



TO BE OR NOT TO BE CONSULTATIVE

CONSULTATIVE SELLING TODAY

by SELESTE LUNSFORD and MARK MARONE, Ph.D.

Organizations have begun to re-examine their use of consultative selling—many, if not most, sales organizations now view consultative selling as the baseline, regardless of industry, geography, or target market. While transactional sales models will continue to have a place in many sales organizations, (and rightly so), transactional selling has taken a less prominent role for many salespeople. What has become the more pressing concern is creating a sales force which understands consultative selling and can make decisions around what extent it should be used.

So, what does consultative selling mean? And why, after decades of talking about it, do organizations still think it's worth the considerable effort required?

WHAT IS CONSULTATIVE SELLING?

Consultative selling goes by many names: “consultative selling,” “value-added selling,” “professional selling,” “needs satisfaction selling,” “customer-oriented selling,” “strategic selling,” “relationship selling,” “solution selling,” “partnering,” and many more. Frequently, each phrase can have a slightly different meaning to the person who uses it, but in general, each definition shares several key elements. These include:

Need-based Conversations

During a consultative sales cycle, all sales conversations revolve around a customer need. This is a marked departure and differentiator from the “product push” approach that, unfortunately, still dominates many sales calls today. More specifically, the core of a sales call will be a mutual exchange of information in which the salesperson uncovers and develops an understanding of customer needs (or helps the customer become aware of a need). Subsequently, the language the salesperson uses to provide information to the customer should be benefit-oriented and linked to the needs identified, rather than feature-oriented.

Let's look at an analogy to further develop this concept. A feature-oriented statement for a digital camera would be a camera “with 3 megapixels, and a 3 X 2 optical zoom.” A benefit-oriented statement would look more like this: “a camera which will allow you to take high-resolution pictures of your upcoming cruise vacation.” Both are accurate statements, but the latter helps the buyer see how the product will help him or her meet his or her need. Rocket science? No. However, even as product and service commodi-



tization continues in every industry and necessitates this transition, you'll find that most sales organizations still spend the majority of their training time and marketing investments on communicating product features rather than benefits.

Multi-offering, Creative Solutions

Another key component to this sales approach was the ability for the salesperson to act as a consultant, and select products and services from a broad portfolio in order to create a unique solution for a client. This presents many challenges as mergers and acquisitions have doubled, often tripling product sets. As a result, there are cases in which it is not realistic for a salesperson to be a product expert in every offering. What typically results is a sales force which is well-versed in some product features, but not adept at using the information to assemble integrated solutions to meet a client need. Instead, these salespeople will "feature dump" or rely on recommending products they are more comfortable explaining.

The solution does not necessarily lie in ramping up product knowledge training. Instead, respondents in a recent AchieveGlobal survey indicated a more current view of product knowledge, advocating that the ability to tap into the product experts within the selling organization (people or online systems) has become more important than individual product knowledge itself. Furthermore, salespeople who are more confident with the skill of selling are more likely to appropriately use product knowledge. We would never say product knowledge is not necessary. In fact, Schaaf (2004) found that product knowledge is one of the biggest reasons why purchasers value one salesperson over another. However, we would advocate that product training is better delivered in the context of selling skills, focused on how key features yield valued results.

Unwavering Focus on Value

Another aspect commonly associated with consultative selling was a focus on value. Over time, this concept has become less vague around "speaking in benefit language" and developed into a skill of being able to articulate a quantitative business benefit. Obviously, some of this is due in part to the impact of a slow economy in recent years, but articulating a quantitative business benefit is no temporary requirement. Increased customer sophistication across the board makes it a mandatory part of the sales cycle. When asked about this particular skill, a sales manager noted, "It's about how to sell value rather than exchanging quotes."

Furthermore, being able to talk about a solution in terms of ROI (return on investment) or TCO (total cost of ownership) assists in the ability to sell on factors other than just price, and combat the product and service commoditization which continues to dominate the marketplace. The challenge for the salesperson lies in helping customers understand where value comes from. Value lies in a variety of places such as:

- Benefits of the product or service being sold
- The ancillary support services or customization that accompany it
- The reputation of the supplier organization
- The information, expertise, and professionalism provided by the salesperson.

In this manner, the salesperson himself or herself becomes part of the value proposition. Being able to articulate value in this manner allows for deeper relationships with customers and, in the B2B world, at higher levels in the organization.

