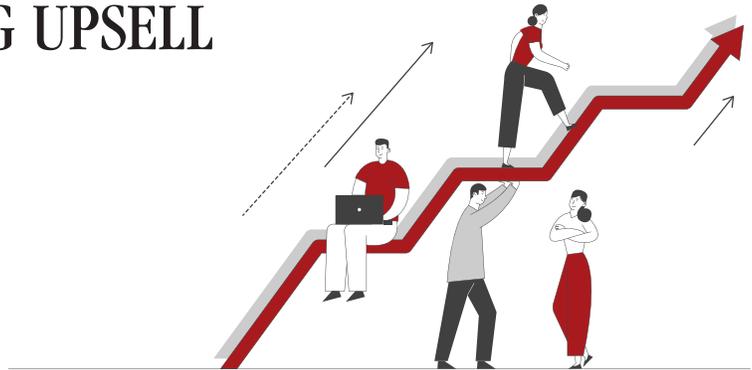


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# THE EXPANSION SALE: A SCIENTIFICALLY PROVEN APPROACH FOR WINNING UPSELL CONVERSATIONS



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When you're talking to a new prospect, it makes sense to challenge their status quo and persuade them to switch to your solution. In fact, Corporate Visions' research has found that a provocative messaging approach that begins by introducing "unconsidered needs" increases differentiation by 50 percent and improves a new prospect's willingness to switch from a competitor by 10 percent over other presentation approaches.

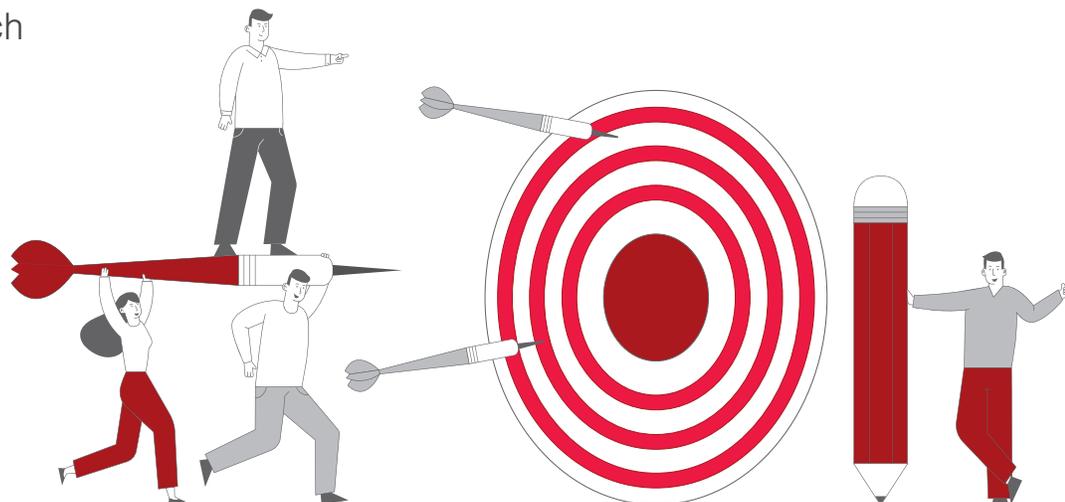
But to your existing customers, you *are* the status quo. And research shows that using a provocative, challenging message when you're trying to renew or grow business with your existing customers lowers your favorability ratings by 19 percent and decreases their likelihood of renewing or buying your additional capabilities by up to 16 percent.

Simply put, using the same approach to keep and grow existing customers that you used to acquire them will backfire, significantly lowering your chances of renewals and upsells.

This research from the new book *The Expansion Sale: Four Must-Win Conversations to Keep and Grow Your Customers* may come as a shock to some organizations. In fact, nearly two-thirds of marketing and sales leaders see no need to differentiate their approach between acquisition and expansion. They simply use the same message, regardless of the type of buyer relationship.

It's clear, however, that your marketing and sales messages shouldn't be a

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## Navigating the Why Evolve conversation

While getting your customers to keep buying the same thing from you is important, retaining customers alone won't get you to your growth goals, even if customers happily accept your price increases. You need your customer to buy more from you—to purchase additional products or transition to higher-value solutions.

In short, you need to evolve your relationship with your customers while still keeping the competition at bay.

