

SALESSTAR

Stop selling, start consulting

The power of a consultative
sales strategy.



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Welcome to the future of salesmanship



It's said that selling is more an art than a science—but that's a lie.

Truly effective sales processes are based around facts, not fancy, and the fact is that consultative selling is one of the most effective—but most misunderstood—sales techniques out there.

It's time to put the misinformation to bed. In this guide, we'll show you the real science behind consultative selling: how it works, why it works and how you can make it work for your sales team.

Are you ready to step into the future of salesmanship? Then read on!

What is consultative selling—and why is it good for business?



In a world where new marketing strategies enter the market every other week, often touted as the next and best, consultative selling still continues to outperform all other B2B sales strategies. The catch? You’ve got to do it right.

What is consultative selling?

SalesStar defines consultative selling as a sales strategy that focuses on “enhancing client profits”. In simple terms, the role of a consultative salesperson is to find ways to help their customers to:

1. Improve revenue.
2. Reduce costs.

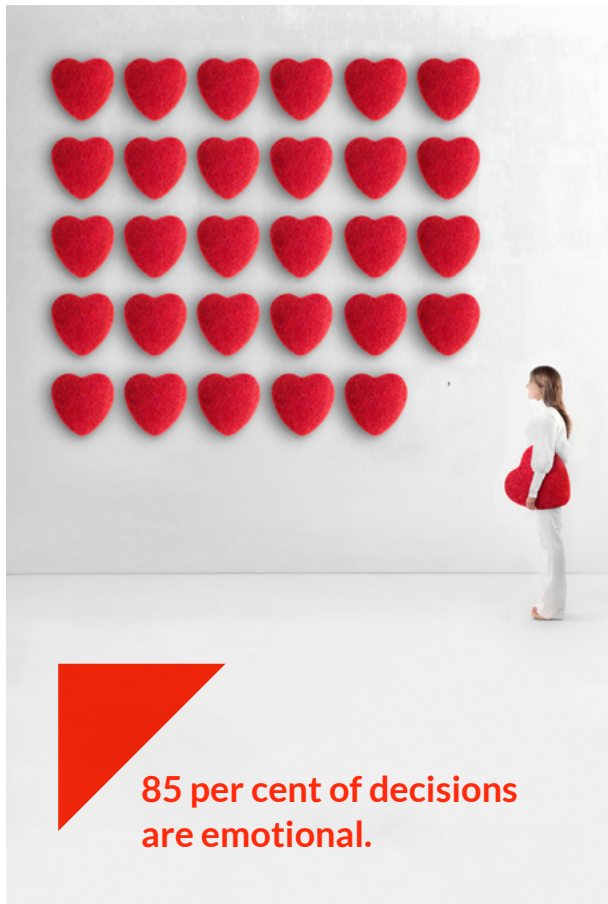
“It’s not about a product or service, it’s about the outcome,” says Alex Chan, Head of Learning and Development at SalesStar Global.

Common misconceptions of consultative selling

“Consultative selling is often a misunderstood term. Some say it’s about finding solutions, others that it’s about trying to find out what a customer’s problems are or to answer a need,” says Alex. “There are also those who say it’s about asking questions. But when you put it all together, they actually are all correct. Consultative selling encompasses all of that.

“But if you ask yourself ‘why is the client in business?’, the answer is they’re in business to enhance their profit. Consultative selling places client profitability first.”

Other common misconceptions include the misbelief that a consultative sales process is long and arduous. And that the customer’s every need must take highest priority, even above closing the sale. If this were true, it would indeed be a waste of business resources and time. However, this is not the case. In fact, it’s quite the opposite.



The benefits of consultative selling

When done correctly, consultative selling can turn into an extremely effective strategy that can lead to:

Shorter sales cycles: the line of questioning consultative sellers use allows clients to realise the real and potential pain points in their business much sooner.

Greater conversions: research has found that [emotions rule over logic](#) in the B2B sales sphere. What’s more, 85 per cent of decisions are emotional, so if a salesperson can connect with a customer on an emotional level, they are more likely to get the sale.

This is something consultative selling is especially good at. The line of questioning that helps consultative sellers understand their client’s business and pain points, also serves to trigger an emotional state.

Distinction: consultative selling is an excellent way to stand out from the rest of the B2B crowd. In this day and age, people like to buy, but not to be sold to. Unfortunately, this memo hasn’t made it to a large number of salespeople who still use the product-and-feature sales strategy, especially in B2B sales. In our market of mature companies, where one company’s special feature becomes tomorrow’s baseline standard across the industry, it is just not effective.

