



Business Success

STRATEGIES

WINNING CLIENTS, CONTRACTS AND SALES

The primary purpose of your business is to attract and keep customers.

For 2 very good reasons:

1. Your business needs to make a profit.
2. Only happy customers recommend you.

Here are 10 examples of *your customer's* version of why your business loses a contract:

1. *You did not understand the problem.*
2. *You proposed the wrong solution.*
3. *Your cost was way over our budget.*
4. *What you showed us was not what was proposed.*
5. *Your salesperson was too pushy.*
6. *Your price was too high.*
7. *The results we wanted were not even addressed.*
8. *We could do the job with our own people for less money and in a shorter timeframe.*
9. *Your salesperson did not understand the requirements.*
10. *Your salesperson did not do his homework.*

What do *your salespeople* say when they lose?

1. *We were outsold.*
2. *They didn't tell me that was important.*
3. *Nobody said that was needed.*
4. *I was never shown or told that.*
5. *I never even knew they had an internal group that could do the work.*
6. *I misread who the real decision maker was.*
7. *I did not know our competitor was in there trying to get the business.*
8. *Nobody told me how they would award the contract.*
9. *There must have been a communication problem, because my contact liked me.*
10. *It was not my fault.*

The key to attracting customers, winning contracts, keeping clients and having them want to recommend you is through applying either Consultative or even Collaborative Selling.

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There have been 4 Generations of Selling

1. Cronyism. Right up to the late 1940's the salesperson was someone whom you got to know well and liked. The salesperson would drop by every so often and take your order. Times were good and there was no differentiation of product or focus on deeper buyer needs.

2. Commodity Selling was popular from the 1950's until mid 1960's where sales people sold on price. Again, there was little product differentiation, which resulted in discounting and price wars. Sales people were under pressure to cut the margins to increase sales.

3. Content Selling was the first to involve a strategic differentiation of one product from another. Starting in the 1960's through to the 1980's, professional marketers, with the help of advertising agencies, created brand awareness and customer knowledge as to why one product was superior to another. The goal was to educate buyers on the features and benefits of a specific product, and thereby increase sales by generating excitement in purchasing these features and benefits.

Although this era marks the start of professional selling, the inherent challenge is that it did not take into account the unique and differing needs of customers. In effect, this approach was product-centric versus customer-centric. Although content selling raised the likelihood of increased sales with some customers, it did not maximize success with all customers.

4. Consultative Selling is increasingly used and involves first understanding the deeper needs and buying motives of the customer and then ensuring your product fits with these needs and motives. Given that customers value different things, this approach requires some product diversity but also presents greater upside on the sales front. The inherent challenge with Consultative Selling is that users that employ it do not employ it effectively.

If your business uses sales people at all, they must become trained in consultative selling. To not do so, can be likened to operating an airline without trained pilots. With the shift to consultative selling you can double and quadruple your sales

Consultative Selling involves a shift in thinking:

- As a consultative seller, you sell improved customer profits, rather than products or services. The seller no longer supplies product; they instead supply profit, as their product.
- The seller no longer makes a bid or tender; they instead use a Profit Improvement Proposal.
- The seller is not selling equipment, a service, a process or a system; they instead are selling improved customer profits.
- You generate returns on customers' investments - not tradeoffs of products for price.
- You partner with customer managers rather than just vending to purchasers.
- You work within long-term, continuing relationships, not from bid to bid.
- You focus on making your customers more competitive - not on merely gaining advantage over your own competitors.

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Consultative Selling involves:

Selling the way your customer wants to buy...

Not the way you like to sell!

It adheres to the principle of seek to understand first – to fully diagnose before prescribing. This requires building trust in a relationship that clearly illustrates that you genuinely want to understand what your client or customer wants so that you can evaluate whether you can provide the solution.



Your doctor has to fully understand the problem you visit with before determining what you are willing to do to be cured. Consultative selling is helping to facilitate a cure. When you, or your salespeople, become trusted advisors you are no longer selling. You are a facilitating just the right cure your customer or client is really seeking.

Questions must be posed to identify the real problem to be solved.

For example: Your client wants to grow their business...

You ask: How will you know you have achieved the results?

Client: Our sales revenue increase by 20% and our margins rise to over 22.5%.