The Why Evolve conversation is your opportunity to reset your customer's status quo on a higher plane. You're increasing customer share of wallet, deepening product penetration, enhancing contract value—you name it. And with each successful Why Evolve conversation, you're cementing the status quo, demonstrating results and setting yourself up for further expansion conversations. Done right, there's continued value creation on both sides of the partnership.

But the Why Evolve conversation can also be tricky. You're asking customers to invest in a new solution—in other words, to make a change—when you're the incumbent. That means you have to balance your customers' need for change against your need to reinforce the status quo.

They're already buying from you, and you want to keep it that way. You also want them to do something different, but only within the universe of your solutions. You need to show them that the cost of staying the same is too great to bear, while at the same time keeping them from straying too far.

Your Why Evolve message is strongest when it reinforces the emotional elements of your customer relationship—the existing partnership and the collective progress you've made toward

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one-size-fits-all effort that's universally applied across the entire customer lifecycle. Customer retention and expansion conversations have their own demands, pressures and buyer psychology. Your renewal, price increase, upsell and apology conversations need to reflect and adapt to that psychology – or they'll backfire.

But it's not just about what you say—it's also how you say it. You can construct a scientifically sound, persuasive message that you're excited about, but if you don't *deliver* it the right way, it loses much of its power. Just as you need different messages to connect with customers during these different commercial moments, you need to use

different skills to communicate those messages effectively.

Having the awareness of each unique customer situation and applying the right message and skills in that moment is what we call "situational fluency." Situational fluency is the ability to diagnose the customer situation, select the right message for that specific moment and execute that message with panache.

To better understand how to develop situational fluency, consider one of the four must-win conversations you'll have with your existing customers—upsells/cross-sells, or what we call the "Why Evolve" conversation.

the customer's goals. The winning message speaks to your customer's head and heart. It communicates greater contrast and heightens the customer's sense of urgency.

## The tested and proven Why Evolve message

**Step 1 – Document Results.** You'll begin the Why Evolve conversation by documenting the customer's results. You want to quantify any business impact and outcomes you've delivered with the existing solutions in place. You also want to quantify the time and effort both you and the customer have put into ensuring this initial success. Instead of leading with surprising, provocative new needs, you're grounding them in the positive momentum already achieved and positioning the upsell as a measured, considered evolution—with you as a proven, trusted partner.

**Step 2 – Highlight Evolving Pressures.** The key to highlighting evolving pressures is combining those elements of the status quo that you want to reinforce with the seeds of change. Equally important, the evolving pressures you highlight must feel logical, natural and expected—things that inevitably occur in the course of doing business.

You don't want to disrupt your customers at this stage, nor do you want to change their current thinking. You're acting as a good, honest partner, acknowledging the pressures they're starting to feel, that they likely want to address but haven't yet had the opportunity to. Such pressures might include things like new regulatory requirements, shifting customer preferences or market and industry trends.

At this stage, it's important to differentiate pressures that have evolved from the ones they partnered with you to address, instead of introducing radically new needs that surprise both you and them. If it's seen as too revolutionary,

requiring too much change, you'll cause them to think about inviting more competitors into the discussion.

**Step 3 – Share “Hard Truths.”** The “Hard Truths” form the “So What?” element of the evolving pressures you just shared. This is where you share what will happen as a consequence of the evolving pressures—why the customer should care. In this step, you're playing the role of a coach, a tough teacher or a mentor who has the customer's best interest at heart but must tell the truth to make things better.

You must show clear contrast between the risk of no change with the value of changing.

Emotional words are important. So you need to tell the Hard Truths but do so using words and a tone that show you care and have a vested interest.

The thing that makes Hard Truths so powerful is your unique vantage point as someone who has both an internal and external perspective to share. You work inside your customer's company with their people and systems. And you work with other companies that look like them. This gives you a privileged position, distinct from your competitors, to provide a realistic assessment of where your customer is and where they need to go.

**Step 4 – Emphasize Risk of No Change.** The next step in the Why Evolve conversation is to identify the cost and risk of not changing and then linking these to the negative consequences of not responding to the Hard Truths.