Aim for Trusted Business Advisor Status

The last element which was common to each definition was the idea that every salesperson should aim to become a trusted business advisor for his or her client base. To be a trusted business advisor with a client means you have superceded the role of vendor or supplier and are now viewed as an advisor by your clients. To earn such a position with a client, salespeople need to possess superior sales skills, as well as industry expertise and client insight. Remember, it might not be practical to invest in this kind of relationship with all clients, nor would all clients desire this kind of relationship. Salespeople need to be capable of determining where these relationships are appropriate while having the ability to build and maintain them. By providing information and advice as trusted business advisors, salespeople are able to add value to the relationship by differentiating themselves from the competition.

As we move forward, we will use the following as a sum of the parts or a working definition for consultative selling:

Consultative Selling is the process of partnering with prospects and customers to create lasting, mutually beneficial relationships. Salespeople who successfully construct and build upon these relationships do so by continuously understanding the current and future issues and needs of the customer and his or her organization, and by providing solutions that provide value in helping customers reach their goals.

The proposed outcome for this process would be for a salesperson to deepen and strengthen the relationship over time, ultimately becoming a trusted business advisor in the customer's eyes. We refer to a "working definition" because nothing in sales is ever static. Markets change. Customers change. Consultative selling has changed—from referring to any non-aggressive sales approach to the much higher approach outlined above. In the future, the bar will continue to rise.

IT'S BEEN DECADES, WHAT HAPPENED?

During a study of sales organizations conducted in 1986, we constantly heard how the move to consultative selling was the next big frontier for sales professionals. It was somewhat surprising to hear the same strategies expressed some 17 years later.

Why has it taken so long to transition from philosophy to standard practice? Why is consultative selling still the next big thing?

One reason relates to the ever-changing nature of sales. Consultative selling today transcends the standard envisioned in the past. For many organizations, achieving it is like trying to hit a moving target.

Timing is another reason that has set consultative selling back. Consultative selling as a practice takes considerable investment by the supplier. When the market was in a buying mode, as it was in much of the world during the mid- to late-'90s, anything which lengthened a sales cycle was considered a waste of time. As a result, sales organizations shifted focus and interpersonal selling skills often atrophied in favor of product knowledge and order processing. As the situation began to change and sales cycles became more complex, consultative selling was re-introduced into the mix, at least from a training perspective. Pockets of success were achieved, usually in the areas of national and global account management.

However, management reinforcement and the support infrastructure were missing. As a result, consultative selling never made the transition from philosophy to consistent, standard practice across sales organizations.

SO, WHY BOTHER NOW?

Having established that consultative selling is necessary, and requires extensive knowledge and a resource-intensive process, the question becomes, "Why are organizations still chasing



this strategy?” The answer lies in the need for long-term perspective. There are different kinds of market conditions that impact sales organizations. Some of these, such as economic factors, tend to be cyclical and thus short-term in nature. Underlying economic factors is a series of long-term conditions that, although showcased or masked by cyclical conditions, are by no means temporary. This is well illustrated by the 2001 recession and the slowdown that followed. Although market challenges, customer demands, and competitive pressures had been growing for a long time, they were somewhat hidden or at least countered by market conditions of economic prosperity. When the cycle reversed, severe budget cuts accompanying the economic downturn put the spotlight on these factors. By that time, many organizations were playing catch up. As a result, the overwhelming feeling among sales organizations today is that factors that make sales an increasingly complex process are becoming permanent. And even as economic growth returns, the need to address these challenges will remain.

IS CONSULTATIVE SELLING ALWAYS THE ANSWER?

As noted previously, it may not be practical for all salespeople to try and practice consultative selling with every client. The key critical success factor to the adoption of consultative selling is a flexible approach which allows a salesperson to determine the degree of implementation. When, for example, will it make sense for a salesperson to become a trusted business advisor to a client? Let’s look at this issue using a relationship model. The following model, called the Sales Impact Ladder (*Figure 1*), describes how sales behaviors can impact a relationship with a customer. Sales behaviors can range from transaction-oriented to more consultative in nature.

The first three selling levels describe transactional selling and are characterized by goods and services being exchanged for money. The salesperson’s role in these transactions is to facilitate the process and render it painless or even enjoyable.

