PROGRAM OVERVIEW

About the Training Program

Consultative selling is a powerful process for individuals in sales or marketing, for customer service representatives, and/or for anyone interested in developing successful business relationships. Consultative selling is built on the premise that everyone needs to “win” in business relationships—one party has the opportunity to sell products or services and the other party has the opportunity to have his or her needs met. Long gone are the days of selling without consideration of the client’s needs and without regard for customer satisfaction after the sale. Trusting, long-term relationships are the goal, not “quick sales.”

This program emphasizes the planning and preparation phases of consultative selling. The primary components of this planning and preparation include the following:

1. Researching the underlying needs, stated objectives, and expectations of target clients.
2. Preparing specific questions that help clients clarify their needs, objectives, and expectations.

Training Objectives

Participants will have the following opportunities:

• To be aware of the value of consulting customers;
• To identify three areas to research about potential clients;

Designed by Denise A. Trifiletti and Ron A. Alexandri.
• To develop skills in asking questions to diagnose client needs, objectives, and expectations; and
• To create ways to present business solutions.

PROGRAM OUTLINE

<table>
<thead>
<tr>
<th>Activity</th>
<th>Time</th>
<th>Method</th>
<th>Forms Used</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I. Opening Activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Getting Acquainted</td>
<td>10 minutes</td>
<td>Icebreaker</td>
<td></td>
</tr>
<tr>
<td>B. To Consult or Not to Consult?</td>
<td>30 minutes</td>
<td>Role Play</td>
<td></td>
</tr>
<tr>
<td>C. Everybody Wins</td>
<td>20 minutes</td>
<td>Self-Assessment</td>
<td>A</td>
</tr>
<tr>
<td><strong>II. Researching Target Clients</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Assumptions, Assumptions</td>
<td>10 minutes</td>
<td>Subgroup Discussion</td>
<td></td>
</tr>
<tr>
<td>B. Three Things to Learn About Potential Clients</td>
<td>10 minutes</td>
<td>Lecturette</td>
<td></td>
</tr>
<tr>
<td>C. Research Strategies</td>
<td>30 minutes</td>
<td>Brainstorming</td>
<td></td>
</tr>
<tr>
<td><strong>III. Preparing Specific Questions to Ask Clients</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Testing Your Market Research</td>
<td>10 minutes</td>
<td>Lecturette</td>
<td></td>
</tr>
<tr>
<td>B. The SPIN Sequence</td>
<td>40 minutes</td>
<td>Group Inquiry</td>
<td>B, C</td>
</tr>
<tr>
<td>C. The Difference Between Implication and Need-Payoff Questions</td>
<td>20 minutes</td>
<td>Group Discussion</td>
<td></td>
</tr>
<tr>
<td>D. Developing SPIN Questions</td>
<td>30 minutes</td>
<td>Writing Task</td>
<td></td>
</tr>
<tr>
<td>E. Practicing SPIN Questions</td>
<td>30 minutes</td>
<td>Skill Practice</td>
<td>D</td>
</tr>
<tr>
<td><strong>IV. Suggesting Solutions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. An Investment, Not a Cost</td>
<td>15 minutes</td>
<td>Dyadic Discussion</td>
<td></td>
</tr>
<tr>
<td>B. The PAR Method</td>
<td>15 minutes</td>
<td>Lecturette</td>
<td></td>
</tr>
<tr>
<td>C. Composing PAR Presentations</td>
<td>30 minutes</td>
<td>Writing Task</td>
<td>E</td>
</tr>
<tr>
<td><strong>V. Closing Activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Index Card Match</td>
<td>10 minutes</td>
<td>Game</td>
<td></td>
</tr>
<tr>
<td>B. Your Next Steps</td>
<td>10 minutes</td>
<td>Whip</td>
<td></td>
</tr>
<tr>
<td>C. Summarization</td>
<td>15 minutes</td>
<td>Group Discussion</td>
<td></td>
</tr>
</tbody>
</table>
I. Opening Activities

A. Getting Acquainted (Icebreaker)

1. Welcome participants and briefly introduce yourself. Divide participants into pairs and ask pair members to share with each other their names, cities they live in, and line of business (if not already known).

2. Then ask the pairs to discuss this question “What are some challenging aspects to building business relationships with your customers?”

3. After approximately five minutes, reconvene the entire group. Ask participants to introduce themselves and to share their responses to the above question.