As Alex explains: “Say I had to choose between two companies. One shows up and rattles off product and company information, features, and pricing. The other sits down with me and asks: ‘what are you trying to achieve in your business? Why is that important to you? What challenges do have in terms of growing? What have you tried in the past?’

“The second company, with the salespeople who follow that consultative process, is far more likely to get my business,” he concludes.

While consultative selling is just one selling strategy, it is a supremely useful one. And if you’re finding your sales have slumped, this approach can help you take a more proactive approach in reaching new customers and ultimately, close more sales.

Why having no consultative sales approach can hurt your company

Research from the Objective Management Group involving over 1.1 million salespeople tells us that the lowest performing 10 per cent of salespeople, have less than 42 per cent of the consultative selling skills needed to succeed.



In short, businesses that continue to use old, outdated sales models will struggle to make headway in their sales and to differentiate themselves from their competitors. Could this be you? If you're at your wits end trying to keep your sales quota above water, it's a sure sign that something needs to change. And a consultative sales approach is likely the answer.

Here's why:

1 / It beats relationship selling, hands down

In many parts of the world, relationship selling is the preferred selling strategy. What many people don't know, or realise, is that it is extremely ineffective.

"We've seen plenty of instances where salespeople call on clients for years, doing what we call 'coffee and doughnut' visits," says Alex Chan, Head of Learning and Development at SalesStar Global. "They check in to say, 'how are you this month?', read the paper, use the bathroom, then continue on to the next client in their call cycle. Divide the number of visits and calls by the amount the client has purchased and the end result is often a very, very low return on time."

The benefit of consultative selling lies in how the strategy is executed. Instead of an aimless, 'how are you?' relationship-focused strategy, it sets out to learn about the client, understand

and find solutions from the get go. In some instances, it can close a sale in a single meeting, but it's on complex sales (typically of the big B2B kind) that consultative selling really comes into its own in terms of return on time.

"Consultative selling was really designed for the more complex sale," says Alex. "The more complex the sale, usually the bigger the dollar value and the longer the gestation period.

"The consultative approach really helps to expedite the process along. It's proactive. There's no waiting and hoping someone will buy from us just because they like us."

2 / We're living in a commoditised world now

Globally, most industries have matured. Very few businesses are able to offer a special service or feature that their competitors can't match (or copy).

"Say you buy a photocopier that has a ten-stacker collating tray, does four colours and is also a scanner. But its competition can say exactly the same thing," says Alex. "Whatever you say, your opposition can say 'me too.'"

What does that mean for sales? If you use a sales features-and-benefits strategy that emphasises the product and its bells and whistles, you'll quickly find that your competitors can (and will) do the same. Moreover, your unique feature is no longer unique, and, as more competitors pipe up "me too", it soon becomes clear your features are the same as all of your competitors. The end result is a sales "strategy" that quickly turns into a pricing war over who can offer the product or service for less.

Consultative selling doesn't rely on the features of a product or service. It focuses on outcomes. Its goal is to enhance client profit through increased sales and reduced costs.

"The savings made from cost reduction fall directly to their bottom line, and the margin that is made from increased sales also falls to the company's bottom line," says Alex. "Either way, a consultative

selling approach focuses on helping companies improve their profits, rather than offering discounted products or services to close a sale."

It's this point of difference that can really distinguish one business from the rest. In fact, according to Alex, many companies that use this strategy have some of the highest prices in the market. Why? They've realised that they can do more than just peddle wares, they can offer a strategy to help their client become better off in the long run.

3 / Modern buyers don't like being sold to

"People don't want to buy a quarter-inch drill, they want a quarter-inch hole."

Theodoor Levitt.

For too long the sleazy, pushy sales rep has typecast the sales industry. And now, more than ever, people's hackles rise when they're sold to in this fashion—with good reason. Consultative selling changes all that.

As Theodoor Levitt's famous quote points out, modern consumers are more concerned about the outcome than the means. So as salespeople, it makes sense that we too should place more emphasis on a client's goal—that is, making a profit—than on the tools to achieving that goal.

Unlike the traditional product-and-feature sales pitch that's guaranteed to put a customer on edge, a consultative seller establishes themselves as a trusted advisor who works with the client's interests at heart. Instead of forcing product specs and pricing down the client's throat, consultative sellers listen and question their customers to understand what their pain points are—or could be.

When a solution is offered, it is tailored to address those pain points, and as a result, it is far better received. Why? Because, from their perspective, the sales rep is helping them, rather than pursuing their own agenda.