Professional Visitor – This salesperson sells on personality or common interests, often meeting



Figure 1

the personal needs of the customer, but failing to form a long-term strategic business alliance. Professional visitors use friendliness and other incentives to get in the door. While it is true that people often buy from people they like, professional visitors are unlikely to maximize the potential of an account, because they are rarely viewed as a highly valuable resource.

Price Seller – Conversations in this kind of relationship revolve around price, cost, deals, and quotes. Price Sellers are higher on the ladder than Professional Visitors because they need a bit more knowledge in order to support negotiations. Price Sellers may meet the customer’s financial needs, but have difficulty selling the value of a product or service and end up reinforcing a perception of their product or service as a commodity.

Content Seller – This level focuses on product knowledge. Content Sellers typically are highly knowledgeable about their products and try their best to explain it all to customers. The inherent problem with this approach is the sales presentation frequently becomes what is known as a “feature dump”—long on technical information but short on customer benefits.

The two higher, consultative, levels of the Sales Impact Ladder reflect greater skill and investment, but also offer more value to customers, support longer-term relationships, and allow for greater salesperson involvement in the buying process.

Needs Satisfaction Seller – This salesperson uses

selling skills to uncover customer needs, then tailors the response. The solutions presented relate directly to the customer's situation and needs. Features are still mentioned, but the emphasis is on the benefit (or value) to the customer.

Needs Satisfaction Sellers satisfy the customer's organizational needs by addressing problems and opportunities.

Trusted Business Advisor – These salespeople have the greatest impact on both customers and the sale. At this level the salesperson's behavior is focused on helping customers succeed in their business. They are in the strongest position to form a true business alliance with the customer. Trusted Business Advisors use selling skills to probe at a deeper level—to discover the business issues that serve as the “need behind the need” (the reason the need is important). Trusted business advisors possess an in-depth understanding of customer and industry factors, and are able to use this expertise to provide value to clients. This kind of relationship requires a significant investment in time and other resources to create.

A salesperson can be successful at every stage of the ladder. Clearly, the Needs Satisfaction Seller and the Trusted Business Advisor would be preferred by most selling organizations as they prove most resistant to client turnover. However, they are not always feasible, and the dilemma becomes, “How do you know where on the ladder you should be with any given client?” There are two key questions to ask:

1. What kind of relationship does this client desire from a supplier?
2. What makes good business sense?

WHAT DO CUSTOMERS WANT?

Let's start with the customer perspective in which decision-making generally covers six major stages.

Plan and Prioritize – Determine the organizational goals and objectives, and outline the actions needed to achieve them. During this process, customers will uncover barriers, issues,

and challenges which must be addressed in order to succeed.

Identify Options – At this point, the question becomes “What are my options to overcome this challenge?” During this phase of the process, customers are concerned with make/buy decisions and identifying supplier candidates.

Evaluate Options – Evaluating involves narrowing the supplier universe down to a select few, often using formal criteria.

Select the Best Option – Possibilities are further narrowed down to one alternative.

Contract – Parties agree on how to work together (often includes negotiations around terms and conditions such as price, duration, and service-level requirements).

Build and Track – This deals with the ongoing implementation, use, and maintenance of the solution.

Customers may find value in having salespeople participate in all of these phases or they may find value in only limited participation. For example, if a customer is already in the “evaluate options” stage, then a lower-ladder or transactional approach may be most appropriate. On the other hand, if the client is open to salesperson involvement throughout a broader portion of the process, then a more consultative approach may be appropriate.

BALANCING CUSTOMER POTENTIAL AND COST OF SALE

At the same time this process occurs, a salesperson has to consider his or her internal customer needs. A client may be looking for a salesperson to advise on decisions throughout the phases, but they may represent a very small opportunity for the business. In such cases, it can make sense for the salesperson to look for ways to more efficiently deliver value (delivering newsletters as opposed to in financial reviews) to the client without over-investing his or her limited resources.

When we looked at various organizations in the most recent AchieveGlobal study, we discovered transactional customers were increasingly being



Figure 2

served by inside sales teams and distributor networks or were incited to use self-service channels such as e-commerce. Face-to-face sales teams, as well as some groups of inside sales resources, were reserved for customers with whom a consultative relationship was desired. The goal in these instances is to preserve the investment in a direct sales force for those segments and opportunities which had the highest potential. That is not to say that face-to-face sales teams never engage in transactional sales, or that inside sales resources cannot have consultative relationships with clients. In fact, the opposite may occur, depending on what the buyer and seller are looking for in the relationship. But in general, the most expensive resources are deployed against those customers who value a consultative approach and who are considered key to the selling organization.

