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Uncovering Critical Business Issues – What, Why, and How, by Peter Cohan

What's in this article for you?

Understanding Critical Business Issues (CBIs) can make the difference between successfully closing business vs wasting your time with No Decision outcomes. Helping your prospects recognize their own CBIs can accelerate their buying processes and bolster their business cases.

If you are unfamiliar with Critical Business Issues, you may want to start with the “What” portion of this article, followed by the “Why” section which explains their importance and the impact of failing to capture them.

If you are an existing Great Demo! or Doing Discovery practitioner, or you are already familiar with CBIs but sometimes struggle to identify or collect them, I invite you to jump to the “How” segment.

Finally, if you are familiar with CBIs but find it hard to differentiate between CBIs and Problems/Reasons, you are invited to review the “What” section as well!

WHAT

What *Is* a Critical Business Issue?

Prospects may articulate their challenges at two distinct levels:

1. The higher level: The Critical Business Issue(s) – these are the *outcomes* of the lower-level challenges.
2. The lower level: The prospect's Problems or Reasons that *cause* the higher-level outcomes.

The wise vendor will want to understand both of these and be able to differentiate between the two.

A Critical Business Issue (CBI) is best defined as an individual's objective that is at risk. Typically, these align to one's quarterly, annual, or project-based objectives.

Consider: How are *you* measured? How will you know, at the end of the year, that you have been a success? In most organizations, you'll meet with your manager and discuss whether you achieved, exceeded, or failed to meet your objectives for the previous time period. Hopefully, you are also tracking your progress along the way, as well!

- If you are on track to achieve your objectives, or you have no need or desire to change your trajectory, then you *don't* have a Critical Business Issue.

How do you know if you are on track? You examine the measurement(s) you use to determine achievement. If these metrics or Key Performance Indicators (KPIs) are “looking good”, then you don't have a CBI.

- On the other hand, if you are concerned that you might miss an objective or, worse, you *know* you won't achieve an objective, then you *do* have a Critical Business Issue.

How do you know if you are *not* on track? If the metrics or KPIs show that you are at risk of missing an objective, then you *do* have a CBI.

Summarizing, it is these checkpoints, when you assess your personal status and progress towards your objectives, that yield two possible outcomes:

1. Things are looking good and it is likely that you'll achieve your objectives. No CBI.
2. Things are *not* looking good and your ability to achieve your objectives is at risk! You have a CBI.

It is this second situation that presents you with a Critical Business Issue: The risk of failing to meet your quarterly, annual, or project-based objectives. Your prospects operate the same way and are much more likely to take action when they are at risk of failing to meet an objective, particularly a key objective.

Example Scenarios

Let's explore some simple example situations that your prospects may encounter:

- If your prospect is in sales, it is very likely that they have a quarterly and/or annual revenue quota that they need to meet. If they are currently *under* quota and it looks like they may not achieve the necessary numbers, they are at risk. They have a Critical Business Issue!

CBI: “At risk of not achieving quota.”

- If they are in operations, their objectives are typically to produce the required output, in the required timeframe, and within budget. Missing any one (or more!) of these three measures puts this person at risk of missing their objectives. For example, they could produce the required output, but if there is a need for substantial rework, then they would be at risk of missing the required timeframe for delivery and running over budget, as well. Any of these results in a Critical Business Issue for this person.

CBI: “At risk of not producing the required output on time, within budget, and on spec.”

- If they are in IT, they are likely measured by certain Service Level Agreement (SLA) metrics. These could include parameters such as availability, performance, or time-to-resolution. If their SLAs are not being met or are at risk, then they have a Critical Business Issue.

CBI: “At risk of not achieving agreed SLAs.”

- Project completion is another area that can yield CBIs. If your prospect is in charge of a project and that project is currently looking good for completion on time, on spec, and within budget, then they will likely meet their objective. However, if any one or more of these three parameters is “busted”, then they have a Critical Business Issue. Note again that they could deliver on time and within specification, but still not meet their objective if the project runs over budget.

CBI: “At risk of not completing the project on time, on spec, and within budget.”

CBIs are personal, based on an individual’s specific objectives and the risk of not achieving them. CBIs are simple, but precise – just as an individual’s objectives are precisely defined (or should be!). CBIs are typically time-bound and, most importantly, they have specific measurements to differentiate between success and failure.

