



The Future Sales Force - A Consultative Approach

Microsoft Corporation

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IN THE LAST FEW YEARS SOME ORGANIZATIONS HAVE FOUND THAT THEIR SALES PROCESSES HAVE BECOME MORE CHALLENGING WHILE THE PERFORMANCE OF SOME OF THEIR SALES PROFESSIONALS WHO WERE PAST STARS HAS DETERIORATED. SELLING COMPLEX PRODUCTS AND SERVICES, VERSUS SELLING COMMODITIES, HAS ALWAYS BEEN MORE DIFFICULT AND SALES PROFESSIONALS MUST HAVE DIFFERENT SKILL SETS, AS ILLUSTRATED BELOW.

COMMODITY-TRANSACTION SALE

- Simple product or service—perceived as a commodity by the buyer
- One or two calls—perhaps telemarketing
- One or two apparent decision makers
- Low risk
- Relationships less important—buyer views the sales professional as vendor
- Technique selling
- Price quote
- Price and availability more important

COMPLEX SALE

- Complicated product or service
- Multiple consultative calls, demonstrations, and presentations—perhaps technical sales support
- Multiple decision makers—executive committee or board-level decision
- High risk
- Relationships very important—buyer may view the sales professional as a business consultant
- Value-based selling
- Proactive sales proposal or response to a Request for Proposal (RFP)
- Return on investment (ROI) very important or required

Other factors in most complex sales also have contributed to process and performance problems:

- The economy—companies don't have the funds to buy
- Changes in the buying process since the late 90's—companies no longer buy products and services without first completing in-depth analyses
- Required value proposition—sellers must prove that their proposed products or services make or save money

Most companies recognize that the world and their buyers' buying processes probably have changed forever. But, some companies haven't recognized the need to make changes in their sales forces. They wonder if their sales professionals can't sell like he did in the past. Perhaps many sales professionals don't have the skills or tools needed. Here are some questions a company might ask to assess their sales situation.

Do our sales professionals . . .

- Follow a consultative sales process designed specifically for our unique products or services?
- Have the ability to calculate an ROI for our specific products or services that is accurate, unbiased, and plausible?
- Write customer-centric sales proposals that help buyers make informed buying decisions?

If the company uses a contact management or customer relationship management (CRM) system, it needs to ask one additional key question. Does our CRM or contact management system tie our consultative sales, ROI analysis, and proposal production processes together?

FOLLOWING A CONSULTATIVE SALES PROCESS

Sales professionals fall into two classifications: eagles and journeypeople. The majority of sales organizations are composed of journeypeople who rely on their knowledge of the company and its offerings in sales calls. journeypeople are most comfortable talking about their company's capabilities. They make lots of statements about their products and services, in hopes that something will resonate with the buyer. In general, journeypeople see their job as a facilitator of transactions between their company and its customers.

While representing less than 20 percent of most sales teams, eagles produce the bulk of sales revenues—in some cases, more than 80 percent. What makes eagles so much more effective than journeypeople? Eagles focus on the customer and their business issues and have intelligent conversations about their customers' challenges. In general, eagles see their job as capturing pertinent customer information, diagnosing customer issues, and then prescribing the most suitable solutions.

Customers view journeypeople as sales agents or vendors only. However, they view eagles as consultants, because they provide value in every meeting. Customers will buy from journeypeople if required, but in general, they buy a lot more from eagles—as much as four times more and they also like buying from them.

The good news is that journeypeople can be taught to behave more like eagles. The methods and techniques used by eagle sales professionals can be captured in a repeatable process. But, this process must be tailored to the unique products and services of each selling organization. Once established, the process can be taught to everyone in the sales team.