(These are specific metrics that our client already knows must be realized).

You ask: When you get the results you want, what else will change or improve?

Client: Hopefully the level of complaints about our delivery will reduce.

(Here the real problem is revealed).

Questions to ask:

1. What specifically do you want instead of (use the name of the problem)?
2. How will you know that you have achieved the results?
3. When you get the results you want, what else will change or improve?
4. What, if anything, will be at risk by getting these results?

Your customer or client must agree with the actual problem identified, so you must spend time getting to the source of what it really is.

Clients and customers want to know that:

1. You understand their unique problem.
2. You know the results they want.
3. You have an answer that gets the results for them.
4. They can feel comfortable knowing they are making the right choice.

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There are three main points that are most important to a successful project:

1. A sales project must meet client requirements.
2. A sales project must be under budget (cost of sales).
3. A sales project must be on time.

Most sales people do NOT explain what problems they will fix or how they will fix them. They start out with a background of the company, when it was formed, organization charts, products or services they sell, locations.

The client only wants to know:

1. What business problems do you solve?
2. How do you solve them?
3. Do you understand the problem?
4. What makes you different?

Right in the beginning, you must establish yourself by presenting the problem, as you know it. Always look for, and ask for, confirmations.

Do not say: *Your problem is...*

Say: *I believe your problem is...*

Then ask: *Is this right?*

You gain credibility when you understand the problem and engage them in confirming or providing additional insight.

Then you explain how you will solve their problem and how the result will be measured using the specific criteria you have been given. That is what makes you stand out from the competition.

Always prepare as if it were for an interview for a very important job... because it is.

However, even consultative selling has a drawback, which is particularly apparent during tough economic times. That is, when the entire focus is on meeting the needs of the customer, that negates the very real needs of the supplying company, especially when the business climate is hurting.

In other words, notwithstanding the critical importance of the customer, if those needs are the only ones that matter, then some excellent companies may be pushed out of business - and that indirectly hurts the customer that has benefited from this solid customer-supplier relationship. And that brings us to the 5th Generation of selling:

5. Collaborative Selling involves a partnering mentality between customer and supplier. Both companies realize that their longer-term success is predicated on both of them staying in business - and this means that supplier needs matter too.

In effect, in collaborative selling, both buyer and seller become customers to each other.

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This approach has 3 primary goals for both organizations:

1. Minimize short-term risk.
2. Maximize long term gain.
3. Create value by partnering with each other.

Creating value is recognizing the natural synergies that already exist and jointly seeking new ways to be innovative and proactive in adding to each partner's business success.

How and When to Move into Collaborative Selling Mode

Not all customers want to be partners. In fact, for many customers, the current focus on consultative selling (with a focus solely on their needs) works just fine. For these customers, the sales person should continue to do what's been working well to increase sales.

There are in fact three ingredients that cause both buyer and seller to want to move from a consultative to a collaborative mode, including:

1. Both the buyer and seller already have a successful and trusting business relationship.
2. Each company needs the other to succeed in order for it to succeed.
3. There is some element of risk threatening the welfare of one company that could cause harm to both.

When these three conditions are present, it is in the best interests of both businesses to partner with each other. Given their already trusting relationship, it should be relatively easy for the sales person to articulate the needs for flexibility and joint problem solving on matters that were traditionally the sole concern of one business, but not both.

The buyer may be able to partner on matters that would typically be the sole responsibility of the seller. This does not mean that the buyer take a reduction in quality or service. But there may be some opportunities where the buyer can be flexible in order to help the seller survive.

This could include some flexibility on payment terms, inventory levels, and other items that help the overall bottom line of the seller, without significantly impacting the business of the buyer.

Consultative sales allow you to impress upon your clients the value of your offering for them. How you differentiate from anyone else in the market. When a client sees that you are genuinely seeking a solution to what has been identified, they want you to handle it in the way you have confidently determined what has to be done. Ask tough questions to seek the truth of your client's needs.

Be prepared to hear what you might NOT like to hear. And always be prepared to admit when you cannot meet a client's need, or solve their problem. You are a professional facilitator, not a salesperson and as such you focus on the client, never on the order. If it means losing the deal that is better than not being able to deliver. Play professional and your sales will double, even quadruple.

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