

# #1 Book Summary: The Challenger Sale, by Matthew Dixon and Brent Adamson

by Allen Cheng

<https://www.allencheng.com/the-challenger-sale-summary-matthew-dixon-brent-adamson/>



*The Challenger Sale* upends the conventional wisdom that building relationships with customers is the key to sales success. Instead, they contend, **the best salespeople take control of the sale by challenging customers' thinking with new insights and pushing back** instead of giving in to customer demands. While there are five distinct types of sales reps, it's these so-called Challengers who consistently excel in selling the complex business-to-business solutions required in today's business world. Based on a massive study of thousands of sales reps worldwide, the authors uncover the skills and behaviors that drive Challengers' performance and explain how to replicate them in any sales force.

## 1-Page Summary of The Challenger Sale

It's long been conventional wisdom that the key to sales success is building strong relationships with customers. But the results of a huge research study of sales reps in the wake of the 2008-09 recession

upended that thinking and led to a new model for business-to-business, or B2B, sales.

**During the recession, business dried up for most sales reps. Yet a handful succeeded in selling despite the downturn.** Researchers with the business advisory firm CEB set out to learn these reps' secrets to selling in bad times by surveying thousands of sales reps in companies around the world.

As it turned out, the reps' success had nothing to do with the economy and everything to do the fact that they responded to customers' needs in a new way: **they pushed customers to think and act differently.** In *The Challenger Sale*, authors Matthew Dixon and Brent Adamson of CEB's research arm explain this new sales approach, how to replicate it in your sales force, and why sales success today—whether in a good or bad economy—depends on it.

## The Evolution of Sales

Over the last several decades, more suppliers have begun selling complex “solutions,” or bundles of products and services, rather than just simple products.

**Suppliers came up with solution selling as a way of differentiating themselves from the competition.**

Small differences in a company's product versus a competitor's product had become harder to sell—customers viewed products from different companies as essentially the same and so chose the ones with the lowest price. However, well-designed bundled offerings are customized and therefore difficult for competitors to duplicate. Bundling also saves suppliers money and allows them to justify premium pricing. Because of these benefits, solution selling has become the dominant sales strategy in virtually every industry.

But **this more complex sales model has been difficult for many reps to execute.** One reason is that reps need to develop a deep understanding of the customer's business, which takes more time. Adding to the time, reps need to build consensus across the customer organization: decision-makers won't agree to a costly, complicated deal without it. Customers are also more risk averse and more likely to demand customization and use third-party consultants to vet deals and try to get better terms.

## One Type of Sales Rep Excels

CEB's researchers found there are five types of sales reps:

- Challenger: Challenges the customer and takes control of the sales conversation
- Hard Worker: Goes the extra mile
- Relationship Builder: Focuses on building strong customer relationships
- Lone Wolf: Does things his way
- Reactive problem-solver: Always at the customer's beck and call

Each type can be a high performer, but only one type—**the Challenger**—consistently excels in the complex solution selling environment.

In contrast, the type of rep most prized by sales executives—**the Relationship Builder**—is the least likely

**to succeed** because this type fears that rocking the boat will damage the customer relationship.

The research found that in complex, “solution” sales, the performance gap between standout and average sales reps is much wider than in traditional sales—in complex or solution selling, star reps outperform average reps by almost 200% compared to 59% in traditional sales. Without help in navigating a world of more demanding, risk-averse customers, average reps are destined to keep falling behind until they can’t execute solution selling at all.

However, CEB researchers identified the unique skills and behaviors developed and practiced by Challenger reps, and they created a template all sales organizations and reps can follow.

## Why Challenger Skills Matter

Challenger skills drive sales success because they dovetail with what research has shown customers want most.

CEB research shows that the **most important thing to customers is the sales experience**—not the product, service, or price. Customers want to *learn* something in the sales interaction more than they want to *buy* something. They want insight into how to cut costs, make more money, and reduce risk.

Therefore, customers value reps most who:

- Offer unique and valuable perspectives on the market
- Help them navigate alternatives
- Provide advice
- Help them avoid potential problems
- Educate them on new issues and outcomes

Customers are saying to reps, “Tell me something new about my business”—which essentially defines the Challenger’s sales approach.

