



Management Application Note

Consultative Selling

Introduction

We live in a world where significantly more B2B customers are increasingly looking for full service provisions, or solutions. Whilst this is particularly prevalent in high-tech industries, it's happening in across the board as business customers in diverse industries and applications want less and less to buy disparate and separate components and then have the responsibility for bolting all the bits together and making them work. Increasingly buyers are looking for quick, turnkey and total solutions; outsourcing and managed solutions are some of the visible indicators of this trend. This poses huge challenges for the vendor organisations, because it means they can no longer sell discrete components or modules, but have to build, sell, support and maintain entire solutions. And this in turn completely changes the game for the sales force. Salesmen, who knew their products and how to sell them, suddenly, find themselves operating in a new and altogether more challenging environment, and can find they lack the language, the tools, the knowledge and the skills to sell complete solutions. Life in these situations has changed from transactional selling to consultative selling, and so the salesman must learn similarly evolve and adapt, or die. This Application Note looks at implications for the sales force in a consultative selling world

Key Words

Transactional selling, solution selling, consultative selling, 6 Stage Model, DMU

Detail

Any salesperson worth their salary considers that they can sell anything. But the move to selling solutions plays by different rules and needs new skills set which the traditional salesperson doesn't always have.

The move from transactional to consultative selling

Selling something simple is what is generally called 'transactional selling', even if the sales force may not recognise the term as such. Simple B2B things are raw materials, office supplies, consumables, and so on, but may also include larger items such as a car, a laptop, a machine, a photocopier, an excavator, or travel services, particularly if the salesman sells it and can then walk away after it's been delivered.

Many of the examples above are of tangible products with a tangible spec. But once we get to the situation where the client isn't sure what he wants, where there are many variants, or where the cost of ownership over time becomes a significant factor, or where the ultimate purchase becomes a careful choice, made from what were previously unknowns, the customer needs help and advice, and this is where the consultative approach to selling comes to the fore. Where the customer knows what he wants, the sell and the purchase is simple. Where the customer is looking got a solution, the purchase and sale become more complex, so 'solution selling' requires a consultative selling approach, and so the key criteria are not how big or expensive it is, but how

much we need to know about the customer's situation before we can propose the right solution.

What is the consultative selling approach?

It's fairly obvious that a solution is only a real solution, when it solves a particular problem, so implicitly it supposes that we understand what the customer's problem is. So the consultative selling approach requires a deep understanding of the customer's situation. In complex sales, the problem could be multi-faceted or multi-dimensional, with many players and many agendas. For complex purchases, there could be several and even conflicting criteria and agendas: the specifying user may want the highest spec; the finance department may want deferred or special purchase terms; manufacturing may want lowest maintenance; purchasing might want the lowest price, and so on. This means that, in order to find out the customer's entire situation, sales are obliged to undertake discovery with many different departments and stakeholders, and chart a path through multiple and conflicting demands.

This is where the notion of the DMU (the Decision Making Unit) is important, because in consultative selling, sales need to understand all the actors in the decision making, and undertake specific discovery with all of them.

Very often, the players in the buyer organisation will be unsure of what they actually want, might even be misguided, or simply not know. Think about your own situation when you have purchased something complex and intangible such as legal advice or getting advice about pension schemes - it's usually the case that the buyer doesn't really know what's on offer or even what is possible. Whilst the buyer will lead the final negotiations, he may very well be expecting the seller to lead the initial discussion and show the way of what is possible, what the different options and approaches are, and the advantages and disadvantages of each approach.

The consultative selling cycle

Because consultative selling is in itself a demanding and complex thing to do, it's very easy to fall or fail at any one of a number of hurdles. This means that you need a very strong process approach, to ensure that you minimise the chances of failure and do everything necessary to ensure the chances of success. There are various different models, proprietary and open, on the market, but we usually teach a 6 stage model. For example, as we have already seen, selling a solution implies that you understand the problem you are trying to solve. So we can't propose a solution until we have done proper diagnostic, so therefore the process clearly specifies that you do the diagnostic before proposing the solution. But you can't do a deep diagnostic of a customer without their approval, and you won't get their approval if they don't trust you, and they won't trust you if you don't build a relationship with them first, so again the process clearly lays out that you need to build a relationship and gain trust before you start the diagnostic.

The idea of the model is not to impose rigidity on the selling, but to aid it and help it and eliminate errors. For example, we see very often, particularly in technical markets, that the sales person is passionate about their products and can't wait to start talking about their products and how good they are, and they go straight to proposing the solution before they have spent the time to understand the customer's problem.

Skipping key steps like this will almost certainly guarantee failure, and the sales person is left wondering why their product - surely the best on the market? - wasn't the one that got chosen! If you want to know more about the whole cycle works and how it drives success in the consultative sale, please contact us for further information, but other key steps include proper research, prospecting and qualifying, prosecuting your solution against the competition, and follow-up and follow-through. So following the 6 Stages reduces the chance of failure, and if at any stage during the sale you do fail, looking at the stages on the selling cycle will tell you why and where you it all went wrong.

Consultative selling skills

Clearly transactional and consultative selling requires different skills sets. Transactional sellers tend to be focussed around the product - all the particular advantages, the specifications, and so on. Typically, they are heavy on the 'talk'. Consultative selling on the other hand requires a different approach and a different skill set. Because they are

selling a solution, not just a product, the product and its specification represent a much smaller part of the overall offer, so the selling approach is softer, but also more strategic, with a deep understanding of the client being key.

This means that the approach is one of asking (asking questions) and advising, rather than 'telling'. This type of approach requires altogether different selling skills. We admire and respect all selling skills, at whatever level or complexity they occur, but whilst in no way diminishing the skill set required to sell transitionally, consultative selling is a whole new ball game and requires an advanced and altogether more sophisticated approach. The table below shows the difference in the level of skills needed for consultative selling:

	Transactional	Consultative
Product	Specification / features	The 'Whole Product'. Benefits
Technology	Specification	Performance and suitability for the application
Usage	How will it be used	Problems it will address
Customer's business situation / environment	Little or no understanding	High understanding
Knowledge of Competitive offers	Some	High
Understanding of the customer's situation and needs	Some or none	High
Business acumen	None	High
Relationship skills	Little or none	High
Project management skills	None	High
Discovery	Little or none	High
Question asking skills	Little or none	High
Selling skills	High	High
Dealing with 'C level'	Little or none	High
Strategic understanding - trends, developments, challenges	None	High
Timescales	Can be very short	Usually long
Role of the sales person	Main sources of knowledge	Interface between multiple experts. Coordinator / orchestrator rather than subject expert

Conclusion

Selling is often said to be both an art and skill. In either case, we admire and respect it, but we believe that life is changing for many high tech products, and as customers increasingly look for complete solutions, it requires a more sophisticated consultative sell. This supposes that the sales force is equipped to deal with the new challenge. Consultative selling is certainly a higher art form, and needs a more sophisticated skills set and person. It also needs deeper wallets, more patience from management, and an ability to engage the skills, competence, knowledge and expertise of the many actors in the vendor company. The sales person moves from pure selling to advisor; he moves from pure selling to orchestrating and federating. He moves from selling to managing. He moves from the micro to the macro; from the tactical gain to strategic success. And he needs clear sequenced steps and process to help him along the way, such as the 6 Stage model.

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