



MELBOURNE AUSTRALIA

## CONSULTATIVE SELLING SKILLS

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### E BOOK

PRACTICAL GUIDANCE FOR THE PROFESSIONAL SALES PERSON OR ACCOUNT MANAGER

- Condensed nine page review
- Templates, tools and models
- Case histories and examples
- Links and references to further reading

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+61 (0)418 387 269



Email: [info@harrisonconsulting.com.au](mailto:info@harrisonconsulting.com.au)  
Toolbox Site: [www.harrisonconsulting.net.au](http://www.harrisonconsulting.net.au)  
Corporate Site: [www.harrisonconsulting.com.au](http://www.harrisonconsulting.com.au)



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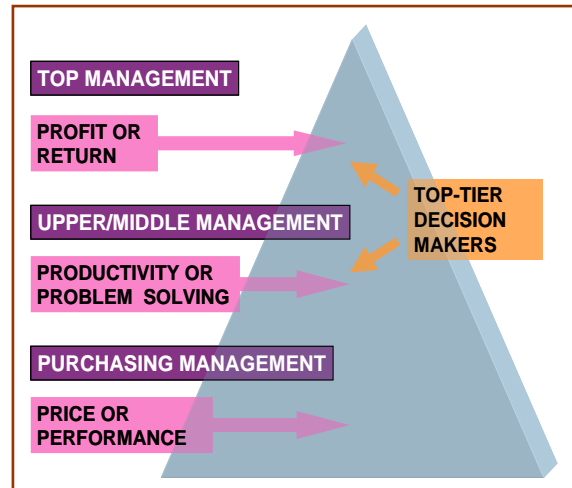
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## 1 Introduction

To be effective and successful today sales people need highly developed consultative selling skills.

Such skills are foreign to the "professional visitor" who applies standard techniques to opening, presenting, handling objections and closing calls. These are the techniques of product-oriented, or vendor, selling. There is nothing "wrong" with them, it's just that they are a bit limited for many B2B account management situations. Buyers are constantly lifting their own procurement skills, and sellers frequently need to step out of the comfort zone of purchasing and operations to talk with other players in the customer decision hierarchy.

*"Top-tier management deals rarely with vendors and then only under duress. They speak different languages. Vendors speak price and performance benefits. Management speaks value and profit contribution. Vendors speak costs. Management speaks return on investment. Vendors speak of their competitors. Management is concerned about its own. Vendors wonder when Management will ever buy. Management wonders when vendors presentations will ever end."*



Mack Hanan: [Consultative Selling](#)

## 2 The Consultative Relationship

So what is "Consultative Selling". We think of it as a combination of:

- needs-focussed selling skills
- marketing understanding
- business management
- financial acumen
- relationship building

Consultative selling involves selling the product range but also includes:

- monitoring the customer's business for future opportunities
- planning the business development of the customer through adding value
- evaluating the impact of market trends on the customer's business
- selling the benefits of establishing a long term relationship
- ensuring that your proposal is "sold" to all organisational levels of the customer, not just the buyer

The fundamental sales process remains the same – it is the "product" or the offer which alters.

The aim is to identify and capitalise on opportunities for joint business development by the buying and selling companies. The consultative relationship is built by offering continuous incremental profit opportunities, over a long term period. To be able to do this both parties must be aware of the financial goals and measurements of each others business, and then prepare and present joint profit improvement proposals. All of this can be applied whether you are operating with channel partners, or selling direct to end-user accounts.



### 3 Top Tier Selling

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Consultative selling talks the language of “top-tier” decision makers. Joint opportunities are found for continuous improvement in profit/profitability and salespeople become vitally important to the customer, especially in channel management. All of this usually requires:

- benefit selling skills to be enhanced, with advanced question techniques  
*(to uncover information)*
- know-how in marketing, business management and category management  
*to add value to the sales approach*
- a new set of financial skills  
*to identify, quantify and present profit improvement opportunities*
- special skills and paradigms  
*to meet objections and negotiate to a profitable conclusion*
- improved internal information flows  
*to empower and equip consultative salespeople*

To be effective in a consultative relationship the needs of each level must be met, and their language differs. At the top level you can expect to be talking about:

- the long term plan
- return on investment
- margin
- market positioning
- corporate image
- competitive advantage

### 4 Four Key Questions

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To implement consultative selling you must position yourself as more than a product sales person, and must sell at the higher levels of your customer’s organisation. When you do this, you can anticipate four common questions, as discussed below.