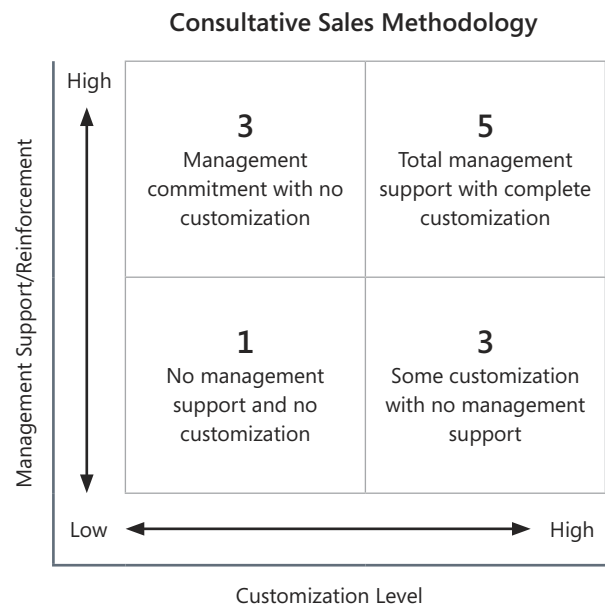
With a consistent sales process, journeypeople will know how to engage in consultative selling behavior on every call. They can have conversations designed to gather the information needed to diagnose the specific challenges of that customer. Then they can prescribe the most appropriate product or service to address that challenge and develop a supporting value proposition.

Most importantly, by following a consultative sales process, sales professionals will capture information that can be used to differentiate themselves from competitive alternatives. In other words, the sales professional can gain a competitive advantage by *how* they sell, and not just by *what* they sell. Specifically, eagle sales professionals excel in justifying the value of their proposed solutions and how they communicate that potential value to customers in their sales proposals. They can do this because they have diagnostic conversations with customers focused on the customer's issues and challenges. They also can have sales tools and systems that integrate with and reinforce their company's unique sales process.

With a consultative sales process, a sales team will produce better ROI analyses for its customers, and improved sales proposals that are customer-focused. A consultative sales process is an essential first step in turning your sales team into a competitive advantage.

SELF ASSESSMENT: CONSULTATIVE SALES PROCESS

Take a moment and assess your current situation as it pertains to your sales process. The horizontal axis indicates your level of customization for your current sales tools. Did you hire a consultant to customize the training? Did you simply attend a public seminar? Do you have an ongoing program for training? The vertical axis indicates the commitment of your management team to the use and promotion of a sales process. Commitment includes financing, attending training, incorporating the vernacular into reports, etc. For example, if you currently use a hybrid of methodologies, no custom training, and no commitment from executive management, then you would likely fall into the box labeled "1". Please take a moment and put an "X" in the box you feel best describes your current situation.



Note: A score of 2 or 4 will fall on the line between quadrants.

Score analysis

1. Your organization lacks adequate sales process customization and management commitment to really be a successful consultative selling candidate.

2. Although you are making strides in either commitment or customization, there is still a major lack of both to make much of an impact on the sales process.
3. You have gained momentum and have an opportunity to succeed. Pull it all together and identify what you need to create a complete customized sales process, or additional management support and commitment.
4. 3 and 4 are very similar in that you must be very careful where you put your “X.” If the X falls on the line between highly custom and half way up the management commitment line, you are on your way to a very successful career. If your 4 is halfway across the customization line, and on the line between low and high, you still have more to do to be successful. Be aware of silo projects when this occurs.
5. Excellent job! You are on your way to a very successful sales career. Remember that this is only one component to success, however.

USING AN ROI ANALYSIS SYSTEM

ROI and Value Justification are becoming “must-have” components in the selling equation. The ROI Insider on www.searchcio.com states that “more than 80 percent of IT buyers now rely on vendors to help them quantify the value proposition of solutions.” In fact, many CIOs now elevate the ability of a vendor to proactively justify their solutions to one of the top five most important selection criteria.

Several key concepts discussed below provide insight into using ROI Selling and Value Justification in the selling equation. These concepts also support the integrated processes proposition because companies don’t give their sales professionals ROI analysis tools they need.

