What Message Gets Executive Decision-Makers to Buy Now Instead of Never?

DETERMINE or DEFER
The Opposite of Urgency

Stalled proposals. Subpar close rates. Momentum loss. Whatever you call the struggle, these challenges are all connected to business proposals that are ineffective at moving executive decision-makers to decide instead of defer.

Stuck deals, arguably, are a “value communication” problem more than a budget issue. They’re the result of a failure to create enough urgency and evidence to get buyers with decision-making clout and budget responsibilities to agree to move now.

The majority of marketing and sales leaders in our recent industry survey of 275 companies say they aren’t satisfied with their ability to tell an executive-level story or craft a business case that creates urgency and moves executive prospects to act:

- More than two-thirds of companies (67 percent) say they’re underperforming at getting executive-level prospects to buy now rather than later
- Meanwhile, only 39 percent are confident in their ability to build a meaningful business and financial case to justify a decision

There’s clearly a need in this area, especially since 80 percent of your deals will require a VP- or higher-level signoff, according to analyst data.

So, how do you create a business case that passes muster with buyers who may be less involved with the actual day-to-day deployment of your solutions? In other words, the buyers who might not care how your products and services work, but want to see how you can help them drive business value.

In the rest of this report, you will learn what type of story is most effective at moving executive and financial decision-makers to act now. **We’re calling this the Why Now message.**

You’ll explore brand new academic research that aims to better understand the factors that move executives to action. You’ll also learn about a Why Now messaging framework that’s proven by the research to help you make the biggest impact in this moment.
A Responsibility Diffused

If companies are dissatisfied with their messaging for the Why Now moment, it’s not because they don’t recognize its importance: 89 percent of respondents to our industry survey said building a business case is “essential” or “very important” to closing more deals, closing them faster, and hitting their growth targets.

Important as this moment is, responsibility for helping the field sales team build a business impact case is highly fragmented across organizations. At one third of companies, sales managers are primarily responsible for shaping the story, while 20 percent of companies leave the responsibility in the hands of marketing. Another 18 percent of companies leave this up to sales enablement or learning and development.

Aggravating the problem of diffuse ownership is the fact that many companies aren’t confident they know what an effective message looks like for the Why Now moment. See more about the implications of that confidence gap on the next page.

A Lesson from a Parking Lot

A sales rep at a medical equipment company recently told me he lost a deal for an MRI machine, not to another MRI competitor, but to a “parking lot.” I’ll explain.

When I asked him what he meant, he explained that the hospital executive he was working with decided they could improve patient throughput, satisfaction, and revenue if they spent $1 million updating their parking lot instead of purchasing a new MRI machine. This story illustrated to me that when executives get involved in purchase decisions, there are far more considerations that enter into the buying process—and far more “competitors” for the budget you’re seeking than you may realize.

That ups the ante for your proposals quite a bit, and it means you need to make a business case that’s even better at creating urgency and demonstrating impact—two areas in which many salespeople struggle today.
A Crisis of Confidence?

Only 39 percent of respondents to the survey are confident in their reps’ ability to build a meaningful business and financial case that creates the urgency for a decision. Meanwhile, more than half (52 percent) say there’s room for improvement as far as adjusting their story, content and sales approach to address the requirements of an executive/financial audience.

No surprise, then, that if companies are less than sure they’re telling the right story for this moment, performance in the field is bound to lag accordingly. And it is: More than two-thirds (67 percent) of respondents say they’re underperforming or performing inconsistently when it comes to creating the urgency to get prospects to buy sooner rather than later.

And, in another critical Why Now skills area—connecting business value to executive-level needs and business initiatives—salespeople are performing only minimally better. More than half of respondents (56 percent) feel they are “50-50” or worse in handling this part of the story.

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“Executive Emotions”

Researching the Why Now moment was largely inspired by a previous academic study we performed, which looked at how “executive emotions” can affect decision-making.

That study debunked a longstanding myth about executive decision-makers—namely, that they are strictly rational in their decision-making, influenced only by the hard ROI story you can tell.

That’s not the case. What the study found is that executive decision-makers are just as swayed by emotionally charged decision-making factors as anybody else. The key finding: executives are more than 70 percent more willing to make a risky business decision—if you frame their status quo in terms of what they stand to lose by not making a business change versus what they stand to gain by following through with one.