#### **Why Do You Want To See Me?**

Senior managers are busy people and will only spend time with a sales person if they believe there are issues of importance to discuss. You will need to identify important, current issues, which have a real pay-off attached.

#### **Why Do You Need My Involvement?**

Remember that senior managers are decision makers. But remember too, that their decisions are usually of a strategic nature; they employ middle managers to make routine decisions. You must have a valid reason for the senior manager’s involvement in the decision making process, otherwise they will simply direct you back to their subordinates.

Remember also, that senior managers are interested in solutions rather than problems. Once a senior executive understands why you need their involvement, you will quickly have to move the program forward with concrete recommendations.





### How Do I Know It Will Work?

If senior managers are interested in the incremental profit opportunity which you can identify, you will be immediately challenged to explain how it works. This does not mean the “nuts and bolts” of delivery arrangements (for example) but rather a request for proof of the workability of your solution. You need to demonstrate the profits in some detail, and you will probably need to involve operational and more junior management in this.

### When Do We Start?

Senior managers do not like to waste time! If you are successful in “whetting their appetite” it is quite likely they will expect you to begin yesterday! Time is money and every minute of delay means missed opportunities.

## 5 The Buyer’s Point of View

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This is a quick review of the “psychology” of selling “101”.

Whether the “buyer” is an End-User, Dealer, or Consumer, their purchase decision will depend on the balance of objective/job-related/logic needs versus subjective/personal/emotive needs.

Most of your customers would probably claim to make purchasing decisions rationally and logically, taking account of facts in relation to their Company’s or their own best interests. However, different functional personnel are likely to have different views on what exactly their organization’s best interests are, and therefore which facts are most significant.

Consider, for example, the typical attitudes towards money of:

- Finance/purchasing (spend as little as possible, or below budget)
- Production (produce as cost-efficiently as possible)
- Design engineers (create the best)
- Marketing (invest to produce an ability to satisfy market needs better than the competition at a profit)
- Consultants
- Contractors

Furthermore, even the most conscientious decision makers can be influenced, consciously or subconsciously by the following factors, which the professional will seek to identify and satisfy in their communication:

Security	Avoidance of risk or criticism, healthier conditions
Pride	In achievement, concerned with prestige, quality, “the best”
Pleasure	In appearance, design
Sentiment	Habits or preferences, prejudices
Envy	Of colleagues, competitors, conditions
Praise	Approval, recognition, respect from superiors/colleagues/subordinates
Power	Status and promotion
Convenience	Saving of time or effort



Clearly, to be successful as a consultative salesperson, you must:

- understand their business and problems
- listen and think not only of your own world
- give facts, not exaggerated claims, and not talk in generalities
- avoid being pushy, asking for too much, and not keeping your promises

The message is clear for us. We must constantly try to understand their views, and find areas where both parties can benefit. After all, we are supposed to be business partners not adversaries!

People buy to satisfy a felt need. Remember, this applies to almost any "buying decision" whether the purchase is an idea, a product or a proposal! They fail to "buy" when:

- they have no need .... or ....
- they have a need, but do not feel it .... or ....
- they have a need, recognise it, but do not believe you can meet their need! .... or ....
- they cannot afford it!

Remember, too, these needs can be totally rational, logical and objective; or they can be irrational, illogical and subjective. Even business people make emotional decisions, as we know only too well.

<b>Business Needs may be:</b>	<b>Personal Needs may be:</b>
Profit, value, cash	Save time
Provide quality products	<b>Meet budgets</b>
Cut down admin. or staff	Catch eye of head Office
Retain customers	Keep out of trouble
Neat, tidy operation	Avoid staff problems
Provide full range of goods	Make the operation a success
Etc.	