Consultative selling vs The Challenger method

In 2011, a new piece of sales research took the sales industry by storm: [The Challenger Sale](#). With it came a new sales method touted as the best way to sell in the modern age, but how good is it really? It's time to take a look at how well it stacks up next to its very close cousin, consultative selling.



What is The Challenger Sale method?

The Challenger Sales method is all about challenging the status quo. Rather than relying on the extremely ineffective relationship selling approach, The Challenger method takes control of the sale and proactively educates their customers with insights into how a customer can save and make money. This usually comes in the form of finding problems in a customer's business and then following up with a tailored solution to help the customer address that problem.

"Rather than being everybody's nice guy, The Challenger works to create a state of constructive tension by pointing out problems to the customer. And sometimes it's problems that the customer didn't even know that they had," says Alex Chan, Head of Learning and Development at SalesStar Global. "This is all with good intents, because we intend to fix those problems."

How is it different from consultative selling?

Think The Challenger method sounds a lot like consultative selling? You'd be right. In fact, it's probably more accurate to say that The Challenger approach is more like a child of consultative selling rather than its cousin. The two are very similar.

"It's kind of like a spinoff from consultative selling, but it's gone a step further," says Alex.

That extra step is in **how the salesperson goes about educating the client about their problems.**

The Challenger Sale works on the assumption that people are busy and don't have time for a long line of questioning. So this method straight out tells the customer what their problem is.

Consultative selling, on the other hand, seeks to help the client to realise what these problems are on their own. Essentially, they lay the path and ferry the customer down it until they uncover the problem. In contrast, The Challenger Sale skips all that and simply plonks the equivalent of a neon sign down saying "this is your problem".

It's this key difference that sets the two strategies apart.

The key weakness of The Challenger Sale approach

It's important to understand that The Challenger Sale is not a bad strategy. Salespeople who have the right mentality and use this approach in the right situation have had great success with it.

"It challenges the status quo and it strives to help the client be in a better position tomorrow than they are today, much like consultative selling does," says Alex. "That is where the strategy is good."

But The Challenger's weakness lies in its tactics. That is, they way salespeople go about executing it.

"The Challenger's tactics is where it can really unravel," says Alex. "People read the research and say: 'this is great, I'm going to start challenging the client'. They start pointing out problems: 'this is where you're wrong', 'this is what you should be doing in order

The Challenger Sale poses a lot of risk compared to consultative selling.



to enhance your profit'. Unfortunately, this can make them look arrogant and, if they're not careful, come across as lacking in the use of basic psychology."

By comparison, consultative selling avoids this risk entirely since it uses a series of searching, open-ended questions to guide the client.

"If you do take the time to ask them questions, the customer goes on a journey where they arrive at the conclusion themselves without you actually telling them that what they're doing is wrong," says Alex. "Because they've arrived at this conclusion themselves, it creates a high level of motivation, rather than defensiveness."

Last of all, while The Challenger does get results, sales leaders must realise that the research it is based on is just one research project.

"If we base all of our sales philosophy off one research project then you're going to be subject to some massive failures, because it's just one philosophy," says Alex.

So, what is the best sales strategy?

While The Challenger method has its time and place—it's not something you want to solely rely on. Consultative selling, however, is an approach you can use in almost any situation without fear of reprisal from your client. Our advice? The Challenger Sale poses a lot of risk compared to consultative selling. So, unless you're sure you can pull The Challenger approach off, play it safe and stick to the consultative approach that's still guaranteed to get results.

Consultative selling vs solution selling

Many salespeople seem to believe that consultative selling and solution selling are the same thing. They're right—to a point. But there's a lot more to it than that. Here's why:



Solution selling is focused on finding out what a customer's needs are, then selling them a solution to meet those needs.

What is solution selling?

Solution selling is, as its name suggests, focused on finding out what a customer's needs are, then selling them a solution, in the form of a product or service (or a combination of both), to meet those needs. It came into existence in the 1980s and was fuelled to fame thanks to the success of Xerox, who used this approach. Since then, it has gone through several reincarnations, including *SPIN selling*, *RAIN selling* and *Customer Centric Selling*, but at their core, these strategies all share the same solution selling methodology.

Like many other modern sales strategies, solution selling avoids talking about “features and benefits” in its pitch. Instead, its conversation remains focused

on offering a solution to the client's problem—that is, they sell the client on the outcome, rather than the tool to achieving it. In this sense, it is very much like consultative selling.