CAN YOU GROW A RELATIONSHIP UP THE LADDER?

Relationships may vary along the ladder. Salespeople may find themselves in different stages depending on the opportunity and decision

A customer may value the efforts of a Needs Satisfaction Seller to assist in drilling down into problems and identifying options to address those problems. When a customer values involvement in all stages of the process, from business planning to post-sale use, it becomes possible for a salesperson to achieve Trusted Business Advisor status. The diagram above (Figure 2) shows how different rungs of the ladder align with a customer’s decision-making process.

maker in an account (e.g., the business manager may view you as a needs satisfaction seller while the procurement manager may view you as a price seller). However, it is rare for a client to grow the relationship from being highly transactional to highly consultative. If it occurs at all, such a progression would be gradual. As this progression occurs, salesperson requirements shift as well. Research conducted by Michael Beverland (2001) indicates that as relationships with clients grow, the balance of relationship-based (understanding client industry) and performance-based (closing sales calls) activities will shift towards more relationship-based.

Caution should be exercised, however. Clients may grow their relationship with a salesperson if one exceeds performance expectations, or if they are considering entry into a new market in which your company has expertise. However, they may be content to keep the status quo relationship at the lower end of the ladder. Even if a customer is very large, he or she may always view your relationship as transactional, and you might not be able to move up the ladder in terms of relationship or revenue. In these instances, it makes sense to control the investment in sales rather than chase the “big elephant”—even considering passing the opportunity to a channel with a lower cost of sale such as an inside salesperson who will be able to meet client relationship expectations with lesser investment. On the other hand, it may make sense for an inside sales rep to hand an account off to a face-to-face sales team if the client prefers a deeper relationship and the account potential merits a higher cost of sale.

BEST PRACTICES AND LESSONS LEARNED

The focus of every sales organization that participated in our research study was to fight off commoditization and meet the needs of an increasingly sophisticated customer base by leveraging a consultative selling approach executed through face-to-face meetings and, occasionally, inside sales forces. This was true regardless of the sales model, solution set (e.g., cell phones, large outsourcing solutions), or industry. The key to success in each sales cycle was the right resources having the right capabilities to execute on the right relationships.

For some organizations this may translate into looking for ways to move an account up the ladder (to fulfill its potential), being flexible enough to scale down a consultative approach for a less-involved client, or even handing off a consultative opportunity to a different channel.

Clients who have embarked on this journey to consultative selling have yielded some critical success factors. These can be summarized by three major criteria:

- Use a holistic approach.
- Put everything in the context of a formal sales process.
- Make sure you have the support infrastructure in place.

USE A HOLISTIC APPROACH

A consistent success factor throughout our organizational studies has been the presence of a holistic approach. This starts with an executive vision and cascades throughout the organization from managerial reinforcement down to consistent field execution. When asked why consultative selling had been so slow to achieve its potential, the majority of answers we got indicated a fragmented message to the sales force. Managers weren't modeling consultative selling skills; different parts of the sales and service organization were trained on differing skills and philosophy. The learning was that if an organization truly expects any results from adopting a consultative selling approach, it needs to view the

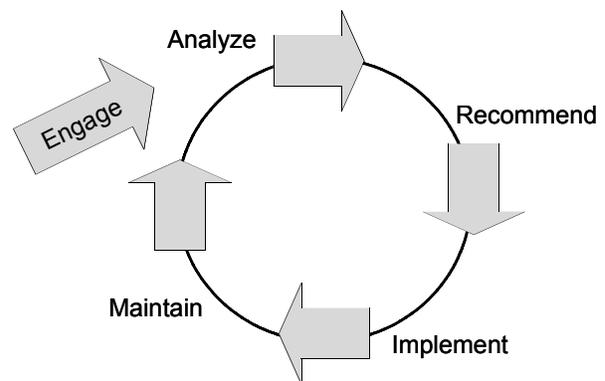
Right Resources + Right Capabilities = Right Relationships

approach as a strategic initiative—enlisting the resources and delivering the communication across the organization to make it successful.

