



CONSULTATIVE SELLING-THE FUTURE

A study of the future evolution of Consultative Selling



Executive Summary

Consultative Selling refers to a discovery based selling approach (mostly B2B) in which the sales professional acts as a consultant to the customer to diagnose and deeply understand the customer's needs and create or recommend a bespoke solution that specifically meets those needs. Though the fundamentals of most of the tenets of consultative selling largely remain the same, in light of the VUCAD business environment, the manifestations of the same will surely change in the future as evident by some recently visible early shifts in paradigms.

Objective: The objective of this white paper is to explore the new dimensions and forms in which Consultative Selling will emerge and exhibit itself. This is a qualitative study.

"Many ideas grow better when transplanted into another mind than the one where they sprang up."

..... Oliver Wendell Holmes

5 Revealing B2B Sales Statistics



Introduction

The term Consultative Selling is a commonly used one in B2B sales world. It refers to a selling approach or practice under which the sales professional spends considerable time with the customer to diagnose and understand the existential issues, problems and challenges faced by the customer and then, as an advisor, recommends a bespoke solution that specifically addresses those issues/problem/challenges. Since Consultative Selling is a discovery-based approach it places the sales professional in the privileged role of a partner or advisor to the customer against the stereotypical insistent sale representative who merely looks at pushing a deal to closure at any cost. A Consultative Selling approach is adopted to resolve a pain the customer faces and it is the resolution of the pain that constitutes a "solution". It is because of this that consultative selling is also sometimes called Solution Selling. Barring a semantic difference and the fact that a solution sales approach does not include free advice for the client, both approaches are largely aim at attaining the same result. Also, it is noteworthy that products are just one of the elements that lead to a solution. Hence typically in Consultative or Solution Selling situations the buyer relies on the knowledge of the consultant/ solution provider.

History of Consultative Selling

The origin of the term Consultative Selling dates back to the late 70's. When the word "consultative" was applied to sales in the early 1980's, it was revolutionary. It laid the foundation of a major transition in the role of the salesperson as the vendor of information and the customer as the recipient- a transactional role, to a much more collaborative and interactive role in which the customer's needs, not the product was the focal point of the sale. However, by the late 80's, the term Consultative Selling began to be misconstrued as a painfully slow, long and laborious sales process that focused upon customer needs at the cost of closing business. Information gathered from relevant industry sources shows us that, the same misinterpretation still continues in select pockets and some have already written the obituary of Consultative Selling.

However, GrowthSqapes' own market/industry explorative studies points to the emergence of a totally different fact which in its assertion states that, while Consultative Selling is far from dead, in the currently **VUCAD** business environment which is characteristically marked by a digital disruption, it is also undergoing a systematic and stimulating transformation to evolve in its new form. Further, the newer sales approaches that have come up in the recent past have, seemingly is suggestive of only linguistic improvements to the concept of Consultative Selling.

While the founding principles of Consultative Selling remain the same, we believe that there are 5 quintessential ways in which the approach will manifest its renewed form in the near future.

1. (Re)defining the Need

The philosophy of Consultative Selling is founded on certain tenets. One of its fundamental tenets is its paramount focus on understanding a buyer's needs and positioning your proposition as a solution to those identified needs. While it is established that understanding customer needs will always be a core component of sales, GrowthSqapes' studies show that today, in the context of the ever changing dynamics of the business environment, what buyers are looking from sales professionals is not merely defining their needs, but educating them with new, innovative business ideas and perspectives that will enable them to sustain and empower them to grow.

Hence it would be safe to say that in the future Consultative Selling would focus on not only on helping the customers discover and define their needs but also on redefining how the customers perceives those needs, while unfastening their minds to a new world of exciting new possibilities that exist for them. The objective of the approach would change from an attempt to understand buyer needs at a perfunctory level to helping buyers gain a more profound understanding of their needs, directing their needs to the solutions(wants) and showing how your product or service proposition might help solve those needs and wants. All of the above actions will be in the face of a volatile and disruptive business background. Those actions will be an effort to inspire them to take both strategic and tactical actions, thereby driving organisational change in the process.

