will you work for it? Are you, or do you desire to become an elite sales person?

EVA is the value over and above all of the costs of implementing your solution, including the cost of the capital (money) used to purchase your solution. Peter Drucker once said: “Until a business covers the cost of capital, it doesn’t create value, it destroys it.” Money has a cost. Recognizing this can help you sell even when times are as tough as they are now.

Selling value is not new, but selling the EVA that your solution can generate is new! Here is how it works. Ask your prospect how they measure the financial success of projects. They will essentially explain how they evaluate capital projects. This evaluation might include return on investment (ROI), payback period, net present value (NPV), internal rate of return (IRR) or economic value added (EVA). If these are foreign terms for you, go to our website at www.sellingtozebras.com, sign up for a free subscription to Zebra U, and download our “Definitions of Financial Calculations Document” and study it! (You said you were game. You said you would work for it – this is what we meant!) Once you know how your prospect evaluates capital projects, ask “what is your top capital project projected to return?” You’ll get an answer like, “we are expecting this new punch press to deliver an 18% annual return on investment and pay for itself in six months.” NOW you know the rate of return you’ll have to beat in order to compete for the available funds. But you’ll first have to do more homework. You have to know the specific value your solution creates.

To uncover the specific value your solution creates, start with the business problems you solve. When you solve these business problems, what verifiable, repeatable value have you created for your existing customers? How long did it take to achieve this level of value—net of all costs? Make sure your customers are ready to back your claim.

To verify the value you create, send a survey to your existing customers. Document the business problems you solve and the value created. It's best to categorize your survey results based on industry type, size of business, and even region of the country or world.

You'll first have to do more homework. You have to know the specific value your solution creates.

The previous questions are classic value based questions, but to get at real net value, or real EVA you have to go further. What was the implementation time, “ramp-up” period, and internal people costs associated with putting in your solution and continuing to operate it? Did your solution work in conjunction with other components your customer had previously implemented that were creating value before they started to work with you?

We have tools that can help kick-start this process. We have built a “free” value model template that can be downloaded at www.sellingtozebras.com. Sign-up for a free subscription of Zebra U, and under the “Steps to the Zebra Process,” download the “Economic Value Model” spreadsheet template.

Our Economic Value Model template will allow you to enter all the components of your solution costs needed to create value. It will allow you to enter an implementation time (and won't calculate value

benefits during that time). It will allow you to enter and identify all the ways you create value. The template will REDUCE your value claim by the amount of time you say it takes to “ramp-up” your solution. It’ll also apportion some of the value away from your claim by allowing you to distribute some of the benefit to other ways or solutions the prospect has put in place, which are designed to solve some of the same business issues you solve. In other words our template model will reduce your value claims and make them ultra conservative. Further, we will do the heavy lifting for you by calculating the ROI, payback period, NPV, IRR and EVA that your solution creates. We will even estimate the cost of their people’s time to put in, maintain and run your solution.

Remember we asked the prospect “what is your top capital project projected to return?” And we learned the answer was, “we are expecting this new punch press to deliver an 18% annual return on investment...” Now comes the real innovative part of this process, because we are going enter a cost of capital of 18% into our value model. By entering the cost of money as 18% into our value model, the model will reduce our value claim by 18%. When we reduce the model benefit by the cost of our solution; their internal people cost to put it in and run it; reduce it by the implementation time; ramp-up time; further only claim the value we create over and above all other ways they have tried to attack these same business issues, and finally we further reduce our value claim by the amount of return on investment that is expected for the best project they plan to approve, what we have *left* is the EVA of your project!

Can you feel the power in this?

Now you have to identify Power for the projects and solutions that you sell before you try to present this information. This presentation is not for your normal contact. This is the language of Power. Your normal contact will not understand ROI, NPV, IRR, payback period or EVA any more than you did before you started to study, learn and change your selling habits. In fact, if you go to your normal level of contact, they will be frightened by the new you and you will fail. This language of Power is not understood by everyone.

Can you feel the power in this?