Note that several individuals may *share* a common objective. This occurs in some presales organizations, for example, where a presales team shares a revenue quota objective. Each individual team member is *still* subject to the success or failure measurement, in spite of the objective being shared.

CBIs are *not* squishy or ill-defined. “Do a good job” or “contribute to the effort” are not well-written objectives. How can one tell if a person has met the “measurement” of a “doing a good job”? Could “contribute” simply mean “show up”? You may occasionally encounter prospects who lack specific, well-drafted objectives. These people are rather unlikely to have Critical Business Issues and, correspondingly, are *unlikely* to seek solutions.

Changing gears slightly, you’ll notice that we haven’t discussed the cause – the Problems or Reasons – that puts each of the above four example prospects at risk. That’s the next level down.

Problems/Reasons – “Pain” vs CBIs

Most prospects, when they express pain, do so as a description of one or more problems. Let’s use an enterprise software salesperson as an example.

You ask, “So what seems to be the trouble?” The response might be, “Well, I don’t have enough good leads...”

They are expressing “pain”. “Pain”, however, is poorly defined. It could be a CBI, or a problem or reason that is *causing* the CBI. “Pain”, therefore, needs to be qualified.

Is it a CBI? Yes, if it maps directly to an objective that is at risk. No, if it is an underlying problem or reason that impacts the ability of the prospect to achieve their objectives.

In the example above, Great Demo! practitioners will recognize (I hope!) that this prospect has articulated a Problem/Reason and *not* a CBI. Your job is to (gently, but firmly) help the prospect associate this Problem/Reason with a CBI.

A simple example would be to ask, “What is the impact that insufficient leads has on your objectives?”

The salesperson answers, “Well, without good leads I don’t have enough opportunities to pursue...”
This response is getting closer, but it is not quite there!

Why? Because “insufficient opportunities” is not how the rep is measured. Quota is the metric, so you need to dig deeper (or push higher).

Accordingly, you ask, “Tell me, how are you measured? How will you know that you have been a success at the end of the year?”

The salesperson replies, “Oh! If I make my quota – if I achieve my quarterly and annual numbers...!”
Now you’ve uncovered a CBI!

Your next step is to associate the Problems/Reasons with the CBI:

You explore, “So If I understand correctly, the lack of good leads is impacting your ability to make your numbers...”

The salesperson concurs, saying, “Exactly...!”

Congratulations – you just uncovered the information you need for the first three items on a Great Demo! Situation Slide, *and* you have clearly differentiated the CBI from the underlying Problems/Reasons:

Job Title and Industry: Enterprise Software Salesperson
Critical Business Issue: At risk of not achieving quota
Problems/Reasons: Insufficient number of good leads

“But,” you may be thinking, “Why isn’t simply uncovering ‘pain’ sufficient for a sales process?” The answer is that “pain” alone is often an inadequate driving force.

WHY

Enduring Pain vs Seeking Solutions

People will live with the pain they know *forever*, unless it is associated with a Critical Business Issue!

I love to tell the following story to illustrate this idea. The setting is a Great Demo! or Doing Discovery [Workshop](#), and I’m working to communicate the difference – and importance – of CBIs vs Problems/Reasons:

I ask the participants, “Does anyone here have a car that has been making a noise or a sound for a period of time?”

Invariably, someone responds, “Yes, my car has been making a weird noise for a while...”

“What kind of sound is it?” I inquire.

“Kind of a screeching noise coming from the left front wheel when I make turns” the participant replies. Other people in the room nod their heads – they have had similar issues.

I ask, “Does the noise bother you?”

“Yes, it did previously, but I’ve learned to get used to it...” is the response.

I probe, “How long has this been taking place?”

“Oh, I’d guess about nine months...” responds the participant.

Nine months! This is a terrific example of a Problem/Reason – a “pain” that this person has been living with for nine months. It is *not* a Critical Business Issue because it hasn’t impacted their ability to achieve their objectives (Well, not *yet!*)

I explore, “What would cause you to get this repaired?”

The participant replies, “Oh, I don’t know, I guess if I couldn’t drive the car anymore...”

I say, “Perfect example! Imagine you are on your way to the airport to fly to the biggest demo of your career. It is stormy, with heavy wind and rain. You are halfway to the airport when suddenly your left front wheel starts to fall off the car! You immediately pull off the highway, but now you are at risk of missing your flight.”

