

Newsletter

Software Sales Journal

Essential Ideas for Enterprise Software Sales Professionals

How to Deliver Effective Product Demonstrations

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Do you invest a lot of time and resources in delivering product demonstrations, only to see very few of them ever produce sales? Are you sick and tired of watching opportunities stall in your pipeline after the demonstration has been completed?

Why do so Many Demonstrations Fail to Produce Orders?

There are two primary reasons:

1. **The Opportunity Was Never Properly QUALIFIED**

Many salespeople are in such a rush to schedule product demonstrations that they never qualify the opportunity! They don't have a clue whether the prospect has any of the BUSINESS PROBLEMS their company's products can solve, or whether the QUANTIFIED IMPACTS of these problems are substantial enough to motivate the prospect to invest time and money to fix them.

2. **The Demonstration Gives the Prospect WAY TOO MUCH Information**

If a prospect sits through a comprehensive demonstration of ALL of the capabilities of your product, how much information will they receive? Do you think this amount of information might cause the prospect to go into information overload?

What happens when we go into information overload? Are we in a big hurry to make a buying decision? No! We want to take time to review the information. Far too often the end result is analysis paralysis and a buying decision never gets made!

Product Demonstrations Are Expensive to Deliver

At minimum they consume your (and possibly an expert resource's) time. If it is your company's policy to travel to prospects' facilities to deliver demonstrations, you also have all of the travel-related costs such as airline tickets, hotels, meals, entertainment, rental cars, parking, etc.

There is also an opportunity cost involved in delivering product demonstrations: Any time and resources that are invested in demonstrations to prospects that can't or won't buy are no longer available to invest in demonstrations to prospects that can and will buy!

What's the Solution?

The solution is for you to complete the following two activities before you schedule a product demonstration:

1. **The Opportunity Must be THOROUGHLY Qualified**

Hold yourself accountable for doing a thorough job of sales opportunity qualification. This includes:

- **Business Problem Qualification**

Does the prospect have any of the business problems your product can solve

- **Business Problem Quantification**

How significant is the impact of the business problems? Is the prospect willing to attach

dollar figures or percentages to these impacts?

- **Time Investment Qualification**

Is the prospect worthy of time and resource investments by your company?

2. **A PROPOSAL Must be Delivered to (and Reviewed with) the Prospect**

Why should you deliver a proposal to a prospect PRIOR to scheduling a product demonstration?

Because it doesn't make sense to invest the time and resources required to deliver a product demonstration if the prospect doesn't first agree there is a compelling business case for buying your product!

Let's examine what happens in a well-written proposal:

- The prospect is reminded of their business problems and the quantified impacts of these problems. This engages the prospect's emotions.
- The prospect is shown which specific features of your company's product will solve each of their specific business problems.
- The prospect is shown how the price for your company's product compares favorably to the quantified impacts of their business problems.
- If the prospect agrees the information in the proposal makes sense, all that remains is to PROVE to them that selected features of your product can indeed do what the proposal says they can do. Now that's a worthwhile reason for scheduling a product demonstration!

How to Structure Product Demonstrations to Close Sales

Next we will explore how to structure product demonstrations to maximize the number of demonstrations that convert into closed sales. This includes the following four steps:

1. **Review Business Problems and Quantified Impacts**

Why should you review the prospect's business problems and quantified impacts before beginning a demonstration? There are two primary reasons:

- **To Re-Engage The Prospect's EMOTIONS**

It may have been some time since you last spoke with some of the people that are attending the product demonstration. You need to make sure that in every demonstration participants' emotions are engaged during the product demonstration, as emotions are a key driver in buying decisions being made.

- **To Find Out if Any NEW Business Problems and Quantified Impacts Should be Added to the List**

How often have you walked into a room to deliver a product demonstration and found people in the room you had never met before? The larger a prospect company is, the more likely this is to happen.

These new participants may have different concerns than the other demonstration participants. If they do, you need to make sure the new concerns are identified (and the related business problems quantified, if possible) before proceeding with the demonstration.

2. **Focus the Demonstration on the SPECIFIC Product Features That Solve the Prospect's SPECIFIC Business Problems**

Remember, the goal of a demonstration is to prove your company's product can solve the prospect's specific business problems while avoiding information overload. It doesn't matter if the features that will solve the prospect's business problems constitute just a small percentage of the product's capabilities. You should focus the demonstration on the specific product features that deliver the return on investment described in the proposal. The prospect can learn about your

product's many other wonderful capabilities AFTER they buy!

3. Carefully Manage Expert Resources

Unless you are a real product expert, I always recommend having a product expert be involved in delivering a product demonstration. This increases the chances that all of the prospect's questions will be answered accurately during the demonstration.

With that said, there must be no doubt as to who is running the show. You must be willing to take on this responsibility!

You must ensure the demonstration follows (as closely as possible) the predetermined script. You should ask questions to clarify the intent of demonstration participants' questions prior to answering the questions (or prior to asking the product expert to answer the questions). You should also be prepared to 'reign in' the product expert if the expert gets into excessive detail or begins to address product capabilities that are not critical to the prospect's buying decision.

4. Gain Agreement Regarding 'Next Steps'

Hopefully, the next step following completion of a demonstration will be processing the prospect's order! But, if you are not successful closing a sale at the end of the demonstration, make sure there is clear agreement regarding the next steps in the prospect's decision process.

Conclusion

If a prospect doesn't have the kinds of business problems your company's products can solve or if the impact of the prospect's business problems is not severe enough to motivate them to invest in your company's products, it doesn't matter how wonderful the demonstration is. The prospect WILL NOT BUY!

You will maximize your time and resource investments if you delay scheduling a demonstration until after a prospect agrees there is a compelling business case for buying your product.

Remember, product demonstrations should play a specific role in the sales process. This role is PROVING a product will indeed solve the prospect's specific business problems!

Alan Rigg is a sales performance expert and the author of "How to Beat the 80/20 Rule in Sales Team Performance: A Step-by-Step Guide to Building and Managing Top-Performing Sales Teams," and the companion book, "How to Beat the 80/20 Rule in Selling: A Step-by-Step Guide to Achieving Top Sales Performance." His 80/20 Selling System helps business owners, executives and managers improve sales team performance. For article feedback, contact Alan at questions@8020sales.com.