To answer the question of who is Power, ask your existing customer base; “who owns the promises that got our projects approved? Who reports the end results to the CEO, and or to the board of directors?” When you accurately answer these questions you’ll have your answer to the level of Power you’ll need to approach to present your EVA based value message.

Now you’re ready. What this new language allows you to do is communicate with Power and say “if you have these business issues, and care enough to solve them now, the EVA my solution generates is the value over and above any other way your business might choose to spend these same dollars. Would you like me to prove it? Is it worth twenty minutes to find out more?”

Now that is a meeting Power will agree to!

Summary

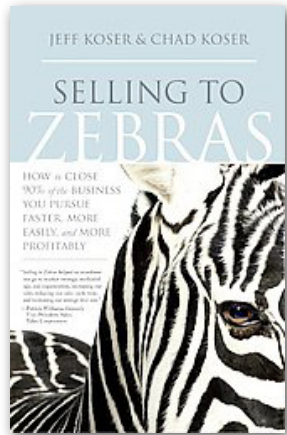
A Zebra score-driven sales process will galvanize your entire organization, transforming a wasteful sales and business culture into one of the most efficient, proud, and productive aspects of your business.

Sales solves business problems. An efficient, consistent, predictable sales and revenue generating engine can lead your business out of these tough economic times. Sales people are adept at change. If you were previously someone in a position of leadership who didn't provide true sales leadership, now you have a strategy to drive change within your sales organization. Make the change, teach your people how to say "no," penetrate and sell at Power—leveraging the EVA your solution creates—and lead your organization successfully through these record breaking financial times!

You can drag a Zebra to water, but you can't make him drink. Oh, wait, yes you can—you now know how!

EVA is the way to combat the worst economic downturn most of us have ever seen!

Will you have the discipline to execute against the Zebra? Can you learn something truly different and innovative and apply EVA to a new level of sales success? Your business might depend on the answers to these two questions! 🦓



BUY THE BOOK

Get more details or buy a copy of Jeffrey and Chad's [Selling to Zebras](#).

Contact the authors via sellingtozebras.com

ABOUT THE AUTHOR

Jeffrey A Koser and Chad Koser are the USA Book News Award Winning authors of *Selling to Zebras: How to Close 90% of the Business You Pursue Faster, More Easily, and More Profitably*. Jeffrey is the former COO of Baan Supply Chain Solutions, and is the founder of Selling to Zebras, LLC. Chad Koser has eleven years of business and sales experience and more than fourteen years of experience working with Zebra and Zebra Buying Cycle philosophies. Upon joining Jeff in building Selling to Zebras, LLC as a sales consultant, Chad analyzes his clients' solution offerings to identify how they drive value for their customers.

SEND THIS

[Pass along a copy](#) of this manifesto to others.

SUBSCRIBE

[Sign up for our free e-newsletter](#) to learn about our latest manifestos as soon as they are available.

BORN ON DATE

This document was created on March ??, 2009 and is based on the best information available at that time.

Check [here](#) for updates.

ABOUT CHANGETHIS

[ChangeThis](#) is a vehicle, not a publisher. We make it easy for big ideas to spread. While the authors we work with are responsible for their own work, they don't necessarily agree with everything available in ChangeThis format. But you knew that already.

ChangeThis is supported by the love and tender care of 800-CEO-READ. Visit us at 800-CEO-READ or at our daily [blog](#).

COPYRIGHT INFO

The copyright of this work belongs to the author, who is solely responsible for the content.

This work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivs License. To view a copy of this license, visit Creative Commons or send a letter to Creative Commons, 559 Nathan Abbott Way, Stanford, California 94305, USA.

Cover image from [Stauber Design Studio](#).

WHAT YOU CAN DO

You are given the unlimited right to print this manifesto and to distribute it electronically (via email, your website, or any other means). You can print out pages and put them in your favorite coffee shop's windows or your doctor's waiting room. You can transcribe the author's words onto the sidewalk, or you can hand out copies to everyone you meet. You may not alter this manifesto in any way, though, and you may not charge for it.