How is it different from consultative selling?

Comparing solution selling and consultative selling is not so much a case of this versus that, but more *like this is part of that*. At SalesStar, we see solution selling as one part of consultative selling.

“Understand that solution selling is one string to the bow,” says Alex Chain, Head of Learning and Development at SalesStar Global. “There are other

strings as well. But when you look at all of these offshoots of selling, you'll probably find they have their roots in consultative selling."

So, is there any difference at all? Yes, one, and it's becoming more apparent with the coming of the internet.

The kryptonite of the solution selling

While solution selling was a huge success in the 80s, it's now losing its effectiveness—thanks to Google. In pre-internet days, customers relied on salespeople to find solutions to their problems.

"Solution selling worked because customers didn't know how to solve their own problems, even though they often had a good understanding of what their problems were," writes the [Harvard Business Review](#).

Now in the age of the internet and data-driven insights, customers can identify and find solutions to their problems on their own.

"What this really shows is the need to use consultative selling as a strategy even more," says Alex. "Customers are more sophisticated these days, and many of them know more about

a product than the salesperson knows, even in the B2B markets."

If customers already know about your company and your products, there's little point focusing on products or services. Even when you wrap it up in the form of a solution to their particular problem, chances are, they already know about it.

"Focus on the customer," advises Alex. "Talk about their problems, and what those problems are costing them. And how we might be able to help them alleviate those problems and thereby enhance their profit."

This is where consultative selling really comes into its own. Why? Because it goes beyond offering a product-based solution—it also provides a strategy to help the client move forward.

Think of it this way, solution selling is the sidekick to the master consultative selling strategy. Sidekicks have their moment to shine, but when it comes to crunch time, you've got to let the master take the floor.



Consultative selling vs value based selling

Is it time for value based selling to bow its head to consultative? For the third round of our sales strategy showdown we're examining the merits of value based selling and how it compares to the consultative approach.



Value based selling focuses on highlighting the measurable business values of a product or service.

What is value based selling?

Value based selling focuses on highlighting the measurable business values a product or service will bring to a customer. The values include expenditure, cost savings, production and productivity—all the measurable factors that affect a business's profitability.

In layman's terms, it's about explaining (in-depth) how a product or service can help a customer address a problem. Salespeople often use this strategy to explain product pricing; products that offer greater value to the customer can justify a greater price tag.

Value selling is the most effective in B2B sales environments where companies want to use value to differentiate themselves from the competition.

The problem with value selling

Many of our industries are mature; they are highly commoditised and as a result, many companies often can't "out value" each other. Often their products do the same thing, have the same features and if any company tries to set itself apart from the rest, it doesn't take long for the others to catch up.

“If you sell a house and you have an open home, a person with an open home one block away has, just like you, four bedrooms, one bathroom and a double internal access garage—to the buyers it looks just the same,” says Alex Chan, Head of Learning and Development at SalesStar Global. “If you sell a legal service, your opposition can provide exactly the same services.

“In this situation where there are no unique features, or if the features are the same, then it’s often going to come down to price.”

And while most salespeople know there’s more to cost than price (downtime and labour costs for instance), many struggle to convey these other measurable outcomes.

“Most salespeople are really weak on the measurables because they’re not accountants,” says Alex. “But if you can, that’s where the real competitive advantage lies in the value based strategy.”

How is it different to consultative selling?

Like solution selling, value based selling is also seen as a sub-strategy of consultative selling; “one string of the bow”, as Alex puts it. While the strategy has major weaknesses given today’s economy, all that changes when it’s incorporated into a consultative selling approach.

Think of it like the icing on a cake. On its own, value based selling is not that good or effective, but when combined with the thick, rich layers of a consultative approach, it provides that little bit of extra sweetness that can make or break a cake—or, in this case, a sale.

“While we define consultative selling as ‘enhancing client profit’ we still need to outline what measurable returns a client would get,” says Alex. “What sets consultative selling apart from value based selling is that it also includes what the non-measurable returns are.

“A CEO’s primary objective is the enhancement of shareholder value. That is usually on the front page of their job description,” says Alex. “So, if we can help them to enhance their profits, we’re definitely talking their language. But there are other non-measurable outcomes that they are looking for, such as health and safety, and brand enhancement.”

On its own, value based selling is not that good or effective, but when combined with a consultative approach, it provides that little bit extra that can make or break a sale.



In a nutshell, a consultative strategy uses a two-pronged approach—measurable and non-measurable outcomes—to win the client over. The value method relies just on measurable.