4. Relate the challenges mentioned to the objectives of this program, explaining that this program will help participants solve these challenges.

B. To Consult or Not to Consult? (Role Play)

1. Combine the participants into groups of four (quartets).

2. Instruct each member of the quartet to identify some products or services he or she finds valuable in everyday life. Examples might include a home-banking system, a cleaning fluid, a kitchen gadget, an insurance plan, and so on.

3. Ask the participants to determine quickly one product or service that most quartet members are either unfamiliar with or have not as yet “purchased.”

4. Direct each person in the quartet to give a one-minute “sales presentation” of that product or service to his or her quartet members. Ask “sellers” to extol the features and benefits of the chosen product/service. However, do not allow “sellers” to ask questions of the listeners (the “customers”) during the presentation or in any way consult with the “customers” about their needs.

5. After each presentation, invite the “customers” to share the degree to which the product or service might solve any problems they face or might meet any personal needs they have. Continue until every group member has had the opportunity to be a “seller.”

6. Reconvene the entire group and assess the degree to which the products and/or services met the needs of the “customers.” You will probably find that this one-way form
of selling often missed the needs of the customers. Explain the connection between the outcome of this exercise and the results obtained by those who fail to consult their clients’ needs in real life. Refer to this failure as a “sell-and-bill” relationship, not a “consultative” relationship. Emphasize that consultative selling is a problem-solving approach because it helps clients improve their profits or lower their costs instead of merely persuading them to purchase products and services.

C. Everybody Wins (Self-Assessment; Materials: Form A)

1. Point out that consultative selling is based on the idea that everybody wins in “an enduring business relationship. Gone are the days when a salesperson showed little interest in the client’s needs during the sale and little regard for customer satisfaction afterward. Ask participants why they believe this shift has occurred.

2. Indicate that some organizations have not made the shift as completely as others. Distribute copies of Form A. Explain that this short questionnaire assesses the degree to which an organization has adopted an “everybody wins” philosophy.

3. Invite the participants to complete the questionnaire. Ask the participants to form groups of four and to share responses with members of their quartet.

4. Invite the participants to brag about the “everybody wins” practices of their organization or to divulge the attitudes and actions their company takes to promote a win/lose philosophy.

II. Researching Target Clients

A. Assumptions, Assumptions (Subgroup Discussion)

1. With participants still in their quartets, ask them to discuss the “unwarranted assumptions” made in each sales presentation. Define an unwarranted assumption as any belief on the part of the “seller” about the needs or expectations of the “customers” that turns out to be untrue. For example, an encyclopedia salesperson may assume that his or her customers are parents and that they place a high value on their child’s school achievement.

2. Reconvene the total group and point out that the first step in moving to a “consultative orientation” is to research potential clients’ needs, objectives, and expectations.
B. Three Things to Learn About Potential Clients (Lecturette)

1. Explain the differences between needs, objectives, and expectations by making these key points:

   - Needs underlie every sales opportunity. Clients want something that will make them happier and more effective. Your job is to discover these underlying psychological needs that form their dominant buying motives (for example, self-esteem, security, peace of mind).

   - Objectives are the clients’ stated wishes. In a trusting business relationship, the provider of products or services has asked his or her clients to clarify the product or service features they are looking for. Objectives are clearest when they are specific and measurable.

   - Expectations convey the results or benefits clients are seeking from using your product or service. Expectations represent the specific information to be obtained from clients to ensure that their objectives will be completely satisfied after the sale.

2. Indicate the following:

   - The only way to accurately assess a client’s needs, objectives, and expectations is to ask many questions and to listen attentively to the answers.

   - To prepare for this assessment, it is possible to develop certain hypotheses about your specific client by researching the needs, objectives, and expectations of similar clients.

   - There are several ways to conduct this research.

C. Research Strategies (Brainstorming)

1. Ask the participants to rejoin their quartet teams. Have them imagine that they are interested in selling encyclopedias to parents in a wealthy suburb. Invite the participants to brainstorm ways to research the needs, objectives, and expectations of the parents.

2. Reconvene the total group. Record the market research strategies of the participants on newsprint by asking each quartet, in rotation, to present one strategy from its list. Proceed until all of the strategies brainstormed have been reported.