1. **The right questions for the right decision maker**—Too often when a sales professional gets an opportunity to meet with a decision maker he doesn’t have a logical, relevant, and consistent set of questions to discuss. He may have gathered data that is inconsistent, irrelevant, or not pertinent. A sales professional should have questions and data that will enhance the conversation, not delay the opportunity. These questions should be an integral component of a consultative sales process and some of the buyer’s answers to critical, key performance questions belong in a customer-focused sales proposal.
2. **The longer a sale takes, the less chance you have of winning the opportunity**—Sales process research consistently shows that the longer a sale takes to close, the greater the risk of losing the sale to a competitor, or worse, to no decision. Using value justification and ROI helps reduce time to revenue because this financial information defines the buyer’s cost of delaying the decision or maintaining the status quo. A sales professional should be prepared to use these buyer costs in the consultative sales process and in the sales proposals.
3. **Quality of ROI model separates winners from losers**—An objective, substantive ROI analysis tool integrated into a consultative sales process is far more credible than a lightweight ROI marketing ploy. Using a value justification tool during the sale and a value assessment program after the sale creates a paradigm shift for the buyer—the seller is a business partner, not another vendor. Brian Sommer, VP at Aberdeen, told us once, “Everyone will figure out the spreadsheet ROI, but no one will put a post-contract program in place and measure the milestones.” It is critical to a successful sales team to follow up and measure the value delivered.
4. **Documented decision making**—Some products, especially intangibles like software, are subject to scope-creep after the sale. As one vendor put it, “The customer buys based on an 80% fit to their needs, and then quickly focuses on the 20% that they knew wasn’t there when they bought it.” A consistent selling method, a sales proposal that clearly defines the proposed software application and ROI model, and a value assessment measurement program after the sale can keep the buyer focused on the key requirements and benefits that originally drove the purchase decision. The bottom line: Happy customers and quality case studies for use on the next opportunity.

Ted Matwijec of Rockwell Automation said it best, "Using ROI in the sales process has changed the paradigm between salesperson and vendor. We are now subject matter experts and can clearly articulate to our customers that we have their best interests at heart. ROI Selling has turned the vendor/customer relationship into a partnership relationship." Sales professionals must be prepared to use value justification in the sales equation.

ROI Selling is a program that includes all of the concepts discussed. Each component is equally important to a successful selling campaign. Further, it is critical (1) to use Value Justification during the consultative sales process and sales proposal creation and (2) to assess the value delivered after the sale. Ignoring the need to provide sales professionals with an integrated ROI model may result in limited success.

USING AN AUTOMATED PROPOSAL PRODUCTION SYSTEM

Some companies don't give their sales professionals the tools they need to write winning proposals. Often there are no defined content requirements, standards, or guidelines for writing sales proposals. Some sales professionals can write proposals without getting management review and approval. For many sales professionals proposal writing is a time-consuming, cut-and-paste task that often produces a document disconnected from the sales process. A low *Proposal Close Ratio* actually might more closely reflect a sales professional's writing skills or poor use of a word processing system rather than his selling ability.

A company must ensure that its sales professionals write sales proposals that help buyers make informed buying decisions. Equally important, the company must ensure that its sales proposals:

- Are customer-centric
- Contain the pertinent customer information gathered during the consultative sales process, including the results of the ROI analysis
- Reflect the sales organization's quality and branding standards

The bottom line is that a proposal doesn't have to be good, just perfect! Perhaps one reason a sales professional can't sell is because he can't write that perfect proposal because he's too busy being an eagle—maybe he's not the best writer, or maybe he doesn't have the time or inclination to take six to twelve hours of word processor system training, or maybe he isn't getting any help from the company.

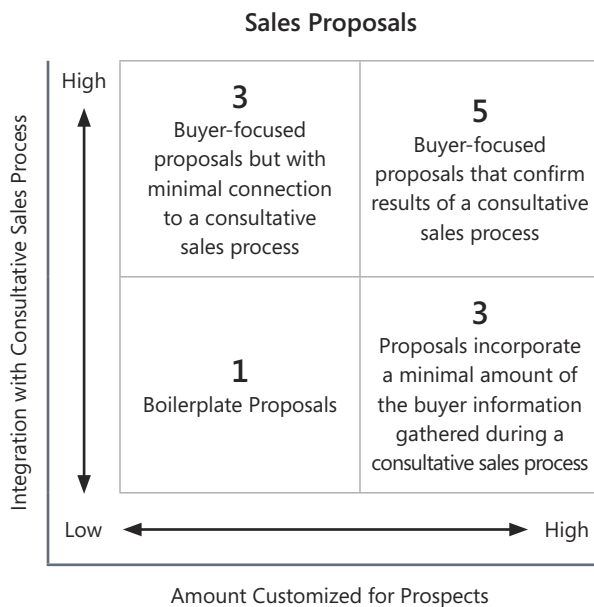
Implementing an automated proposal production system can fix a lot of the problems and provide significant benefits to the company and its sales professionals. An automated proposal production system:

- Allows the company to develop custom proposal models for each of its products or services to ensure content accuracy and consistency—factory-approved wording
- Reduces the time needed for sales professionals to write a winning proposal—they only have to input customer-specific information gathered during the consultative sales and ROI analysis processes
- Generates proposals that reflect the company's quality and branding standards—no cut-and-paste or formatting tasks
- Provides management with information to monitor sales production activities and measure results

WHAT TYPE OF SALES PROPOSALS ARE YOU WRITING?

Check where your sales proposals and consultative selling process fit on this quadrant, which relates the:

- Amount your sales proposals are customized for your prospects
- Degree a sales professional integrates writing a sales proposal with the sales activities of your company's consultative sales process



CONNECTING THE PROCESSES

When sales professionals integrate their consultative sales, ROI analysis, and proposal development processes, they find process connections—those buyer information areas where their selling, analyzing, and writing activities overlap. These process connections are in several main areas:

- General buyer information
- Business challenge information: ways to reduce or avoid costs or to increase revenues
- Product or service application: how the proposed product or service works in the buyer's business
- Value Proposition: financial (ROI) and non-financial benefits the buyer receives from the product or service
- Implementation: how and when the product will be implemented and the buyer's involvement in the project

A sales professional doesn't passively accumulate process connections information throughout the sales cycle. Rather, he or she gathers process connections information as the result of proactive and consultative sales process activities. Some examples of how a sales person gathers process connections information include:

- Performing a search in Harris InfoSearch to capture some information needed to complete a custom precall planning worksheet in preparation for the first call to a prospect.
- Performing a website search to learn about the prospect's company, products, customer base, etc.
- Completing prospect and ROI questionnaires further to understand the prospect's unique situation, key pain indicators, and needs.

A sales professional also proactively uses process connections information throughout the sales cycle. For example, a sales professional will use process connections information to:

- Determine the customer’s system configuration requirements to price a system.
- Develop a ROI valuation to prove the proposed service’s value proposition
- Write a confirmation letter to confirm the prospect’s needs
- Write a sales proposal to provide the prospect with information on which it can base an informed buying decision.

The point is, to work effectively, a sales professional must systematically gather and use process connections information. Custom sales tools provide the instruments of this purpose.

PROCESS CONNECTIONS BELONG IN A CRM OR CONTACT MANAGEMENT SYSTEM

Putting *process connections* in a customer relationship management (CRM) or contact management system helps ensure that a company’s sales force sells consultatively because the *process connections* represent the customer information a sales professional must gather (and use) to sell a product or service. If this information is contained in fields on an “opportunity” screen in a CRM/contact management system, then these fields also can become sales process guides—they reinforce the organization’s consultative sales process.

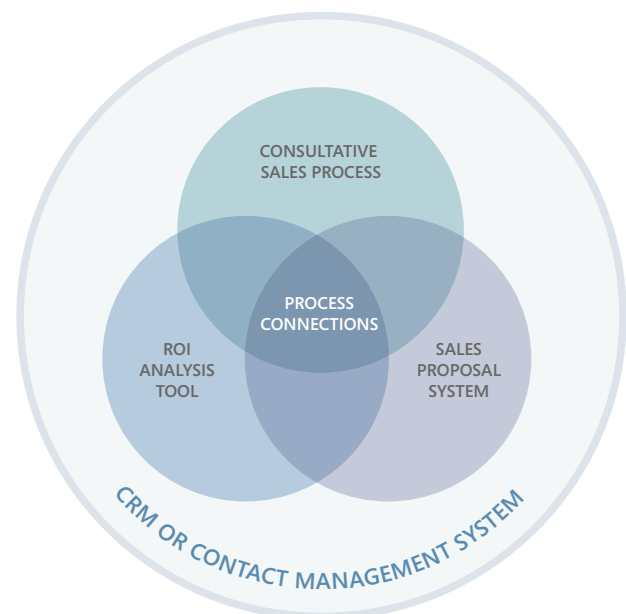
If a company uses automated ROI analysis and sales proposal systems, then the *process connections* contained in its CRM/contact management system streamline the analysis and proposal production processes. Facilitating the ROI analysis and proposal generation requires

interfacing the CRM/contact management system with these two systems. The interfaces pass the appropriate *process connections* needed to generate the customer-centric ROI analyses and sales proposals.

For example, to sell an automated payroll system, a sales professional certainly needs to know how many employees the prospective customer has. The CRM/contact management system, ROI analysis system, and a proposal model in an automated proposal system would contain matching [Number Employees] fields. More importantly, the sales professional also needs to gather other consultative information during the sales process needed to calculate the ROI and write a customer-centric proposal. This other customer information might include key performance indicators, improvement opportunities, application variables, customer-specific benefits, ROI calculations, and implementation variables—the *process connections* that represent matching fields in the three systems.

The diagram below illustrates how the following four components interface and overlap:

- Consultative sales process
- ROI analysis system
- Automated sales proposal system
- CRM/contact management system



The process connections represent:

(1) the customer information overlap between the four components and (2) most of the matching fields in the CRM/contact management and the ROI analysis and proposal production systems. The Value Proposition for Integrating the Sales Process Components

THE VALUE PROPOSITION FOR INTEGRATING THE SALES PROCESS COMPONENTS

Integrating the four sales process components results in several benefits for a sales organization:

- Defining customer information requirements, the *process connections*, helps reinforce a consultative sales process
- Selling consultatively builds rapport and relationship with a prospective customer and also helps change perceptions—this organization's sales professionals are more like eagles and less like journeymen

- Automating the ROI analysis process provides the buyer with the much-needed value proposition which can reduce the length of the sales process
- Automating the sales proposal development process reduces writing and production times and helps ensure the production of customer-centric, consistent, and quality sales proposals
- Leveraging a CRM or contact management system as the *process connections* repository brings structure, accountability, and focus to the sales, ROI analysis, and proposal production processes
- Integrating and automating the processes increases Proposal Close Ratios because sales professionals:
 - Sell consultatively
 - Gather and process the right customer information
 - Produce accurate and plausible ROI analyses
 - Develop customer-centric proposals that help customers make informed buying decisions

With access to and benefit of the four integrated process components, sales professionals will have the tools and skills to achieve spectacular results. They will be the eagles of the new millennium, better prepared to analyze, consult, differentiate, communicate, compete, and win.

Credits:

Michael J. Nick is President and founder of ROI4Sales and author of *How to Build the Perfect ROI, ROI Selling*, and co-author of *Why Johnny Can't Sell ... and What to Do About It* (August 2006 release). Michael speaks on ROI and conducts several public workshops and seminars throughout the year. His expertise has extended internationally with companies like Rockwell Automation, Imation, Oracle, GEAC, S1 Corporation, and Great Plains Software. Michael has been featured in *Selling Power*, *Sales and Marketing Magazine*, and several online web sites like *Netbriefings* and *Progress Business*.

Bob Kantin is President of SalesProposals.com™ which provides sales proposal design, development, integration, and automation services. Bob has written several books on sales proposal design and integration including *Sales Proposals Kit for Dummies*. Bob is also co-author of *Why Johnny Can't Sell ... and What to Do About It* (August 2006 release). SalesProposals.com™ offers Sales Document Builder, an Internet-based sales proposal and other sales document production and management system.

Tim Sullivan is Director of Development at Sales Performance International, a global provider of sales and marketing best practice consulting, training, and tools. For more than two decades, Tim has been an analyst of what makes the best sales professionals effective, and his findings on sales and marketing practices have been published in *Marketing Management*, *SellingPower*, *VARBusiness Online*, and many other trade journals.

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