Be aware of the full range of needs, and use your customer knowledge and information to help your customer uncover their own needs. This is the first step in successful "persuasion psychology", and is a good foundation for consultative selling.

## 6 The Consultative Paradigm

Consultative selling is non-manipulative selling. It is based on a sincere desire to build a creative climate between "buyer" and "seller", using a new "paradigm". It requires a balance between the needs and goals of both (or all) parties, and "slick" selling techniques are not appropriate.

In particular, consultative selling is intensely concerned with meeting the other party's needs, especially financially. The aim is to maximise profitability, productivity and long-term security for both parties, and this requires the marketer to understand the customer's business as thoroughly as the customer does him/herself. These financial aspects are covered in additional backgrounders and eBooks, which you can find on this toolbox web site.

If you have seen the movie: “[In Good Company](#)”, you have seen an informal approach in action...

In Good Company (2004) Dennis Quaid, Topher Grace Wikipedia

*Dan Foreman ([Dennis Quaid](#)) is a 51-year-old advertising executive and head of sales for Sports America, a major sports magazine. Happily married with two daughters, Dan faces a life-changing event when his magazine is bought out by Globecom, an international corporation that promotes the corporate concept of "synergy". After he is forced to fire several of his longtime colleagues, Dan is demoted and becomes the "wingman" of his new boss, Carter Duryea ([Topher Grace](#)), a 26-year-old business school prodigy. While Dan develops clients through handshake deals and relationships, Carter champions the corporate creed of synergy, cross-promoting the magazine with the cell phone division and "Krispity Krunch", a snack food also owned by Globecom.*



Carter’s slick, technique-laden sales approach does not sit well with the semi-retired founder of this major client, who prefers the non-assuming and conversational line taken by Dan. Carter’s “pitch” is going nowhere!

Dan takes over the call and identifies the customer’s needs, gently allowing him to turn his previously negative posture into an enthusiastic yes. He does this by allowing the client the space (safety) to reveal his personal ambivalence towards his son-in-law and new senior management colleague.

As they leave the client’s premises after a stunningly successful meeting, Carter is stopped in his tracks by Dan’s comment:

“You know what’s the best thing about this piece of business? It’s actually what they need – really good for them”.

You could even extend the discussion to cover the type of business culture which is exhibited by the best exemplars of the consultative approach. Right through their business model, these best-in-class operators have made the following shift:

From: Seller - Buyer	To: Partners
Product volume orientation	Profit/return orientation
Directive style	Supportive style
Fear of failure/penalties	Learning from mistakes
Leadership by demonstration	Coaching and growth
Policy and rules driven	High ownership and problem solving

As well as adjusting our “paradigm” or mind-set, we also need to shift from product benefit selling to such perspectives as:

- solving the customer's problems
- improving the customer's profit
- improving the customer's return
- improving the customer's productivity (in his/her eyes)



Notice that our own needs are not mentioned at all! We can no longer convince ourselves that:

- *"the customer needs our double grommetted, left-hand thread widget wrench!"*

Or even...

- *"the customer needs a level 6 fire rated product"*

Or even...

- *"the customer needs reliable delivery"*

Such statements are based on our needs, and on the product or service we provide, not what the customer will derive from the transaction. If you disagree, ask yourself why the customer should follow your advice, and you will uncover the true need. The reason behind the first product requirement is probably to meet a "spec" or to do the job, the second is probably motivated by safety, compliance and client acceptance, and the third by being able to relax, knowing that the plant can keep working.

You might see this simply as an extension of the old "Needs, Benefits and Features" approach, which it is. But Consultative Selling is high level, value added selling. You must position yourself as more than a product salesperson, but without trying to run the customer's business. You must know their business well enough to be able to quantify how much profit you can add to their business, and demonstrate the improvement.

It takes time to establish the close trust-based relationship which is needed to underpin this consultative methodology, because you may be asking for sensitive information to quantify your business development proposals, and you have to earn the right first!

