

PROFESSIONALS RECOMMEND, THEY DON'T SELL

Consultative professionals create an integrated relationship between their firm and the prospect. Before solving problems, consultants provide a thorough cost-benefit analysis. They create a relationship of trust, support for the prospect's goals, and information sharing that will promote success for the client.

Most of us have a variety of services we want to sell. When we approach a prospect with the notion that we will sell a specific service, we are approaching the situation like a seller of products rather than as a consultative professional. Consultants deal with clients' needs and wants. Consultants think long-term and view the big picture.

Recommend What Benefits the Client

During the discovery phase of selling, you may have uncovered hundreds of problems. Many of the problems you discover will not justify solutions. For example, I worked with a large equipment dealer with millions invested in inventory. I immediately thought about an inventory control system my firm had expertise in providing. However, I learned that the equipment manufacturer held 90% of the dealer's inventory, shipped directly to the end-user and kept accurate records for finished goods, shipping, billing, and inventory turnover. My

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system provided some benefits the manufacturer's system did not. But the cost-benefit of selling my inventory system did not provide a good investment for the client. Had I approached this prospect with this system, he may have listened out of courtesy, but he would have concluded quickly that I was interested in the sale for me, not him.

Sharing your conclusion with the prospect can build credibility. If you say, "John, when I first saw your operation I thought we might have an inventory control system for you that has helped a lot of my other clients. But your current system is working great—it just wouldn't make financial sense for you to change." This lets the prospect know that you have considered this aspect of their business, that you have a product you could try to sell, and that you don't try to sell products that don't make financial sense.

Cost/Benefits for the Client

On the other hand, when you place a quality service in front of a client that solves a costly problem, sometimes you don't have to ask for the sale. The client asks you.

The real key to discovering needs is to understand the value of solving a problem. If a problem can be solved for 10% of the cost, it is likely a need. If a problem is causing other problems, which in their totality is huge, fixing the root problem may very well represent a need.

Conclusion

The consultative professional thinks past the services sale to the needs of the client and to the long-term relationship.

TAKE YOUR PROBLEM QUESTIONS DEEPER

Your analyses of prospects' and clients' businesses should focus on the problems that need solving. By asking a series of questions designed to size up the problem, its severity, and its impact on other costs or problems, you are able to get the prospect to tell you if this is a need. A need is a problem that is cost-justified to fix. Cost can be justified in dollars or in hassle.

Costing Problems

Some novice professionals may be uncomfortable asking problem questions. However, taking your problem questions deeper, in order to get your prospect to project the effect of problems on other problems and opportunities, is a powerful way to uncover needs. For example, you might discover that total accounts receivable are averaging 65 days before collection. You have also confirmed that management perceives this as a problem. You could ask, "What does it cost you annually for the working capital for accounts over 30 days old?" Or, you could go on, "What does it cost you, in terms of accounting department staff and mailing and telephoning, to collect accounts once they exceed 30 days old?"

When your prospect says something, he believes it more than if you say it. You could certainly say, you have \$560,000 tied up in accounts over 30 days, so you stand to lose \$140,000

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from the sales you have made. And your working capital line is at 5% per year. So your working capital costs you over \$28,000. You have one full-time person sending letters, making calls and responding to requests for back up, etc. This person costs you \$50,000 per year in salary, benefits, office space, training and supervision. But by saying all this, you could be putting your prospect in a defensive position. If you are able to get the prospect to say it, he will not be as defensive and will be more likely to see that he has a need.

Conclusion

When your prospect answers your questions, he will remember what he said more than he will remember what you said. This process is very helpful in preparing the person to tell other people in his organization about the issues. When you can prepare your prospect for internal selling, you are impacting the sale at many levels in the business.