Another noteworthy observation is that a consultative sales approach should not be isolated within the sales organization. Customers deal with organizations through a number of contact points: marketing, customer service, fulfillment, etc. Experiences throughout the relationship should be similar whether dealing with a relationship manager, someone who is installing purchased equipment, or someone researching an account transaction.

PUT EVERYTHING IN THE CONTEXT OF A FORMAL SALES PROCESS

Once the philosophy is communicated across the organization, it must become actionable. For salespeople, this means consultative selling must be part of their daily sales interactions; it must be embedded in a formally defined sales process. Although such processes will vary by organization, the following represents a typical example.



Defining a sales process is a complex project involving a cross-functional team comprised of marketing managers, salespeople, customer service reps, operations, and customers. Once assembled, this team analyzes customer touch points and determines the desired process for creating and maintaining customer relationships. While defining this process represents a huge mile-

DISSECTING THE ANALYZE PHASE	
Customer Expectations	<ul style="list-style-type: none"> • Ask me questions which are relevant. • Don't waste my time. • Do your homework. • Help me think through my needs. • Listen to what I have to say.
Key Activities	<ul style="list-style-type: none"> • Create a probing strategy based on researching the customer's situation. • Listen carefully and confirm your understanding. • Ask questions to gain a clear, complete, and mutual understanding of a customer's needs.
Measurement	<ul style="list-style-type: none"> • Customer should find value in analysis phase (customer satisfaction survey). • Salesperson should ask appropriate questions to develop clear, complete, and mutual understanding (coaching observation).

stone, the real value comes in defining the detail which supports it. Every phase must become actionable by defining what the customer expectations are, what the sales activities are, and how the success will be measured. From this a salesperson is able to understand how consultative selling behaviors link to what he or she does for a living and how they assist in creating relationships with clients.

Perhaps the biggest temptation to overcome in these situations is what is known as “analysis paralysis.” “Analysis paralysis” occurs by collecting large amounts of data and conducting so much planning that the output is not actionable. Make sure to look at things in manageable pieces. Here's an example.

Create parameters for the sales process – Map out a process which starts when you first receive a prospect as a lead and follow through to post-sales activities. Start with a small customer focus group and find out what the expectations for each phase are and how you match up currently.

MAKE SURE YOU HAVE THE SUPPORT INFRASTRUCTURE IN PLACE

Even if you have a holistic vision and an inte-

grated sales process, you will need to enable execution through a support infrastructure. Notes Thomas Ingram (2002), “Selling function activities including selling strategy, internalization of selling activities, extent of supervision, focus of control, and compensation systems enable the conversion of business strategy into marketplace success.” The biggest pitfall uncovered in our research is when a disconnect between desired and actual sales behavior occurs due to misalignment with the compensation and incentive system. All too frequently, we will work with sales organizations that are frustrated with the lack of consultative selling they witness in the field. Further investigation reveals that salespeople are being tasked with a consultative selling approach but being compensated for transactional behaviors. For example, a salesperson for a mid-sized services firm admitted that “I have a monthly quota. I may accept longer sales cycles at the beginning of the month, but when the end of the month comes around I give up on selling solutions—I'm back to selling units [of hardware].” Therefore, once that sales process is developed, organizations need to take a step back and do a gap analysis. What is the difference between this process and the way selling occurs today? What needs to change? What support is needed? And of course, never forget to incent people for what you want them to do—

this means compensation and incentive systems, integrated measurement and evaluation, and aligned performance management.

ABOUT ACHIEVEGLOBAL

With its world headquarters in Tampa, Florida, AchieveGlobal helps organizations translate business strategies into business results by improving the performance of their people. Clients around the world rely on AchieveGlobal's proven expertise in leadership development, customer service, and sales effectiveness. By implementing research-based learning solutions, AchieveGlobal empowers clients to successfully develop leaders and acquire, grow, and retain profitable customer relationships.

ABOUT THE RESEARCH

Over an 18-month period we interviewed more than 150 individuals within 17 organizations around the world to better understand the challenges that were facing sales organizations, and to understand their response to these issues. Our interviews, each typically about an hour in length, consisted of both face-to-face and phone conversations. We personally visited all but a few companies so we could observe firsthand the sales culture of the organization. Onsite visits provided us a richer understanding of the sales operation and allowed us to ask more follow-up and probing questions.

