The Baron Group

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LET'S TALK SELLING

THIS ISSUE

SPRING—2007

Dear Friends:

The first half of 2007 will be a solid one for most of our clients and colleagues. Business is still a bit unpredictable, but for most of the people we work with, these are pretty good times.

Yet we find that the competition for just about all of our clients gets tougher and tougher. It seems like there is a new competitor to deal with every day.

With that in mind, this newsletter is devoted to looking at the ***value we bring*** to our client relationships. We will discuss the "**Value Pyramid**" which evolved from the "Value Chain" that Nadine Keller of *Precision Sales Coaching* developed years ago and helped us to include in our training curriculum.

We hope that you find this information to be useful and applicable. And of course, as always, we enjoy hearing from you.

Very truly yours,

Eric

Becoming a True "Value-Add" to Your Clients

Clients demand value from their suppliers. Whether we are selling high tech products, sophisticated services, packaged goods or pharmaceuticals, we must bring clearly-perceived value to our client relationships.

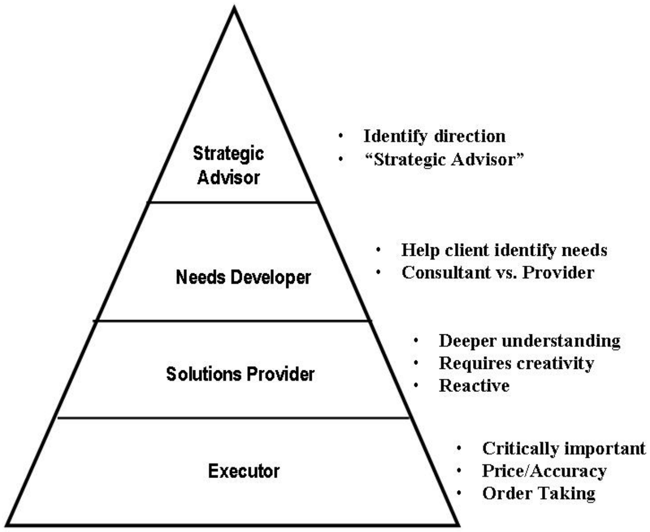
The **Value Pyramid** (see page 2) illustrates how different clients perceive us as resources. Like any model, it isn't perfect, but it attempts to illustrate the differences in the depth of the relationships we develop with clients, while highlighting reasonable objectives for us to pursue.

At the bottom of the Pyramid is **Execution**. As *Executers,* we do only what the client asks us to do. We have little say in the decision. It is a reactive type activity. Of course, we do it brilliantly, impeccably, flawlessly and professionally. Or at least we try. That is our job. But as *Executers* we do not add much to the relationship. We don't differentiate ourselves; we react to the client's request.

Therefore, *price* often becomes a primary driver in these kinds of relationships. They become relationships *at risk*.

The next level on the Value Pyramid is **Solutions**. As *Solution Providers*, we have the opportunity to demonstrate creativity. The client defines what his or her needs are, expresses them to us and we provide solutions. Surprisingly, this is, again, a reactive approach.

BECOMING A "VALUE-ADD" TO YOUR CLIENTS (CONT'D)



Though better than **Execution**, we still do not add as much value as we can to the relationship. The client determines his or her needs *without our help*. We provide thoughtful and helpful solutions, but so would most of our competitors. We still haven't done much to clearly differentiate ourselves as a superior provider.

As we move to the next higher level of the Pyramid, we find ourselves in a more *proactive (*vs. reactive) mode, because at level three we are *helping the client to identify their* ***Needs***. As *Needs Developers* we help the client recognize what their needs, problems and opportunities are. We become more consultative in our approach because successful consultants work hard to help clients understand their needs. As many of you know, one of our favorite focus groups quotes is: "*I want my salespeople to bring me solutions to problems I don't even know I have!"* Salespeople at level three help clients become more aware of their needs and therefore add value to their client relationships. They can then go on to provide better solutions which they can execute brilliantly.

The *highest level* of the Pyramid is where we become true **Strategic Advisors**. When we help our client *think strategically,* and explore areas unfamiliar to them, we add tremendous value to them and their business. As you know, this highest level is the most challenging to attain.

If we can find ourselves virtually sitting at the "client's board of directors table," we are asked for advice. We help them make decisions. We are true members of their team. The person at this level helps the client write the RFP, not just respond to it. And *our position as a suppler of products and services is very secure.*

Of course, we can't get to the highest level with every client. Many of us would be delighted to get there with 25-30% of our clients. But we will always *try* to get there. If we have to settle for level three, that's ok, we will still be ahead of the pack and on our way to becoming our client's primary supplier. That translates to strong relationships, increased sales, improved profitability and the satisfaction of doing the job professionally and effectively.

Five Ways to Become Your Client's Strategic Advisor

1. Build Extraordinary Trust.

Without trust, moving up the Pyramid is impossible. We need to do everything we can to *prove we are* ***trustworthy.***

Remember the Synectics® Trust Formula:

$$\textbf{TRUST} = \frac{\textbf{(Creditability) x (Intimacy)}}{\textbf{Risk}}$$

Do whatever you can to demonstrate credibility, build strong intimate relationships, and of course, everything in your power to *minimize the specific* ***risks*** *the Client perceives in doing business with you.*

FIVE WAYS TO BECOME YOUR CLIENT'S STRATEGIC ADVISOR (CONT'D)

2. Ask Challenging Questions

We all know what a critical skill set questioning is.

Your job is to ask the difficult questions. Ask the strategic questions which uncover important, but often less obvious issues. Encourage your clients to think *long term,* to discuss the big picture and to *explore new opportunities*. Get them talking about the risks they face and how to leverage their strengths and compensate for their weaknesses. Ask them insightful questions that, while taking them out of their comfort zone, also enable them to address the strategic issues ahead of them. All this makes you a better resource.

3. Listen, Listen, and Listen some more

There is no way you can be a Strategic Advisor without truly *understanding the client's situation*. You can ask great questions, but if you don't listen it is all for naught.

Listen to what they say, but also listen to what they *don't* say, or only begin to say. Capture those obvious needs, but don't miss the implied or unconscious needs. Look for those clues, hints and digressions and pounce on them if they will provide insight to the client's needs.

Let the client talk most of the time. You can't listen when *you* are talking. Take those notes. Capture those ideas. Review what you have learned. Demonstrate your understanding. But first, listen, listen and listen some more. You will never become a Strategic Advisor if you are not listening at 112% all the time.

4. Surprise them with New Ideas

We all have products and services to sell. That is what we do. We relate them to the client's needs. That is what consultative selling is all about.

But ***we can do so much more***.

It is not just what is in your briefcase, it is what is in your head. Bring the client new ideas, perceptions, insights and experience. And *make sure that some of them are **not** related to selling your products. These are for **their** benefit*, not **yours**. Share what you know. Offer them the benefit of what you've learned. Use your creativity and innovation. But bring them ideas.

Remember that an idea is only an idea— not a finished, workable solution. If the client rejects your idea, that's okay. At minimum, they know you were trying to help. At maximum, they'll appreciate the effort. And hopefully, they will use the idea.

Be sensitive when you do it by getting permission, particularly when the idea is unsolicited. But offer the idea as *an answer to a need* and watch what happens.

5. Push Back when Necessary

Nobody likes a "yes man" or "yes person." If you are going to become a Strategic Advisor, you need to behave like one. *Sometimes that means **pushing back***.

It is rarely a comfortable experience, but it is a critical one; "Sometimes our job is to protect our clients from themselves." If that sounds arrogant, we apologize. Arrogance is a dangerous and unwarranted attitude for any consultant or salesperson. We do believe, however, that it is your job to let the clients know when you think they are moving in the wrong direction. You can't let them jump off the cliff without stepping in and setting them on the right course of action.

Be sensitive; always *find value in what they want to do*. Be clear about where you do agree. But in no uncertain terms, let them know *why* you do not agree and encourage them to reconsider. That is what true Advisors do. And it is one more way to move up the **Value Pyramid**.

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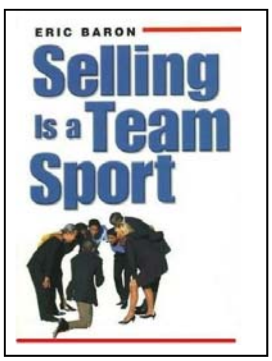
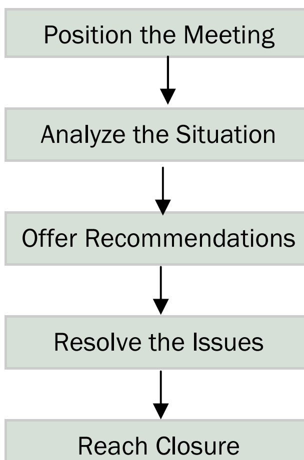


Eric Baron's book, ***Selling Is a Team Sport,*** is the text book used in the "Entrepreneurial Selling" course he teaches at Columbia Business School.

Consultative Selling Skills Open Programs

A two-day program in which participants learn to:

- Use problem solving skills to generate creative solutions for clients and prospects.
- Organize and facilitate client team meetings and internal strategy sessions.
- Engender trust and influence with both clients and internal resources.
- Improve questioning and listening skills to develop a complete understanding of a client's situation.
- Present ideas and solutions based on the specific needs of an individual client.
- Manage resistance and resolve objections to achieve Win/Win outcomes.
- Gain commitment and close more business.



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Remaining Dates for CSS programs:

August 9-10

October 11-12

December 13-14

Coaching for Improved Sales Performance Open Programs

A two-day program in which participants learn to:

- Observe salespeople in selling situations with an understanding of what to look for and record.
- Effectively plan a coaching session.
- Give performance feedback in a balanced, helpful, non-threatening way.
- Offer a salesperson ideas as to how to be more successful in a selling role.
- Manage the resistance salespeople typically demonstrate when a manager suggests changing their sales approach.
- Reach productive closure by getting the salesperson to commit to an action plan for improved performance.

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Remaining Dates for Coaching Programs:

July 12-13

November 8-9

**Precision Sales Coaching focuses on improving sales effectiveness. They offer a three month coaching program that can help reinforce your training efforts. For information on the programs they offer visit their website www.precisionsalescoaching.com*