Loss Aversion in Action

The “executive emotions” study was a textbook case of loss aversion in action. Above all, the study illuminated just how important the emotional framing of a message is when it comes to having effective conversations with executive buyers. It not only clued us into the fact that these decision science principles matter when you’re trying to create urgency in your business proposals; it was the inspiration for conducting follow-up research on the Why Now moment, so we could determine what kind of message actually creates the urgency to get executive decision-makers to decide instead of defer.

That follow-up study, covered in the following pages, validates the effectiveness of leveraging loss aversion in your business proposals and messaging. The research also yields a tested and proven messaging framework to help salespeople tell the most compelling story in the Why Now moment.

Executives are more than 70 percent more willing to make a risky business decision, like changing from their current situation to an alternative, if you frame their status quo in terms of what they stand to lose versus what they stand to gain.

For the test conditions in the study, which were framed in terms of loss and gain, the math was equivalent. The only thing that differed was the messaging—that is, the emotional framing of the story itself. Just a few words were changed.

The study demonstrated the impact of loss aversion, a concept important to Prospect Theory, which was pioneered by social psychologists Amos Tversky and Daniel Kahneman. The research supporting the theory, illustrated in the chart to the left, validates that humans are two-to-three times more likely to make a decision or take a risk to avoid a loss than to do the same to achieve a gain.
Researching the Why Now Moment

What type of message gets executive-level buyers to buy now instead of never? That’s the main question motivating our latest round of research, conducted with Dr. Nick Lee, a researcher and professor of marketing at the Warwick Business School in Coventry U.K.

We designed the test conditions and questions to assess a range of areas critical to the Why Now moment in the buyer’s journey—areas including confidence in the business proposal, how urgent it was, how essential to future growth, and to what extent it made executives in the study more or less likely to purchase right now.

The study, conducted online, included 312 executive participants, all employed at companies with $100 million or more in revenues, and all with budget and decision-making responsibilities.

We asked all participants to imagine they were an executive at a food processing company that’s traditionally served vegetable products using large-scale equipment, but now wants to break into organic and specialty food production, the most promising growth market.

Participants were split into six different groups, each of which experienced a different messaging test condition, or pitch, containing the following elements: Business Issue: External factors and business initiatives; Loss: Details about a loss to be avoided; Gain: Details about a potential positive gain; Unconsidered Needs: Introduces an unsuspected threat; Heavy ROI: Hard numbers with a detailed ROI breakdown; Change Story: Business change story with a light ROI component.

Here’s how we structured the six test conditions:

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<tr>
<th>Condition #1:</th>
<th>Condition #2:</th>
<th>Condition #3:</th>
<th>Condition #4:</th>
<th>Condition #5:</th>
<th>Condition #6:</th>
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Research Results

The only condition to finish first in each assessed area was condition #3—structured around presenting a business issue propelled by a series of unconsidered needs, before providing a solution story with heavy ROI justification.

That winning condition provides an edge in all of the most important questions the executives answered in the study, including: 1) Importance to future success and growth; 2) Confidence that it’s a good purchase decision; 3) Urgency of the need to make the purchase; 4) Likelihood of making the purchase decision right now.

Interestingly, the other message conditions were highly volatile in terms of how they performed in these key areas. In other words, what might have been second or third “best” in one area finished closer to the bottom in another. Only the one condition stood tall as the winner in every question.
The Most Effective Why Now Message Framework

Below is an example of the Why Now message that performed best across the key executive decision-making areas assessed in the study.

**Business Issue:** Growing consumer demand for organic foods, especially in the “ready-to-eat” category, presents a great opportunity for processors, like you, to expand.

**Unconsidered Needs:** However, this market has unique requirements and cost pressures that you need to consider if you want to enter and compete effectively. First, your large processing machinery is not compatible with the unique needs of the organic producer, who requires frequent changes to accommodate a greater variety of vegetables to be processed, and smaller batch sizes. Second, your current labor and material costs are too high to be price competitive in this market.

**Solution Response plus Business Impact:** Investing in our smaller-scale, flexible equipment should position you to get at least a one percent share of the growing small-producer market, generating $10 million in new revenue. Improvements in automation technology should also provide you with a two percent savings in labor and material costs. This one percent increase in sales and two percent cost savings should improve your operating margin by 29 percent.