“In our own consultative proposals, we have a major chapter heading called ‘outcomes’ and that is broken into two subheadings, ‘non-measurable outcomes’ and ‘cost-benefit analysis,’” says Alex. “That cost-benefit shows the math on how they get their return on investment and enhanced profit.”

So, which is the better sales strategy?

While value based selling can work well in certain circumstances, it can often evolve into a pricing war with competitors, especially when sales reps are unable to provide strong measurable outcomes to set themselves apart from the competition. Meanwhile, consultative selling provides a more well-rounded approach that emphasises the client’s profitability and outcomes, rather than the price of the product.

The psychology behind consultative selling

Wondering why consultative selling is so effective?

It comes down to science. Psychology actually. But why is understanding how the human brain works so important for sales success? Let's take a closer look.



Power is in the hands of the buyer— or is it?

With the internet now providing a fast and easy way to research a product, service or a problem without the need to deal with an archetypal “pushy” salesperson, buyers are used to being in control of the sales process. That same expectation has extended to B2B sales and it has led to modern buyers who hate being sold to—and rightly so.

“Consultative selling doesn’t push old high-pressure sales strategies onto the buyer,” says Paul O’Donohue, Founder and Group CEO of SalesStar Global.

“Instead, this strategy makes the buyers feel like they are in control of the process.”

Since consultative selling works to enhance client profits, sales reps need to fully understand a business and the challenges it faces. To do that, a salesperson establishes themselves as a trusted advisor, and proceeds to collaborate and consult with the client.

“The client feels like they’re being informed and that they’re making a buying decision as opposed to being sold to,” Paul says.

Over 2,500 years ago, Greek philosopher Socrates used carefully structured and open-ended questions to help his students distil complex ideas, probe problems and implications, and arrive at their own self-drawn conclusions.



Pain, gain and buying psychology

[Research](#) has found that our emotions are responsible for 85 per cent of our decisions, including buying. With this in mind, consultative selling actively looks to create emotional engagement with their customers to increase buyer motivation. How? By exploiting the part of our brain that houses our primitive emotion centre *and* higher mental functions in one place, the [limbic system](#). This is done through two key emotional drivers: **pain and gain**.

In a B2B sales context, **pain** can come in the form of a problem that is costing a client's business (money, time or more business for example), while **gain** might come as an opportunity to grow their profits.

"Research also tells us that pain is four times greater than gain," says Paul. "So if we find the problem, that is if we find the pain, then we've just enhanced buyer motivation four-fold."

Pain or gain is not a new concept in the world of sales. However, what sets consultative selling apart from other sales strategies is the method consultative sellers use to find and trigger emotional responses from their clients.

And that method? It's actually been around for a while; 2,500 years in fact.

Socratic questioning

Over 2,500 years ago, Greek philosopher Socrates used carefully structured and open-ended questions to help his students distil complex ideas, probe problems and implications, and arrive at their own self-drawn conclusions. This line of questioning is what consultative selling uses to this day, to great effect.

"A good salesperson knows that if we simply tell a customer they have a problem, the customer probably will not believe us because they're suspicious of our motives," says Alex Chan, Head of Learning and Development at SalesStar Global.

The reason why the Socratic questioning works so well is two-fold. First, it helps prospects discover a problem, and uncover the impact and the consequences if things don't change. Second, because the problem is self-realised (with a bit of guidance), it creates a greater emotional state, which leads to high levels of motivation, rather than defensiveness.

"Consultative selling works on the basis that when you use Socratic questioning, the customer goes on a journey where they arrive at the conclusion themselves, without you actually telling them that what they're doing is wrong," says Alex. "It gets them really emotionally involved, and motivated to change the status quo."

The DNA of an effective consultative salesperson

Despite all the pros of consultative selling, sales professionals around the world have, on average, only 50 per cent of the skills to sell consultatively. Why? While a lack of skill and training in consultative selling can partially explain it, most of it comes down to mindset.



Self-limiting beliefs account for a high percentage of sale failures.

So what attributes make a successful consultative seller?

No self-limiting beliefs

Self-limiting beliefs account for a high percentage of sale failures—and consultative selling is no exception. Consultative sellers who are able to overcome any self-limiting beliefs, such as “It’s not okay to ask a lot of questions” and “Consultative selling won’t work in my industry”, are typically the ones who have the most success with this strategy.