Consultative Selling is a great concept. In my view, it's about shuffling the shoes where a sales person, acting as an advisor, first takes off his shoes and steps into the buyers', then, after realizing and absorbing the pain points and needs of the customer, he comes back into his own and offers a solution, thereby creating a win-win situation for both where buyer (customer) gets his value (solution) and the sales person walks away with the order (business). It also helps in building the lasting relationship for long term business.

.....Jitendra Agarwal, EVP, Acetyl Intermediates Business, Laxmi Organic Industries Ltd.

2) Building Strategic Expertise

As we have been seeing, in conventional consultative selling, the core focus is on comprehending customer's needs deeply. To render that focus the sales professional often requires strong sapiential authority which is essentially possession of a high-level technical knowledge, expertise and insight that can be used to influence the customer.

However, our studies show that in times to come B2B buyers would expect sales professionals to have a broad business background, have foresight and be able to do long-term thinking, adopt a strategic mindset and be able to connect and engage with the broad spectrum of stakeholders at the customer's side than be a mere vendor with some information and a predictable solution.

Hence, in future, sellers will have to evolve from being simple functional experts to broad strategists. Buyers will seek the sellers' strategic insights to help them create business strategies that will empower them to navigate through the complex and complicated business environment. For many sellers, that would call for an investment in time for acquiring skills and developing competencies that may lie out of their zones of comfort.

But, does this mean that sellers need not be the experts? Not at all! It means that sellers need to be strategic and tactical experts and

1. Seek and process information for better understanding of customer's business, the existing and emergent environment and strategy
2. Ask the right questions that engage and involve each stakeholder
3. Explore with customers how their propositions will work for them in the long and short term, in the face of the changing dynamics
4. Build relations. Adapt their communication to their stakeholders' style
5. Share expertise and information without exerting sales pressure.

3) Delivering Business Impact

Simplicity in the business environment is a phenomenon of a bygone era. In today's VUCAD environment when the complexity in the ecosystem of business is ever growing, enterprises look for trusted and worthy advisors to guide them to better results. It can be inferred with reasonable certainty that this business environment is only going to become more complex in the future. Hence despite the heavy focusing on customer needs, consultative selling is not going to be an end in itself, but a means by which sellers can create a tangible difference in

the composite value proposition offered to their customers thereby creating a measurable business impact for the buyer. Business impact could be indicated monetarily such as sales growth, cost reduction, profitability growth, ROI and the like or non-monetarily such as market share growth, better reputation/image, better human indicators etc.

At GrowthSqapes, we believe that, as sellers collaborate more with buyers to understand and/or redefine buyer's needs, the many forms of business impact they deliver will be much broader in its scope and nature, and would often have to be at a time when it is not expected by the buyer. This will serve the seller well, as owing to this action, sellers will get an opportunity to tell the buyers the many ways in which a collaboration with them could mutually benefit them.

Ergo the future of Consultative Selling lies not only in redefining the need, but also redefining the impact of the solution and the consequence faced by the buyer for not buying the solution.

In today's business environment, your service provider needs to be your trusted partner. Effectively, it means the partner needs to be fully aligned with the client's business roadmap and growth plans. Accordingly, they need to enable their clients with faster turnaround time, total cost of ownership, enhanced customer experience, thereby ensuring positive business outcomes.

To achieve this, the need for consultative sales approach is paramount as we need to understand the client's growth plans and prepare our playbook in line with those metrics.

.....Santos Jha, VP & Business Head Americas, Conneqt Business Solutions Ltd.

4) Unleashing Value

Sellers are always expected to create value. Buyers consider the "value creation ability" of the salesperson to be the hallmark of their success. We all talk of value repeatedly. But what is value? Value' is defined as the perception of the worth of something. Value is also the apparent meeting point of logic and emotion. Since, both logic and emotion are based on perception, 'Value' is determined differently by every individual.

Since the time of the inception of the Consultative Selling philosophy to its evolution to the current form, in conventional consultative selling, the product has been the value. The reason

for the same being the fact that a selling approach, in which the focus is on defining a problem to positioning a product or service as a solution to that problem, virtually and inadvertently leads to a scenario where the true value is seen by the buyer as something which is unique to the product itself.