With all these factors considered, we estimate this will generate an ROI of 78 percent in your first year of investing in our new smaller-scale processing equipment that will enable you to enter the organic produce market. This means you’ll be making money on this equipment by year two. These results are typical of the results documented by dozens of other processing companies using our equipment.

It’s What They Don’t See Coming

Executives are always looking for an edge. Telling an executive something they already know doesn’t create that edge or bring any value. By introducing an unconsidered need, which this research shows is key to excelling in this moment, you’re amplifying a missed opportunity or a problem they’ve underappreciated or didn’t even know about. That’s how you create urgency and differentiate yourself.

This research affirms that you need to generate enough curiosity that you elevate your value beyond what you are selling, and into your conversation as a whole. If an executive perceives that you’ve delivered a valuable conversation, you’ll get them to take the desired next step toward a decision. That’s what the Why Now message framework is expressly designed to help you do.
Analysis

In a post-study analysis, Dr. Lee identified that while some of the “effect sizes” were smaller and others larger, the main takeaway is that the effects were consistent across all questions—with the same condition winning every time.

“A consistent pattern or large number of small effects means that, taken together, there is a clear argument that [the winning message condition] is more likely to be effective than the others,” Dr. Lee says. “Which means the unconsidered needs and heavy ROI message approach is preferable when you’re trying to create urgency and demonstrate business impact in your proposals.”

The effectiveness of the message structured around a business issue, unconsidered needs, and a solution story with a heavy ROI case is consistent with the body of decision-making science research that inspired the study—as well as with our “executive emotions” research.

Simulations, Not Surveys

Industry surveys have some value when it comes to identifying patterns, gaps or inconsistencies in how companies are performing in a given moment. But make no mistake: survey-based findings are very different from the simulations used in these academic studies.

Academic researchers have long ago identified that surveys—unlike simulations—aren’t all that helpful at illuminating how people will act when money and reputations are on the line.

Behavioral economists explain that surveys reflect our declared preferences. They exhibit how humans want to perceive themselves as rational actors and decision-makers. Simulations, on the other hand, are closer to reflecting our revealed preferences—i.e. how we actually make decisions when important considerations hang in the balance.

Research simulations—not surveys—offer the clearest window into the factors that dictate how buyers frame value and make decisions. So, when the output of your project is something as consequential as a messaging framework, the foundation of that framework should be test simulations that validate or refute various approaches to the conversation. Surveys vs. simulations—these two forms of data gathering shouldn’t be conflated. And, their findings must be understood and applied in the appropriate context.
Conclusion

You can minimize the threat of stuck deals and weak proposals by applying some strategy and structure to the Why Now moment. The message framework validated by this research will help you do that, so you’re telling the most effective story for this difficult moment of truth—when you need executive decision-makers to feel enough urgency to act.

As the research shows, this moment places a premium on messaging that creates urgency and demonstrates clear business impact. The companies that can develop and refine the messaging and skills needed to tell that story most effectively will have more meaningful executive conversations and be able to close more deals in less time.

Corporate Visions conducts first-party research simulations designed to uncover the most effective messaging frameworks for the most important moments in the customer lifecycle—whether you’re dealing with new prospects or long-term customers. You can understand these frameworks in terms of the key question a prospect or client asks themselves in that “moment of truth”:

- **Why Change / Why You** – Tell a story that defeats status quo bias and convinces prospects to change. Then tell a follow-on story that clearly differentiates you from competing alternatives.

- **Why Now** – Build and deliver business proposals that pass muster with executive and financial decision-makers.

- **Why Stay** – Tell a story that reinforces status quo bias and assures customers of the value of renewing with you.

- **Why Pay** – Expand the value of your customer relationships by continuing to build a sense of value and progress for working together.
About Corporate Visions

Corporate Visions, Inc. is the leading provider of science-backed sales and marketing training and consulting services. Global B2B companies work with Corporate Visions to articulate value in their customer conversations in three ways:

- **Make Value Situational** by distinguishing between customer acquisition and customer expansion
- **Make Value Specific** by aligning conversations with the Customer Deciding Journey
- **Make Value Systematic** by unifying Marketing, Sales, and Customer Success to speak in one voice

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