As part of our investigation we reviewed documents from each company including organizational charts, strategy statements, training programs, marketing collateral, annual reports, and descriptions of product or service offerings to gain a better understanding of how each sales organization worked, and where it was experiencing challenges and successes in each of the strategy areas.

Who We Interviewed

We selected companies to participate based on the performance of their sales organization within their industry. We also looked for companies that had some demonstrated success with various strategies involving channel or customer segmentation, training and development of sales

skills, or sales technology. Other criteria in our selection process were to identify leading sales organizations in their industries, and to find ones that would provide us a representative sample across industries and geographic regions, including Europe, Asia, and North America.

The organizations represented a wide variety of industries including automotive, energy, financial services, hospitality, industrial equipment, information technology, manufacturing, office supplies, paper and forestry products, professional services, retail, and telecommunications.

Within each organization we interviewed people at all levels of the sales structure:

- Heads of sales organizations responsible for strategy development
- Regional sales leaders responsible for the implementation of strategies across regions or areas
- Sales managers responsible for identifying and developing sales representatives, and managing the sales process
- Training professionals responsible for developing the skills of the sales force
- Frontline sales representatives who meet with customers on a daily basis and are responsible for executing strategies

What We Asked

The focus of this study is on how successful organizations respond to changes in the marketplace through strategies around sales technology, organizational structure, sales channels, sales management development, culture, and new sales skills requirements. Our overarching questions relate not only to how marketplace trends impact sales organizations' ability to compete, but more importantly, what strategies they are developing to win sales in this new environment. More specifically, we investigated the following areas and sought answers to the following questions:

- *Changes in customer behavior* – What is different about customers today compared with five years ago, and what will

be different in the future? What challenges do changes in customer behavior present to the sales organization?

- **Adoption and usage of sales technologies** – How advanced is the company’s use of CRM/SFA systems? What challenges have they posed for the organization? What is the next generation going to look like, and what lessons were learned for future implementations?
- **Sales organization structures** – What channels to market are utilized today and why? What kinds of sales resources are utilized (sales teams, account managers, etc.) and how are they deployed?
- **Selling processes and practices** – What is the common selling approach of each organization participating in the study, and how is this similar or different from its competitors? Are selling practices based on any particular philosophy, and if so, what is that philosophy? How might this change in the future?
- **Sales management** – How are managers selected? What are their key responsibilities and skill sets, and how has that changed over time? How are they trained and prepared in each organization?
- **Sales skills requirements** – What kinds of sales skills are necessary to achieve the benefits of the strategies being implemented to win sales? Are there new sales skills required, and are there old ones that are still valid? Where are the common skill gaps?
- **Sales culture** – What role does the sales culture play in implementing strategies that win sales? What makes for a strong sales culture, and what are the challenges of maintaining an influential sales culture?

ABOUT THE AUTHORS

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Seleste is the Senior Product Manager for AchieveGlobal’s Sales Performance portfolio of

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Seleste’s professional experience includes positions in sales, product management, marketing, and management consulting. Her responsibilities in these positions led her to become proficient in strategic planning, market analysis and business case development, process redesign, and product design and development.

She has worked with organizations in a wide variety of industries, including financial services, training and IT services.

Seleste has contributed to numerous articles in national publications, including *Selling Power* and *Pharma Voice*, and is a regular presenter at business conferences on making sales performance a success in organizations. She has co-authored a book regarding best practices in sales, *Secrets of Top-Performing Sales People*, recently published by McGraw-Hill. Seleste also has co-authored a new book, *Strategies that Win Sales*. It will be available in December.

She earned an MBA from Florida State University, where she also earned a B.S. in physics.

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Mark Marone, Ph.D., is AchieveGlobal’s senior research manager. He has more than 13 years of academic and private sector experience in research and consulting on issues such as economic development, corporate strategy, and business policy. His career includes being a senior analyst with Nielsen Media Research, where he was responsible for analyzing market data for key national media accounts. He also served as director of research at the Global Business Information Network, a research firm that provides international consulting to businesses in the Midwest. In addition, he spent several years as a management consultant with KPMG, LLC, and as a client services manager with Sterling Research Group, Inc.

Mark has written extensively on topics such as high technology industries, economic develop-

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In 2003 Mark co-authored a book on sales performance, *Secrets of Top-Performing Salespeople*. Mark also co-authored *Strategies that Win Sales*, which will be available in December. He is a member of the American Marketing Association and Marketing Research Association.



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