*Mack Hanan*, in his excellent book "[Key Account Selling](#)", introduces a five-step cycle for developing consultative or value-based selling at Key Accounts:

- data basing
- penetration planning
- partnering
- proposing
- implementing

When the selling cycle turns over slowly, people problems are probably the reason. This puts a premium on the ability of marketers to achieve multiple partnerships with operating, financial, and managerial levels in their accounts.

The five-step cycle starts with data basing and proceeds to penetration planning, partnering, proposing, and implementing. Although these steps are generally sequential, feedback loops mean that, often, data basing must be returned to, planning must be revised, and the initial partnerings must be reinstated with different influencers or decision makers. In these instances, the cycle is less of a progressive curve than a zigzag.





## 7 The Link With Marketing Strategy

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In most companies, selling is regarded as a subservient marketing function. Others hedge, marrying sales and marketing in a single function. Marketing is the creation of customer perceptions of premium value for a business. Since high-margin prices are the reward for perceived premium value, marketing strategy obviously has the ability to make a serious positive or negative impact on consultative selling to key accounts. Total marketing strategy must be made supportive to key customer penetration.

*Peter Drucker, regarded by many as the "father of modern management" says:*

*"Marketing is not only much broader than selling, it is not a specialised activity at all. It encompasses the entire business. It is the whole business seen from the point of view of the final result, that is, from the customer's point of view. Concern and responsibility for marketing must therefore permeate all areas of the enterprise."*

Once marketing is seen as a top-tier function, urgency for close correlation of its component functions with top-tier selling will become apparent.

## 8 The Three Phases of Consultative Selling

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Selling is both a science and an art. The art comes from "developing a set of skills for doing or performing, obtained by practice, study and observation". The science comes from the use of logical processes for planning and organising, and the thorough attention to detail.

The customer call, or interface, is the key activity in the consultative selling process; it is only during this phase that the customer can see the benefits derived from your products and services. So it is helpful to split the whole process into three phases:

- pre-customer interface
- customer interface
- post-customer interface

### **Pre-Customer Interface**

You must know your customer, their goals and objectives, their plans, attitudes, likes and prejudices. The amount of preparation depends on the customer relationship, but should never be omitted.

### **Customer Interface**

At the "Moment of Truth" all of your acquired knowledge and skills will be brought into play to maximise the benefit of the limited time opportunity.

### **Post-Customer Interface**

Once you've completed your meeting, you need to analyse the plusses and minuses, the "highs" and "lows", the objections you had to handle. Most of all, you need to think about what happens next.



## 9 Case Study: Do You Want to Make the Consultative Shift?

A market-leading beverage company wished to apply the consultative approach at field level. The company developed a new classification of customers, each requiring a different level and type of partnering, and different skill-sets. Restructured around these requirements, the company ran targeted skill development workshops to help their sales force make the transition.

Social	Business	Financial
short term	short-medium term	short-long term
friendship	information	strategic
reliability	initiatives	business plans
traditional	promotional plans	profit/profitability
access to supplier	competitor information	innovation
<b>Do you want to make this shift?</b>		
Relationship	Proactive	Strategic
communication skills	financial skills	retailing skills
problem solver	promotional planner	business planner
relationship builder	competitive thinker	strategic thinker

How could you apply this? You may not be in a position to change the "Go-to-market" model, but if you believe you are ready to make the shift, you can certainly start by sharpening your tools!

If you are keen to find out if you are ready to make the consultative shift (or believe you already have 😊), audit your own skills by heading back to our toolbox web site at;

<https://www.harrisonconsulting.net.au>

and drill down in the Consultative Selling Skills pages. It's available as a free .pdf download, or as a reasonably priced soft copy upgrade, equipped with cell comments/prompts, and fully customisable.

Good luck!

Clive B Harrison  
Managing Director  
Harrison Consulting Pty Ltd  
[clive@harrisonconsulting.com.au](mailto:clive@harrisonconsulting.com.au)

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