I ask, “Now, would you get it fixed or find an alternative mechanism to get to the airport?”

“Absolutely!” is the response.

I continue, “So, now it has become critical?”

“Yes... Ah Ha...! *Now* I see the difference between a pain or Problem/Reason and a CBI...!

(How is *your* car doing, by the way?)

Think about your own business life: How many things frustrate you, or that you complain about, but you never take action? These things just seem to linger and are never addressed. These are perfect examples of “pains” or Problems/Reasons. We don’t like the situation, but we often live with them... forever!

They bother us but we don’t address them. They aren’t *important* enough to address. Why are they *not* important? Because they don’t impede our ability to achieve our objectives (or they don’t impact our ability to achieve our objectives *enough*, compared with other problems). Problems/Reasons that don’t impact our ability to achieve an objective are just “pains” that we live with.

Now ask yourself, what *does* impact your ability to achieve your own objectives? It is those particular Problems/Reasons that are putting your specific objective(s) at risk. The objective that is at risk is the CBI, and the underlying “pains” are the Problems/Reasons.

The essence of the importance of a Critical Business Issue is that it *does* represent someone's inability to achieve their objectives. Failure to achieve objectives can result in innumerable negative outcomes, ranging from personal consequences such as reduced compensation, loss of the opportunity to advance in position, or movement out of a position of authority. Failure to achieve objectives for senior members of a company can have *organizational* negative impact as well, such as layoffs, inability to pursue acquisitions or mergers, or falling stock price.

Finally, for presales and salespeople pursuing individual sales opportunities, the lack of a CBI has another likely result: A No Decision outcome. This is where your prospect *chooses* to remain as they are and does not move forward with a solution. This happens because their "pains" are at the Problem/Reason level and are unattached to a CBI. Those "pains" will continue to be Problems/Reasons ... forever!

"Pain" alone is insufficient. It must be attached to a CBI for a sales opportunity to move forward productively.

HOW

Earlier you saw an example of moving someone from the Problems/Reasons level to uncovering the associated CBI, in the case of the salesperson with insufficient leads resulting in their risk of missing quota. Let's explore other methods of uncovering CBIs.

Using "Why?" Questions to Uncover CBIs

"Why?" questions are particularly useful when you need to surface your prospect's CBI. It is likely that you've invested considerable time discussing their Problems/Reasons, Specific Capabilities, and other discovery parameters, but your prospect has yet to articulate a CBI. "Why?" can be an elegant method to shift the conversation up a level. Here's an example:

You say, "We've been discussing your situation for a while and I'm beginning to feel like I understand it reasonably well, but tell me, *why* did you reach out to me in the first place? Are there specific goals or objectives that you need to achieve, or that are at risk?"

Your prospect responds, "Oh! Yes, I was assigned this project and I'm concerned that I won't complete it on time..."

You follow-up with, "Thanks – I understand. And when do you need to have it done?"

"By December 1 this year. It needs to be complete and tested for a kick-off at the beginning of the year," replies your prospect.

"And when do you currently expect completion, if you don't make any changes to your current trajectory?" you ask.

"Likely it won't be done until the following April..."

Congratulations! You just uncovered both a CBI and a key Delta (a measurement of value)! The prospect's CBI is to complete the project by December 1; the Delta is the four-month difference

between completion in April (and missing an important objective) and finishing on time by December 1 (and achieving the project objective).

That only took one use of “why?” to accomplish. In other cases, you may need to ask “why?” multiple times to unwrap the layers hiding your prospect’s CBI.

For example, your salesperson prospect says, “I don’t have enough good leads...”

You pursue this, asking, “Help me understand, *why* is that a problem?”

“Well,” responds your prospect, “without enough leads I typically don’t have enough opportunities to fill my pipeline...”

“I see,” you reply, “and what does that cause? Why do you need to fill your pipeline?”

Your prospect clarifies, “I need a good number of leads to work with because only a few will become real opportunities.”

“OK,” you note, “But why is *that* important?”

“Well,” your prospect explains, “I’m not going to make my numbers if I don’t have enough good opportunities...!”

(Ding ding ding ding ding...!) “OK,” you say, “*Now* I understand. Your real issue is your risk of not making your numbers this quarter. Is that correct?”