3. Categorize the research strategies as follows:

   - Written reports, records, print media

   - Observation

   - Key informants
• Surveys
• Information interviews

4. Ask participants to select a business-related product or service they want to sell. Request that participants brainstorm ways to research their target clients’ needs, objectives, and expectations. Next, invite them to imagine that the research has been completed. Ask them “What do you think are the needs, objectives, and expectations of your clients, as a group? How do some of your clients differ in terms of their needs, objectives, and expectations?”

5. Re-form quartet teams and request that each participant share with his or her quartet how he or she views the needs, objectives, and expectations of his or her clients.

III. Preparing Specific Questions to Ask Clients

A. Testing Your Market Research (Lecturette)

1. Reconvene the total group. Indicate that when a consultative salesperson is about to make contact with a prospective or repeat customer, he or she has only hypotheses about the client’s needs, objectives, and expectations. Those hypotheses need to be tested by obtaining information directly from the client.

2. Propose that an effective method of diagnosing a client’s needs, objectives, and expectations is to use a carefully sequenced group of questions that follow the acronym SPIN. In this method, developed by Neil Rackham (1988), participants begin with situation questions, followed by problem questions, followed by implication questions, followed by need-payoff questions. By following the SPIN sequence, participants not only clarify the client’s needs, objectives, and expectations but they also are better equipped to fulfill them. Moreover, clients are more receptive to building or continuing their relationships because participants are “consulting” with them not “selling” them.

B. The SPIN Sequence (Group Inquiry; Materials: Forms B and (2)

1. Distribute copies of Form B.

2. Ask participants to form trios. Ask each trio to read the SPIN sequence of questioning, and try to distinguish the differences among the questions. Encourage participants to share their questions or insights with each other.

3. Reconvene the entire group. Invite the participants to share their questions, if any, about the SPIN sequence. Explain briefly the differences between the different cat-
4. Distribute copies of Form C. Ask the participants to re-form their trios. Ask each trio to analyze the dialogue and look at the movement from situation, to problem, to implication, to need-payoff questions.

5. Assemble participants into a total group and review the dialogue. Emphasize, if needed, the following points:

- Situation questions establish background facts. Rackham recommends not to ask too many questions because they may bore or irritate the client.
- Move quickly to questions that explore problems, difficulties, and dissatisfactions. Try to understand the client’s underlying needs.
- In small sales, it may be possible to suggest solutions to the client at this time. In large sales, however, the problems the client faces may be bigger and, hence, may take more assessment to solve. Implication questions help both the seller and the client assess how serious the problems are.
- Need-payoff questions help the seller and the client determine the value or usefulness of solving the problems. In effect, they pull from the client the benefits he or she might acquire from solving the problem.

**C. The Difference Between Implication and Need-Payoff Questions**

*(Group Discussion)*

1. Point out that need-payoff questions are hard to distinguish from implication questions because they have the similar purpose of clarifying the necessity for problem solution.

2. Write the following on newsprint or a transparency:

   A. Seller: Has the slowness of your system lost you customers?
      Client: It sure has!

   B. Seller: The JYC system is five times faster than the one you’re currently using. How many customers will you retain if you adopted it?
      Client: Maybe a dozen.

3. Ask the participants what difference they see in the two questions.

4. Explain that people see the need to take action for only one of two reasons” fear of losing something or hope of gaining something. Note that implication questions relate to a client’s “fear of loss” while need-payoff questions relate to a client’s “hope to gain.” Indicate that, by asking both types of questions, the consultation is moved from “sad” questions to “happy” ones (because everyone’s needs are met).
D. Developing SPIN Questions (Writing Task)

1. Ask the participants to identify either products or services they want to sell and let them assume that they have just two visits with their new clients to build the foundations of their long-term relationships.

2. Next, ask the participants to write down some questions they might ask to clarify their clients’ situations.

3. Pair up the participants and invite pair members to try their situation questions on one another. Direct the “sellers” to ask situation questions of their “clients.” Ask the “clients” to make up answers. Explain that this interchange allows practice developing SPIN questions.

4. Ask each pair member to work independently and to develop an inventory of questions for each of the remaining levels of the SPIN sequence. Suggest that each participant begin by creating one to three potential problems the client faces (based on what the seller knows thus far from the answers to the situation questions). From these thoughts, have each participant write down some problem questions that each would ask to uncover each of the problems that have been anticipated. Suggest that each participant write down some possible implication and need-payoff questions that might flow from his or her line of questioning.