Be specific so the consequences of no action are clear. You're looking to touch

multiple areas here—operational performance, business processes, financial performance—so you can trigger what scientists call *loss aversion*. For someone to make a decision to do something different, they have to believe there's a loss associated with staying the same. Your customer is only willing to seek the risk of change if they believe the status quo is unsafe.

At the same time, don't be afraid to lean into the risks if your customer begins to consider making a complete change to the competition. Ideally, you will have already demonstrated the value you've built together over the course of the relationship and documented that value at the beginning of the upsell pitch. You want them to feel anticipated regret and blame if they decide to bring in someone new for this piece of the business.

**Step 5 – Describe Upside Opportunity.** The last step of the Why Evolve message framework is where you present the potential upside of making this decision with you. To do this, you must show clear contrast between the risk of no change with the value of changing. Customers won't change to get more or less of the same—the perception of value lies in this contrast.

In this step, you're also pivoting from risk to empowerment. You already work inside their organization. Show them what this means to them using your internal knowledge and partnership to inform the story. Instead of using a success story about another customer who made the change, you're making this customer the hero by painting a vision of them making the decision and successfully using the solution.

## When should you start the Why Evolve conversation?

With so many sellers needing to grow business to meet their quota, they're going to be naturally anxious to start



the Why Evolve conversation. But when is the right time to begin that discussion?

The natural answer is, as soon as possible. If you're not having these types of candid conversations with your customers today, you need to start.

Ideally, you should be embedded and comfortable enough to be talking frankly with their teams—and for them to be sharing concerns honestly with you. This trust is the linchpin for the Why Evolve story, and it's the best way to frame risk in a way that benefits you, the incumbent.

But you should also be cautious about your approach. Often, the impetus for an expansion conversation is the flashy new product your company is bringing to market. Perhaps it's the latest upgrade or bundle that you know your customer would just adore. Or maybe you have a customer that's fallen behind and needs the new offering just to keep up.

In these cases, the first instinct is to lead with the shiny new thing. The product marketing collateral is top-notch, sellers receive product training at the annual kickoff, and the entire story is based on the sexy, new and improved capabilities of the offering.

But this approach loses—and loses by a lot when we test it against the Why Evolve framework you just read about. So, while it's ever so tempting to get caught up in the new and lose sight of your incumbent advantage, don't let it happen to you.

In the spirit of situational awareness and with an eye toward increasing your chances of commercial success, here are two questions to consider before launching the Why Evolve conversation:

**1. Have You Started Delivering Value?** Until you've started delivering some results, you haven't earned the right to start selling the next thing. You don't want to send the message to your customers that growing their spend is more important than their success. You also don't want to give them the impression that you intentionally under-scope the initial solution to get their business. While you don't have to fully complete every goal you set before beginning the next conversation, you do need to have some track record to anchor the relationship.

**2. Is the Relationship Stable?** Is there a service failure that needs correcting? If so, you need to make sure

the relationship is on solid ground before you start asking for more. (*The Expansion Sale* book contains an entire section on Apologies and the Why Forgive messaging model.)

Account stability might be hard to pinpoint, especially in situations where your customer is experiencing your solution every day, multiple times a day. The likelihood of a consistently positive experience, day in and day out, is slim—even for your best solution. Also, there will always be glitches and detractors.

So you need to establish a relational baseline for when you believe you are stable enough to pursue the upsell. Rule of thumb: When you have some results to point to and the relationship is stable, it's safe to start the Why Evolve conversation.

### About *The Expansion Sale*

In *The Expansion Sale*, you'll get research-backed message frameworks and learn the skills needed to deliver your message in four key commercial moments with existing customers:

- **Why Stay?** Why should I renew with you?
- **Why Pay More?** Why should I pay more for your solutions?
- **Why Evolve?** Why should I buy even more from you?
- **Why Forgive?** Why should I trust you after a service failure?

Learn more at [www.expansionsale.com](http://www.expansionsale.com). ■

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Tim Riesterer, Chief Strategy and Research Officer at Corporate Visions, is dedicated to improving the messages marketing creates for the field and the conversations salespeople have with prospects and customers. A visionary thought leader, keynote speaker and practitioner with more than 20 years of experience in marketing and sales management, Riesterer is co-author of four books, including *Customer Message Management*, *Conversations that Win the Complex Sale*, *The Three Value Conversations*, and *The Expansion Sale*.