“Absolutely!” exclaims your prospect. “This quarter is already at risk and my full year quota is looking ‘iffy’ as well!”

Note that you can harvest three sets of discovery information from this conversation:

1. Critical Business Issue: At risk of missing quarterly and annual quotas.
2. Problems/Reasons: Insufficient leads and not enough good opportunities.
3. Critical Date(s): End of this quarter and end of their fiscal year.

This conversation took three “why?” questions to reach a CBI. That’s not unusual for staff-level prospects. Does that change when interacting with managers?

The Higher You Go...

The higher your prospect’s job title, the more likely they will directly articulate a CBI. C-Suite members and other executives tend to *operate* at the CBI level. “Achieve XX in revenues.” “Manage costs below YY.” “Launch the new product by ZZ.”

For example, a head of sales knows they need to achieve the required revenue numbers to enable the business to succeed. A head of operations similarly knows they need to deliver the required goods or complete the necessary projects on time, on spec, and within budget. CEOs and heads of business units

are typically measured by profit or growth metrics, which combine the objectives of the head of sales and head of operations.

C-Suite and similar executives often communicate their objectives (and hence their organizations' overall objectives) in quarterly meetings or statements. They want to make it absolutely clear what needs to be accomplished and how their organization will be measured.

The higher the job title, the more likely they will communicate directly in CBIs. The lower the job title the more you should expect to hear Problems/Reasons.

The Chain of Pain

There is often a direct linear relationship between managers and their teams in terms of their CBIs. Very simply, a manager's Problems/Reasons may be their staff members' CBIs. You can read more about this idea in the Great Demo! Third Edition book. You can learn (much!) more about doing discovery in the book (cleverly titled), [*Doing Discovery*](#).

“How Are You Measured?”

Another *very* good way to uncover a CBI is to ask, “Tell me, how are you measured – how will you know at the end of the year that you have been a success?” There is a very strong tendency for people to recall their objectives when you ask this question!

A Story

One day, a head of sales called me, out of the blue, and opened the conversation with, “Our demos suck...!” This was one of the most fascinating openings I had ever heard coming from a prospect. We moved into a very productive discovery conversation that ran for about an hour.

We had largely completed the conversation and we were in the wrap-up phase. However, while I had terrific insights into his team's demos, related factors, his organization's culture, products, sales process steps and more, I hadn't actually heard him *articulate* a Critical Business Issue.

Even though I was confident I already knew his CBI, I wanted to hear it from *his* lips.

I asked, “So, tell me, what caused you to pick up your phone and call me today?”

He answered, “Well, I've been given a sales quota for next year that is 20% higher than this year's – and I know we won't make those numbers with our current demos...!”

Fabulous! In that one sentence he communicated *both* his CBI and a Delta – what a delight...!

Enablement

It is extremely helpful to have an idea of likely CBIs for each prospect's Job Title prior to a discovery conversation. This enables you to tell whether the responses you hear are reasonable, or if your prospect is simply articulating Problems/Reasons-level issues. For example, we know ahead of time that anyone in sales will likely have “revenue quota” or “making the numbers” as a CBI.

A number of organizations that have implemented and adopted the Great Demo! methodology have generated enablement assets to support their practices. One terrific asset is a listing of high-probability prospect Job Titles with corresponding CBIs.

This enables sales, presales, marketing, and customer success staff to very quickly gain an understanding of their prospects' and customers' likely CBIs. As new prospect Job Titles appear and CBIs are collected for these, they are added to the enablement library.

What should you do when you encounter an unfamiliar Job Title and have little or no insight into their likely objectives or CBIs? Do some research ahead of your meeting. Go online and search for job descriptions or job openings for that specific Job Title. You'll likely find wonderful examples detailing that Job Title's expected objectives or measurements of success. ChatGPT (and similar AI engines) can be an excellent source for this information.

Summary

Prospects tend to articulate their challenges at two distinct levels:

1. The higher level: The Critical Business Issue(s) – these are the *outcomes* of the lower-level challenges.
2. The lower level: The prospect's Problems or Reasons that *cause* the higher-level outcomes.

Now you should be able to uncover both levels and differentiate between the two. Doing so will improve your sales stage conversion metrics, reduce No Decision outcomes, and encrispen your sales process and your buyers' processes, as well!

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