E. Practicing SPIN Questions (Skill Practice; Materials: Form D)

1. Invite the pair members to interview one another, using the inventory of SPIN questions as a guide. Point out that an effective interview has a good flow to it. Stress that it is important to build on the client’s previous responses rather than to adhere rigidly to a script of questions.

2. After the interviews, distribute copies of Form D. Ask each participant to fill out the form to give feedback to his or her partner.

3. Ask pairs to debrief each interview, using the following questions: “How did it feel to use the SPIN sequence? Which questions were the most difficult? How did it feel to be the client?”

IV. Suggesting Solutions

A. An Investment, Not a Cost (Dyadic Discussion)

1. Write the following statement on newsprint or a transparency: “When a client does
business with you, the business solutions you offer should be viewed as an *investment*, not a *cost.*

2. Divide participants into pairs and ask the pair members for their reactions to the above statement.

3. Reconvene the total group and obtain reactions.

§**B. The PAR Method (Lecturette)**

1. Point out that once the consultant has clarified the needs, objectives, and expectations of his or her clients by analyzing their situations, problems, implications, and need-payoffs, he or she is now in a position to present solutions.

2. Explain that the goal in presenting solutions, as just mentioned, is to show the clients that they are making a valuable investment.

3. Indicate that the PAR method is one way to achieve this result. In this method, the consultative salesperson tells the client how his or her product or service solved a problem faced by a client in a similar situation. Give the following PAR presentation as an illustration:

   “ABC company also had a problem containing the costs of health care for their employees. So we proposed to them a strategy for establishing an ‘umbrella benefits’ feature for their employees. As a result, health care costs were reduced by 10 percent. I’d like to explain this solution to their problem further to you, and you tell me if it represents the solution you are seeking as well.”

4. Ask participants to guess what PAR stands for, based on the example you have just given.

5. Explain, if necessary, that a presentation can entail these three phases:
   - *Beginning:* A problem or situation involving another client of the company’s.
   - *Middle:* The action or response of the consultant to the problem or situation.
   - *End:* The result or benefit, including how the situation was resolved or was changed.

§**C. Composing PAR Presentations (Writing Task; Materials: Form E)**

1. Distribute copies of Form E.

2. Invite the participants to compose a PAR “stow line” of their own.

3. Divide participants into quartets and have them read their stow lines to each other.
4. Indicate to participants that presenting business solutions using this format is a healthy “habit.” Ask them to suggest the benefits of this approach over others they have used.

■ V. Closing Activities

■ A. Index Card Match (Game; Materials: Index Cards)

[Note: Prior to this activity, prepare index cards as follows. Write down on separate index cards the names of several techniques and concepts examined in the program (for example, research strategies, need-payoff questions, and so on). Develop enough cards to equal one-half the number of participants. On separate cards, write clear definitions of each of the techniques or concepts you chose or give a clear example of the technique/concept in action. Shuffle several times so that they are well mixed.]

1. Hand out one card to each participant. Explain that this is a matching exercise—some participants have the names of techniques or concepts that were examined in the program and others have definitions or examples illustrating them.

2. Ask the participants to find their matching cards. When a match is formed, ask the matching participants to find seats together.

3. Have pair members quiz the group members on the technique or concept the pair members possess.

■ B. Your Next Steps (Whip)

1. Tell the participants the resources they have available, such as where they can get training, books, and audiotapes. If possible, hand out a prepared list.

2. Close by asking each participant to share his or her answers to the following sentences:
   - When serving a client in the future, one thing I am going to stop is __________
   - When serving a client in the future, one thing I am going to start is __________
C. Summarization (Group Discussion)

1. Ask the group to summarize what has been gained from the day together and what has been learned. Make sure that each group member speaks.