Research from the Objective Management Group has found that 79 per cent of top sales performers have supportive sales beliefs, compared with the bottom 5 per cent of sales performers, who had no supporting beliefs at all. The difference between these two groups is that the top performers don’t let their own personal or professional beliefs cloud their judgement. They approach each sale as a fresh opportunity and give it their all.

Why is it important?

The biggest self-limiting belief in consultative selling is the notion that it doesn't work in certain industries, typically the ones that sell "nuts and bolts" products.

"They might say, 'I sell fasteners, how can I help a client increase their profits with fasteners?'" says Alex Chan, Head of Learning and Development at SalesStar Global. "But if they look at their fast and slow turnover items and minimise the number of slow moving items one retailer has, bulk up their supply of fast moving items and you'll increase that retailer's sales.

"With that, I've just shattered a self-limiting belief," he says.

The takeaway? The best consultative sellers are those who believe in the method and don't let their doubts weigh them down. They just get on with it.

No need for approval

"Having a high need for approval can impact your sales effectiveness by 33 per cent. And when you turn that into dollars, that's a lot of money," says Alex Chan, Head of Learning and Development at SalesStar Global.

That's why the most successful consultative sellers are comfortable playing the devil's advocate from time to time. They know they don't need to be everybody's pal—and they're prepared to ask tough questions to alert clients to the dangers (and opportunities) their businesses face.

Why is it important?

Asking tough questions is part and parcel of consultative selling.

"If you suffer from a high need for approval, you cannot ask questions like that, you're too timid," says Alex. "If you're going to use a consultative approach, you must realise that you don't need to be everyone's buddy like the relationship salesperson thinks."

Ironically, having these tough conversations often leads to strong relationships between the salesperson and client, far beyond what a relationship salesperson could ever achieve. Why? Because you helped them, and they respect you for that.

Asking tough questions is part and parcel of consultative selling.



Comfortable talking about money

In our youth, many of us are taught that it's rude to probe people about their finances. But while it might be a cultural taboo, it's the language of sales and business.

Salespeople afflicted with *money weakness* are reluctant to talk about money, and as a result, they often struggle to perform—no matter which sales strategy they use. Of the bottom 5 per cent of sales achievers, **only 2 per cent** are comfortable bringing up the topic of money. Meanwhile, at the other end of the spectrum, 98 per cent of the top 1 per cent of sales performers are.

“Salespeople who have a psychological condition of money weakness are almost terrified of asking customers what their budgets are,” says Alex. “And they're certainly afraid to ask what the customer's problems and issues are costing their business.”

Why is it important?

If you're unable to enquire about your customers' budgets and finances, you'll only get half the picture. Until you understand their budget and the cost of their problem, you have no way to know if your proposed solution will work for them.

“Successful consultative salespeople are very good at showing profit enhancement, even if the price of their solution to the client's problem is dearer,” says Alex. “And that's because they understand that there's more to cost than just the price—downtime, wastage, labour cost, utility costs, you name it.”

If you're unable to enquire about your customers' budgets and finances, you'll only get half the picture.

Good at listening

It should go without saying, but consultative salespeople need good listening skills. A large part of that involves staying in the present and not thinking too many moves ahead. Failing to stay in the present is called *emotional weakness*, and when salespeople fall prey to it, they stop listening to the customer.

Why is it important?

“If you don't listen to your customer, you'll fail to pick up where the problems are,” says Alex. “And if they throw anything unexpected at you—like price—you'll tend to buckle, rather than deal with it consultatively.”

Why do salespeople around the world struggle to sell consultatively?

“Out of all the top salespeople in the last 12 years that we've evaluated, the top 10 per cent are really phenomenal at consultative selling,” says Paul O'Donohue, Founder and Group CEO of SalesStar Global. “There's a definite correlation. From top performers to bottom performers, the top performers, by and large, use the consultative selling process.”

So why have salespeople been so slow on the uptake? Part of it comes down to the fact that many sales trainers are still teaching the outdated 20th Century selling strategies, such as benefit and relationship selling. Another reason is that businesses tend not to spend much time developing their sales staff.

“The skills in terms of consultative selling need to be lifted a long way in this country,” says Paul. “We're kind of a bit too casual about investing in sales training and development. And if you're casual, you'll become a casualty.”




Ready to learn the art of consultative selling?

Fifty per cent of salespeople are smashing their sales numbers using consultative selling— isn't it time your team joined them?

Join hundreds of sales reps, leaders and managers across Australasia who have become sales STARS. Contact us today for a **free consultation** and use us as sounding board to help refine your sales processes, enhance your management skills and set your team up to succeed.

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