However, today, we live in competitive times. Owing to the very nature of its approach, today, consultative selling almost invariably leads to a situation where a number of competing players offer roughly comparable approaches to solving the same problem of the buyer. Buyers, of course, love this, as it makes their lives easier. It allows them to compare different sellers against each other via admirable, logical and rational comparison charts thereby encouraging cut throat price competition. Sellers, on the other hand, often complain about finding it difficult to paint a picture of their differentiated offerings in the minds of the buyers.

In coming times, competition is only going to become tougher. 'How you sell' will become more important than 'what you sell'. The Consultative Selling philosophy will continue to focus on ideas, generating newer perspectives, breeding fresher understanding and reframing a buyer's outlook and approach, however the buyers will see the value in

1. The sales professional's competence in making impactful value creating conversations that will help buyers redefine the problem or need and demonstrate newer, insightful ways in which their solutions will deliver long term sustainable business impact for the buyer.
2. The selling organisation's capability in presenting their categorically unique offering that is both tactically and strategically cohesive to the buying organisation.

In future buyers will examine 'value' as what they get, versus what 'price' they pay. Hence as a sales professional will require to 'create' value than merely 'communicate' value

Ergo selling organisations that are able to create uncontested market spaces, make competition extraneous to their growth, create new needs, capture demand and break the value-cost trade off will be the ones which will enjoy sweeter fruits of success.

"While we have been successful in building a strong solution mindset to create a differentiation vis-à-vis our competition in the customer's mid space, I believe that in times to come, because of the competitive contests, the success of our partnership with our customers will hinge upon the incremental value we are able to deliver in each conversation"

.....Sujoy Ghosh, MD, L3Harris, India

5. Focusing on Technology

In the past handful of years selling has changed more than it did in the previous fifty. The most significant reason for the same has been the internet. The internet has facilitated the buying decision-makers, the access to research, analysis and assessment of the various offerings of the sellers. Today buyers use the internet to explore, check and compare the product specifications, pricing, quality, service, value and the like. The social media is used to vet the seller's credentials, reputations and recommendations, any adverse reports, and even personal information about sales professionals and their company executives. Consequently, sellers are no longer the primary providers of sales, product or service-related information owing to the availability of the plethora of requisite information on the web, and most buyers and/or decisionmakers know how to find and construe it. So, literally speaking, the rise of the internet and social media has contributed to the start to a change in sales approach and methodology and we believe that in the future, this trend usage of internet and social media will continue and proliferate. Let's look at two prominent shifts that will be visible. First, social selling, the process of engaging the stakeholders via the social network platforms will intensify.

Second, sellers who adapt their own 'go-to-market' strategies and methods to support and fit the immensely increased knowledge and power of buyers and decision-makers will see greater success. Social media technology will increasingly make everything transparent, public and accountable hence sellers who have a strong "*digital presence*", who communicate with the buyers over various, unexpectedly novel digital platforms, who are able to deliver value via new modes of unexpected digital impact and deliver a better "digital" user experience will be viewed as a helpful, trusted advisor/consultant who is able to appreciate, respond and balance the buyer's increasing market awareness.

6. Anchoring Customer Experience

Experience is most often a result of expectation. As customers become more demanding in their expectations in light of the availability of multiple options the ongoing *customer* experience revolution will intensify. Hence in times to come, the focus will shift from the product a seller is selling to the manner, the sales person focuses upon in understanding the needs of the buyer and the entire selling process *per se*. Customers will evaluate the value proposition being offered to them through the lens of the additional value the offering adds to the customer value chain. Hence the key ingredients to consultative selling success in future will lie in the getting the sales efforts of the sales people of the firm and marketing efforts of the firm, aligned through the use of technology and development of a strong customer-centric culture.

Determinants of Customer Loyalty



Conclusion:

In conclusion we would say that though the fundamental principles of Consultative Selling remain the same, in the face of the rapidly changing business dynamism, it is undergoing a spirited transformation to evolve into a new form in which it will become paramount for the sales professional to become the consultant first then become the sales person

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This whitepaper is authored by the Sales Capability Development Practice team of GrowthSqapes