2. Thank everyone for their involvement and contributions and wish them luck as consultative salespersons.
CONSULTATIVE SELLING
FORM A

Our Operating Sales Philosophy

To what extent do you agree or disagree with the following statements?

a. We ask clients to tell us what specific results would lead to their long-term satisfaction with our products or services.

   strongly disagree 1 2 3 4 5 6 7 strongly agree

b. We advise clients when it appears that their expectations are unrealistic.

   strongly disagree 1 2 3 4 5 6 7 strongly agree

c. We are always honest and promise only that which we can deliver.

   strongly disagree 1 2 3 4 5 6 7 strongly agree

d. We consult with our clients after the sale to learn how well their needs have been met.

   strongly disagree 1 2 3 4 5 6 7 strongly agree

e. We focus on the clients’ needs and objectives even if it means that we must find new solutions to meet them.

   strongly disagree 1 2 3 4 5 6 7 strongly agree

f. We take the time to pull from clients what they need rather than to push them to satisfy our needs.

   strongly disagree 1 2 3 4 5 6 7 strongly agree

g. We work hard at trying to put ourselves into our clients’ “shoes.”

   strongly disagree 1 2 3 4 5 6 7 strongly agree
CONSULTATIVE SELLING
FORM B

The SPIN Sequence of Questioning

Successful salespeople ask a lot of questions, but they’re definitely not asked at random. A successful sales call follows a distinct pattern that research psychologist Neil Rackham calls the SPIN sequence (see Spin Selling, McGraw-Hill 1988).

A SPIN sales call follows this sequence:

1. Situation questions. At the start of a call, the salesperson asks data-gathering questions such as, “How long have you had your present equipment?” or “Could you tell me about your company’s growth plans?”

2. Problem questions. After the buyer’s situation has been established, the salesperson asks questions to uncover problems, such as: “Is this operation difficult to perform?” or “Are you worried about the quality you get from your old machine?” These questions explore difficulties and dissatisfaction in areas where the seller’s product can help. Inexperienced people don’t ask enough problem questions.

3. Implication questions. These questions take a client’s problem and explore its effects or consequences. This helps the customer understand a problem’s seriousness or urgency. For example, the salesperson might ask: “How will this problem affect your future profitability?” or “What effect does this reject rate have on customer satisfaction?”

4. Need-payoff questions. These questions get the client to tell you the benefits your solution could offer. Typical questions are: “Would it be useful to speed this operation by 10 percent?” or “If we could improve the quality of this operation, how would that help you?” Need-payoff questions have a strong relationship to sales success. Rackham has found that top performers ask more than ten times as many of these questions per call as do average performers!
An Example of SPIN Questioning

Even before she stepped into Paul Helshain’s office, Iris Borman, the top sales person of Imaging Flow Inc., knew that the radiology director of Beth Israel Hospital had a dilemma. Iris had just learned that the department had bought a matrix laser camera for its MRI unit. Since the quality of the film printed by the laser is so superior to other printing technology, all other units of the department (that is, CAT scanning, nuclear medicine, and so on) had requested access to the new printer or to buy a laser printer of their own.

Iris: Hi, Paul. How is the new laser camera working for you?

Paul: The camera is so great that everyone wants to print their images on this laser.

Iris: You don’t sound happy about the situation.

Paul: I am, and I’m not. I’m very satisfied that our MRI images are so good. I also understand that other units now need to have their film done on the laser. However, since you can only send one study at a time for printing, this slows down my department’s production.

Iris: Paul, why wouldn’t you buy additional laser printers for the other units?

Paul: Budget limitation, Iris. You know that the printer has a price tag of $120,000 each!

Iris: Paul, what is the implication if the rest of the department continues to process their images with the old film processor?

Paul: We may lose some of the referral business. They may go to other hospitals that provide this new standard of quality.

Iris: Paul, What would be a good solution to your problem?

Paul: If my laser camera had a capability to accept studies at any time, and process the images later, I would not lose productivity.

Iris: Paul, if I can provide your laser with such capability, what dollar value would that provide to you over a five-year period?

Paul: I’m paying $54 a day on overtime to catch up with the lost productivity—that would be $60,750 over five years!
CONSULTATIVE SELLING
FORM D

SPIN Evaluation

Situation
Did the consultative seller help the client to describe clearly his or her situation?

If not, how could the seller improve?

Problem
Did the consultative seller help the client to describe clearly his or her problems?

If not, how could the seller improve?

Implications
Were different implications revealed?

If not, how could the seller improve?

Need-Payoff
Did the consultative seller help the client to describe clearly the scope of the need-payoff?

If not, how could the seller improve?
CONSULTATIVE SELLING
FORM E

Write Two PAR Story Lines

Write PAR story lines in the spaces. Remember to begin with a problem, followed by an action, and then to end with a result.

1. Problem:

   Action:

   Result:

2. Problem:

   Action:

   Result: