



## **Don't Sell--Solve**

**by Eric Baron**

**Your financial institution can boost both Revenue and Profit by using the technique of "Problem-solving selling."**

**This approach uses interdepartmental teams to generate ideas that help customers solve business problems.**

*"I want my banker to bring me solutions to problems I don't even know I have."*

A member our staff heard a participant say that in a focus group not long ago. The session consisted of high-net-worth business owners like the ones private bankers are so aggressively pursuing these days. Its intent was to investigate what these entrepreneurial types were looking for from their banks. The comment probably applies to anyone who looks to his or her banker for guidance. And it demonstrates clearly that an exciting opportunity exists for any bank that is trying to differentiate itself in today's competitive marketplace.

Today's customers are looking for a lot more than your bank's products and services. They're looking for ideas-- ideas that can help them solve their business problems. That's right; they want new and different ideas. And they want them on a regular basis. If your bank's salespeople won't deliver them, then they will find a bank whose representatives will.

It sounds easy, doesn't it? Just show up with a few new ideas and the customer will be impressed, maybe even over-whelmed. Sorry, that isn't the case. The same customer who says he or she wants ideas is very quick to reject proposed ideas. When relationship managers, client executives, personal bankers, financial consultants, or whatever you call your salespeople, bring ideas to their customers, they had better know how to *present* them. An idea is a hard thing to sell. But when ideas are part of the discussion, sales calls can be transformed into problem-solving opportunities. When that happens, the sales process reaches a higher level. We call this approach *problem-solving selling*.

We recommend problem-solving selling because almost everybody is selling *commodities* today. No matter how sophisticated your products and services may be, there is usually someone out there offering virtually the same thing at the same price, and with people backing them up who look just as good as your folks. The best way for any financial services institution, and for that matter, for any organization to differentiate itself is through its *people*.

And if your people can learn to help customers solve their business problems, they will stand out from the crowd. Revenues will go up and so will profits. But to make this happen, your people will need to learn specific skills.

Problem-solving selling has two key components. One is internal *and* the other is *external*. Salespeople have to know how to effectively use their resources to generate ideas for the customer. That's the internal component. And they have to bring a problem-solving mind-set to every customer meeting. That's the external component.

### **The Internal Application**

The person who manages the customer relationship needs to know how to conduct effective problem-solving meetings. Ideally, the salesperson is part of a sales team that meets regularly and devotes part of its time to creatively addressing customers' needs. But even if your bank doesn't have sales teams the salesperson can tap into the collective expertise of the organization to come up with new and innovative ideas. In order to run an effective problem-solving meeting, groups need three things:

- An understanding of roles and responsibilities.
- A problem-solving process.
- The skills to make it work.

### **Roles and Responsibilities:**

One of the ways organizations have learned to run better meetings is to assign one of the group members the role of facilitator. The facilitator manages the meeting process. He/she performs tasks like taking notes and watching time, and also does more sophisticated things like protecting ideas, managing conflict and even serving as an idea catalyst.

Facilitation skills can be learned rather easily, and teams who have such resources invariably have more productive meetings that yield better ideas. Process *sensitivity* can be as valuable a tool to a salesperson as product knowledge or listening skills.

When teams meet internally to work on customer-related issues, the salesperson assumes the role of *problem owner*. The problem owner is the person who called the meeting. He or she is the one who has asked for help. This is the person who is responsible for implementing the solution and, therefore, makes most of the decisions, directs the group and decides what areas to pursue. Ideally, everyone works for the problem owner regardless of his or her role in the organization. This dramatically increases teamwork.

Everyone else who participates in a meeting is there for one specific reason-- to help the problem owner solve his or her problem. The meeting participants are *resources* to the problem owner.

In banking, these resources can be product specialists, marketing gurus, credit managers, operations folks, or other members of the sales team. Problem-solving selling suggests you regularly conduct meetings to work on customer-related issues.

### **A Problem Solving Process:**

Groups tend to work better when they have a framework to use when they attempt to solve a problem.

Every meeting should start with some *positioning*. Positioning means just what it sounds like: that everyone has a chance to introduce themselves, the ground rules are established, the task goes up, the problem owner explains why he or she called the meeting and everyone knows why they are there.

*Analyzing the problem is* critical. The problem owner needs to provide the information that the group needs in order for them to offer ideas. A cautionary note: the tendency is for any problem owner to spend too much time discussing his or her problem. But too much information will actually work *against* the generation of creative ideas. The group needs to know some background-- why it's an opportunity-- and a little bit about what has been done so far. That's more than enough. When the participants don't know everything about the problem, they actually become better resources.

Now it's time to *generate alternatives*. This is the fun part of the meeting. The more ideas the group produces, the better.

And you want them to be all over the place: routine and safe at one extreme; silly, even whimsical at the other. Get as many ideas as you can. Don't evaluate the ideas prematurely. Just brainstorm and generate ideas. The facilitator captures the ideas and makes sure that nobody evaluates prematurely. At this point, the meeting is about half-done.

The evaluation *process is* challenging. Once the problem owner has determined which ideas intrigue him or her the most, it's time to develop *the selected idea* or ideas. Treat ideas as if they were dynamic, not static. First determine the idea's value, and (only) then, problem solve to overcome the concerns. By transforming concerns into "invitations," groups are more likely to resolve them.

For example, if a concern about an idea is that it will cost too much, the group would be asked to figure out ways to reduce the cost-- as opposed to looking at the cost as a deal breaker. Reframing concerns in this way enables groups to transform ideas into solutions.

Finally, once solutions have been developed, put together the *action plan*. If you are talking about the customer situation here, the salesperson would explain to the group what he or she will do to ensure implementation. The **internal** part of problem-solving selling is now completed. The other component of problem-solving selling is the **external meeting with the customer**.

The first step is *positioning*. Though the term isn't used that often, most sales approaches talk about the importance of putting the customer at ease, getting an agenda on the table, establishing the time frame, and getting the meeting off to a good start.

Most sales professionals appreciate the value of effectively positioning the meeting.

The critical part of the problem-solving selling approach is the *situation analysis* phase. Notice the choice of words-- *analyze the situation*. This suggests going far beyond needs development. Successful salespeople invariably determine their customers' needs. But this is not enough if they are going to bring their customers solutions to problems.

Salespeople who want to help their customers solve their problems have to learn tons of information about these customers. They need to understand the customers' goals and objectives; they need to learn about their aspirations; and, they need to know their scares, worries and concerns. They must learn what threatens them and keeps them up at night. Salespeople who are able to acquire this kind of information will be well equipped to go back to their team and develop ideas.

Again, it's easier said than done. By learning state-of-the-art questioning and listening skills, salespeople can skillfully ask provocative questions to acquire this critical information.

If salespeople can develop relationships that are built upon credibility and trust, they will learn what they need to know to elevate their meetings with customers.

The third step is to offer *recommendations*. In problem-solving selling, the salesperson goes beyond just suggesting products and services. Of course, your bank's products and services are the essence of the recommendation. But offering new ideas takes the process to a higher level. And that's the hard part.

Ideas are intangible. It's hard to describe them in terms of *features and benefits*. They are often untested. They lack form and substance. They are conceptual. Often they are little more than thoughts, perceptions, insights or images. They can be difficult to explain, even harder to describe. But the relationship manager who knows how to present them will stand out from the pack.

There are two things to consider when offering ideas-- how to express them and how the customer will respond. First of all, let's call ideas what they are-- ideas. Too often people show up to the customer and contend that they have the *solution*. Wrong! When you tell customers that you have the solution, you have kept them out of the loop. It suggests you did it all for them. It implies that you are smarter than them. This can result in negative reactions. *Ideas are really work in progress*. Offering an idea to someone encourages his or her participation in the process. When offering an unsolicited idea, it is important to first get permission. That's right, *permission*. It doesn't mean getting on your hands and knees and begging, but it does mean showing the customer respect. "I've been thinking a lot about that cash flow issue you raised at our last meeting, and if you're interested, I have an idea for you." You clarify the need and demonstrate how the idea addresses it. Or, in sales terms, you present the idea in light of its benefits.

The other thing to consider is how people react to new and different ideas. Most react negatively. It's not because we are negative people, it's just that we have been programmed to react that way. After all, the first word a child learns is "no." The first composition in grammar school had the red marks pointing out the mistakes; and the dramatics or athletic coach tended to focus on what you did wrong.

So when new ideas pop up, we have the tendency to look at why they won't work *as opposed to why they might*.

The salesperson who offers ideas needs to be sensitive to this point. When the customer raises issues, the salesperson needs to avoid the tendency to become defensive or aggressive, and work with the customer to *resolve the issues*. Salespeople must learn to acknowledge their customers' objections and encourage them to talk at length about their concerns.

As the customer elaborates, they need to listen for the *need* behind the concern and *reframe* it so they can resolve it. So if the customer complains about the risk involved, the process-sensitive salesperson would say something like "so you would need to feel that the risk involved is worth the potential return before you would feel comfortable moving forward, is that tight?"

That sets the stage for some problem solving together as opposed to getting into what could become a contentious discussion. Hopefully, the salesperson will eventually resolve the issue in order to *close the sale*.

Think about how meeting roles apply to selling situations. The salesperson assumes the role of the facilitator, working for the customer who is the problem owner, using whatever resources are available to help. It is further evidence of how sales calls can be transformed with problem- solving opportunities.

A sales call can go beyond just offering the bank's products and services as answers to the customer's needs. That in itself would be terrific, and, quite frankly, is different than what most salespeople do. What we are talking about is enriching the sales presentation by offering unsolicited ideas as well-- ideas that help the customer, and often do not directly benefit the bank.

So what are we really saying? You live in an environment in which you must differentiate yourself from your competitors. One way to do that is to create a culture that is problem-solving oriented. Whether it's your people meeting regularly to develop ways to help the customer, or the way your salespeople behave when they interact with hose customers by using a problem-solving mind-set, your people can do extraordinary things. When you put the problem-solving and selling sequences side by side, you can see how similar they are. In both scenarios, there is time dedicated to getting off to a good start, analyzing what's on the table, coming up with recommendations and resolving whatever gets in the way in order to reach closure. Ideally, this kind of thinking can permeate your organization.

Every organization has more than enough brainpower to bring its customers new ideas. The challenge is to learn how to get teams together to make this happen and to have salespeople who can effectively present these ideas to the customer. That's what *problem-solving selling* is all about.

If you can learn how to do this within your organization, you will figure out how to *generate more revenue* and, as a result, create more profit. And you'll learn how to bring your customers "solutions to problems they don't even know they have."

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