## Characteristics of a Challenger

Nearly 40% of all high performers in the study were Challengers. Of 44 attributes analyzed, six defined a rep as a Challenger:

- Offers the customer unique perspectives
- Has strong communication skills
- Knows the customer’s value drivers
- Knows the economic drivers of the customer’s business
- Is comfortable discussing money
- Can push the customer

These attributes reflect three key abilities that define Challengers:

**1) Teaching:** With their unique perspective on the customer's business and communication ability, Challengers can *teach for differentiation*\*\* \*(differentiate themselves from the competition) during the sales conversation.

**2) Tailoring:** Because they know the customer's economic and value drivers, they're able to *tailor for resonance*, delivering the right message to the right person.

**3) Taking control:** They can *take control* of the sale because they're comfortable discussing money and pushing the customer.

These are the fundamental activities of the Challenger Selling Model.

## Teaching

In typical solutions sales training, reps are taught to be investigators: to question and learn from their customers what's most important to them so they can offer solutions. However, **the Challenger approach is to teach rather than investigate.**

Effective teaching often means providing a **key insight that challenges the customer's assumptions.** It shows a problem that the customer didn't know they had, or highlights the shortcomings of other approaches. The reaction you're going for is, "I never thought of it that way before"—"not I totally agree," which signals agreement but not novel insight.

It's important to connect the key insight to the strengths of your business. Namely, **the problem that you highlight should be one that your company is uniquely suited to solve**, above other competitors. Otherwise, the customer will take your insight and search for other suppliers, and you merely offered free consulting without generating sales.

An effective teaching conversation follows six steps:

- 1. The warm-up:** Present your assessment of the key issues facing the customer based on what you've seen at similar companies and get the customer's reaction.
- 2. Reframing:** Offer a new insight that connects the issues to a bigger problem or opportunity. Don't go into detail—just give the headline to pique the customer's curiosity.
- 3. 'Rational drowning':** Present your data to build the business case for why the reframe deserves the customer's consideration. Subject the customer to "rational drowning"—that is, present the rationale for a new approach in a way that makes her uncomfortable with her current approach and therefore open to the new approach.
- 4. Emotional impact:** Ensure that the customer connects emotionally with the issue. Tell a story about another company that thought the same way as the customer, failed to take action, and suffered.
- 5. A new way:** Review the capabilities the customer needs in order to solve the problem. Show the customer how much better her life would be if she acted differently. She has to accept *the* solution before buying *your* solution
- 6. Your solution:** Demonstrate that your company's solution is the answer. Explain specifically how your company is best positioned to deliver the solution they've agreed to.

## **Tailoring**

The way to build the broad consensus necessary to win a deal is to tailor the teaching message so that it resonates and sticks with each stakeholder.

To tailor a message to a particular stakeholder, the rep needs to understand:

- The stakeholder's specific business priorities
- The outcomes the person cares most about
- The results they have to deliver (how their performance is measured)
- The economic drivers affecting those outcomes

For instance, if a rep is talking with the head of marketing, he tailors his message to her priorities. He then changes his tailoring for the head of IT, who has a very different set of priorities.

## **Taking Control**

Being assertive, or taking control, doesn't mean being aggressive or irritating; it means the rep stands firm when the customer pushes back.

Challenger reps assert themselves in two ways:

- They control the discussion of pricing and money in general. The rep doesn't give in to the request for a 10% discount, but instead refocuses the conversation on the value of the supplier's offering, rather than price.
- They challenge the customer's thinking and pressure the customer to reach a decision more quickly in order to counter the inertia that can stall decisions indefinitely. To handle reluctance (risk aversion), the Challenger moves customers out of their comfort zone by presenting things from a different perspective.

Just as you can't be an effective teacher without pushing your students, you can't teach customers without pushing them to think and act differently. Reps take the lead with a specific end in mind.

## **Other Success Factors**

In order for the Challenger Sale Model to succeed, reps need two kinds of organizational support:

### **1) Research and marketing expertise**

A Challenger sales force needs support from the sales, marketing, research, finance, and human resources departments. These departments must assemble, analyze, frame, and package business intelligence, data, and marketing research into effective teaching pitches (new business insights) that reps can present to customers. The pitches must be compelling, replicable, and adjustable so they resonate with each customer stakeholder.

While taking control of the sales conversation is an individual skill, reps need the right information and

tools from their organization to take control effectively.

## 2) Sales manager excellence

Frontline sales managers are the key to transforming an average sales force into a Challenger sales force. The most important capabilities in a Challenger manager are coaching skills and sales innovation.

- **Coaching:** Research shows that effective coaching significantly boosts the performance of average reps. Sales coaching is an ongoing series of interactions between a frontline sales manager and a rep, designed to diagnose, correct, and reinforce selling skills and behaviors. Coaching differs from training, which is for sharing knowledge. Coaching is for acting on knowledge.
- **Sales innovation:** Sales innovation is the key to fully realizing the potential of the Challenger Sales Model. It means finding new ways of solving problems standing in the way of deals and innovating new ways to position an offer. Sales innovation involves:
  - **Investigating:** Managers work with the rep to understand the customer's decision-making process and identify where a deal is bogged down and how to get it moving.
  - **Creating:** Innovative managers create solutions (innovate at the deal level)—for instance, shifting risk from the customer to the supplier in exchange for a longer-term contract.
  - **Sharing:** Innovative managers share best practices and pass on new ideas and solutions to the rest of the team.

## Start Now

As a company, you need to start now if you want to change the way your reps interact with customers before your competitors do. There's no doubt about what customers want. As Challengers, your reps will get more time with the customer, more invitations to come back, and more promises of action. In contrast, your customers will tell competing reps: "We'll get back to you."

## Full Summary of The Challenger Sale

### Introduction

The economic crisis of 2009 wasn't a good time to be a sales representative. Business dried up for most sales reps—cash and credit were scarce and hardly anyone was buying anything. Yet a handful of gifted sales reps succeeded in selling despite the downturn. Researchers with the business advisory firm CEB set out to learn these reps' secrets to selling in bad times—and came away with an entirely new sales model that can be replicated and bring success to any company.

As it turned out, the reps' success had nothing to do with the health of the economy and everything to do with responding to c...

## ---End of Preview---



Read the rest of the "The Challenger Sale" summary at my new book summary product, [Shortform](#).

Here's what you'll find in the **full The Challenger Sale summary**:

- Introduction
- Chapter 1: The Rise of Solution Selling
- Exercise: What's Your Sales Model?
- Chapter 2: The Challenger—Part 1: A New Model
- Exercise: What's Your Type?
- Chapter 3: The Challenger—Part 2: Implementing the Model
- Exercise: Challenger Selling
- Chapter 4: Teaching—Part 1: The Importance of Insight
- Exercise: Your Unique Benefits
- Chapter 5: Teaching—Part 2: Conducting Insight-Led Conversations
- Exercise: Choreograph Your Pitch
- Chapter 6: Tailoring for Resonance
- Chapter 7: Taking Control of the Sale
- Exercise: Taking Control
- Chapter 8: The Manager and Challenger Sales Model
- Chapter 9: Implementation Lessons

- Afterword: A Challenging Culture
- Appendices: Challenger Sale Bonus Materials

I've been building Shortform for the past year. It's the book summary product I always wanted for myself. I was never satisfied with the summaries from what was on the market, and so I built Shortform for myself and readers like you. **If you like my book summaries, you'll love Shortform.**

Shortform has the world's best summaries of nonfiction books and articles. Even better, **it helps you remember what you read, so you can make your life better.** What's special about Shortform:

- The [world's highest quality book summaries](#)—comprehensive, concise, and everything you need to know
- Broad library: 1000+ books and articles across 21 genres
- Interactive exercises that teach you to apply what you've learned
- Audio narrations so you can learn on the go
- [Discussion communities](#)—get the best advice from other readers

Sound like what you've been looking for? [Sign up for a 5-day free trial here.](#)

**Like this book summary? Visit [www.allencheng.com](http://www.allencheng.com) for more.**