BENCHMARKING TO DISCOVER NEEDS

Top companies compare themselves to leaders – not just in their industries, but in any process they are interested in. For instance, a company might benchmark its customer service against Nordstrom, even though it's not a department store. Same-industry benchmarking gives you an idea of the standards you are competing with in your type of business. Process-oriented benchmarking against other industries gives you a standard for what is possible, plus fresh ideas.

A Benchmarking Tool for Prospects and Clients

One of the most helpful tools you can use to help prospects develop and define their needs is a benchmarking tool. A benchmarking tool allows you to compare information about your prospect against standards. When your prospect's data varies from the standard, this provides you an opportunity for creating a dialog around the issue.

Which benchmarking tool is the right tool for you? One of the leading benchmarking sources is a Robert Morris Associates (RMA) book which gives industry averages for things like sales per square foot, average gross, average profit margins, and so on. Many banks use the RMA data for comparison purposes when making decisions about loans. The comparisons quickly highlight how businesses are doing or when projections are unrealistic.

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Some professional firms have developed their own benchmarking data because they have many clients in a particular industry. For example, PricewaterhouseCoopers has developed a benchmarking tool they call *Advanced Middle Market Business Intelligence Tool*. The PwC tool was developed from business data input by many CPAs from many firms.

Sageworks has an industry comparison program that captures data from a variety of sources. The unique aspect of the Sageworks program is that it provides a written analysis of the benchmarked data for you to provide your client.

Develop Your Own Benchmarking Tool

You could devise a custom tool that applied across industries for your clients. It could be as simple as a checklist asking if they had a business succession plan, a will, audited financials, a disaster contingency plan, adequate financial reserves, a line of credit, or other areas in which you specialize. It could also go into more depth in one area.

Conclusion

The best benchmarking tools give an “objective” picture of how a business compares to others. It could also use customer perceptions or wants as standards. For instance, clients tell us that they judge accountants, attorneys, and other professionals by how well they are treated in little interactions. They are more impressed by how fast their calls are returned than by professional certifications and similar measures of technical competence. Yet most firms don’t have standards for returning phone calls or keeping in touch with clients when not doing work for them.

DIFFERENTIATE YOUR SERVICE

A key to uncovering prospect needs is to clearly differentiate you and your firm's services from other similar providers in your marketplace. There are mega-firms, tiny firms, and all kinds of firms in between. There are specialty firms, boutique firms, and department store firms (one stop shops). When you clearly differentiate your firm by identifying the best clients and the needs you can best help with, you increase the potential for serving that need early in the relationship.

An Example

Some firms differentiate along industry lines or by type of client. Others develop deep expertise in a service line. For instance, the Sunnyvale, California, law firm Day Casebeer Madrid & Batchelder, LLP focus their 30-lawyer firm on intellectual property litigation for a few large clients. Crowe Chizek, LLP has grown rapidly over the last 15 years by focusing on consulting businesses, community banks, auto dealers, and manufacturing.

You can have more than one speciality, but each client is only interested in your ability to uniquely serve their needs. This means that, ultimately, your goal is to build a relationship with the client that can't be duplicated. This relationship occurs on two dimensions. First, the principles of one-to-one

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marketing say for you to invest in customizing your services for each client. When clients invest in “educating” you on how to customize your services for them, they will not want to spend the time developing other service providers.

Second, the ultimate differentiation that no one else can match is YOU. You are a unique individual. Rather than suppressing your individuality to achieve some sort of neutral “professionalism,” you should be both professional and individual. Many professionals make the mistake of think that clients hire them for their expertise, as if they were a plug-in module with a particular skill. If that were the case, you would be a commodity. you must be an individual. When the client feels comfortable and taken care of by you as a person, he won’t want to risk going elsewhere.

Conclusion

You need to understand how to differentiate yourself and your business. First, know your speciality and your services inside and out. Being able to articulate your expertise is very impressive to clients and prospects. Second, stress that the key differentiator in working with you is you. No matter how big the client firm, people always work with people. And they decide to engage you based upon the differences they believe are important. You are the most important differentiator.