



Track: Commercial Natural Gas I

Unit #10: Consultative Sales

An Overview of Consultative Sales Techniques
Mr. Eric Burgis, Energy Solutions Center

Presentation Outline

- Sales Models
- Consultative Selling Theory
- Behavioral Styles
- Closing the Deal

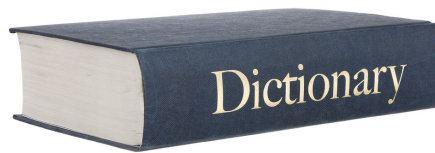


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Consultative Selling Defined

- An approach to selling in which customer needs are used as the basis for the sales dialogue
- A collaborative interaction
- Customer's needs, not the product are the focal point of the sale



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Sales Model

Old Sales Model

- Searching for orders
- Focus on transactions
- Generate revenue
- Solve problems
- Meet a need
- Selling process
- Probe and react
- Account retention
- Territorial
- Management Directed/Dependent



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Old Sales Model vs. Consultative

- Searching for orders
- Focus on transactions
- Generate revenue
- Solve problems
- Meet a need
- Selling process
- Probe and react
- Account retention
- Territorial
- Management directed/dependent



- Self directed/empowered
- Develop customers
- Manage relationships
- Expand profitability
- Understand impact of ignoring problems
- Manage change
- Manage decision process
- Manage communications
- Develop business
- Manage opportunities



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Product Selling vs. Consultative Selling

- Product Selling
 - You educate the customer about the product
 - Focuses on product sales
 - Features and benefit



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Product Selling vs. Consultative Selling

- Consultative Selling
 - The customer is the educator ... you listen
 - You provide solutions
 - Satisfy customer needs



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Consultative Selling Theory/History

- The Consultative Approach was first applied to sales in the 1970's
- In the 80's it began to be misunderstood as a long, arduous sales process that focused on needs at the expense of closing business
- The transition from product focused selling to need-focused selling was the direct result of changes in the marketplace
 - Increased competition & customers' greater access to information has shifted power in a sales call from salesperson to buyer



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Consultative Salespeople

- Ask questions – more often and more detailed
- Provide customized vs. generic solutions
- Conduct more interactive sales calls
- Provide insights to their prospects and customers



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Dialogue Selling / Consultative Selling

- Non-Linear form of selling that has no pattern or structure that focuses on your product
- Uses no scripts



All parts of the sale are moveable with a focus on **“Customer Needs”**



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Dialogue Selling / Consultative Selling

- Customer (usually) controls the direction of the dialogue
- No set order of selling, other than an introduction and summary points
- Key to the Process:
 - Make sure you fully understand your customer’s needs before you talk about your service or product



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Consultative Selling Is ...

- All about the dialogue between the salesperson and the customer
- Where the salesperson learns about customer needs before talking about the product
- A process – where product knowledge is transformed into a tailored solution where the solution is delivered and positioned based on the customer's needs and language



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With Consultative Selling

- The customer's needs come first
- Needs are identified through a combination of preparation and effective probing and drilling-down into customer answers
- Removes the hard edge from product selling and replaces it with the strong but flexible edge that is custom fit to the customer's needs

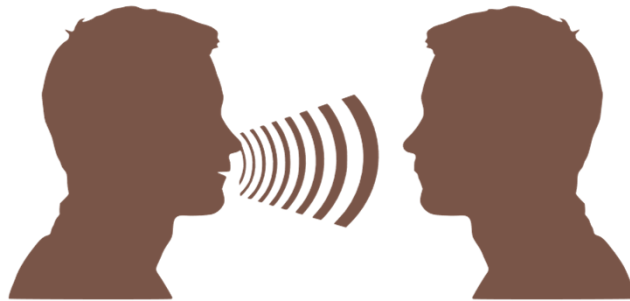


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Talking vs. Listening

- Listening to talking ratio
 - Speech rate is about **100-150** words/min
 - Listening rate is about **250-500** words/min
- Listen for what is not said ... helps define your questioning



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Verbal Communication

All verbal communication is based on 2 distinct concepts

Sending & Receiving

You may be talking but the customer is not listening

or

The customer may be talking and you hear but are not listening



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Listening Skills

- Good listening is critical for position questioning
- Key points to good listening
 - Remove any emotions
 - Stop talking ... you cannot listen if you're talking
 - Maintain a 50/50 talk to listen ratio
 - Empathize with your customer
 - React to the subject, not the customers personality
 - Maintain eye contact with the customer



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Listening Skills *(continued)*

- Take advantage of the listening rate to anticipate what will be said next
 - Speech: 100-150
 - Listening: 250-500
- Listen for what is not said ... this will help you define your questioning
- Filter the non-important from important facts
- Avoid hasty judgments
- Don't jump to conclusions
- DO NOT DISAGREE
- Be courteous and act professionally



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Behavioral Styles

- Behavioral Style
 - A particular pattern of observable behaviors or habits, that have developed over time – your characteristics
 - Predominant Behavioral Style affects the way you do things, including:
 - **Communication habits**
 - **Organizational habits**
 - **Problem solving**



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Predominant Behavioral Styles

- **Communication habits** – verbal and non-verbal communication
- **Organizational habits** – how you present information; establish credibility; build relationships
- **Problem solving** – how you approach, manage, and resolve conflict; how you make decisions and solve problems.



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Remember: No Two People Are Alike



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6 Elements and 6 Skills to Consultative Selling

•6 Elements

- Opening
- Customer Needs
- Product Positioning
- Objections
- Close / Action Step
- Follow Up

•6 Skills

- Presence
- Relating/Building Rapport
- Questioning
- Listening
- Positioning
- Checking



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Element 1 - Opening

- Greeting & introductions
- Establishing the purpose & agenda
- Your organization
- Time check
- Bridging to customer's needs



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Element 2 – Customer Needs

- Research your customers business
- Talk the language of the customer, not the language of the product
- Customer's needs are based on listening, questioning and more questioning
- Interact with dialogue – don't lecture



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Element 3 – Product Positioning

- Present your case from your customer's point of view
- Position your sales strategy with 'results' or 'resolutions'



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Element 4 – Objections

- Be non-defensive by being open and empathetic
- Always be positive and express confidence
- Relate to the customer



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Element 5 – The Closing

- Part of the sales process – not the end of the relationship
- Obtaining the customers commitment
- Timing
 - Be sure you have addressed all the customers needs
 - Don't be afraid to re-group



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Element 6 – Follow Up

- Deliver on what you promise
- Differentiate yourself from other sales people
 - Send a “Thank You” note
 - Follow up with internal resources to insure the project is progressing for your customer
 - Communicate, communicate, communicate



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The Six Skills

Skill 1– Presence

- The image you convey to you customer
 - Appearance
 - Eye contact
 - Voice
 - Body Language
 - Attitude



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Skill 2– Relating

- Creating a relationship
 - Considerate
 - Be courteous
 - Be interested in your customer
 - Don't be “fake”



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Skill 3– Questioning

- Opens the dialogue
 - Critical tool to determine customer needs
 - Don't A-S-S-U-M-E you have the answer
 - Start with simple questions and continue to drill down with more probing ones
 - Don't "grill" the customer
 - Remember to LISTEN



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Skill 4– Listening

- Critical for forming questions
 - Stop talking
 - Maintain a 50/50 ratio – talk/listen
 - Be careful how you react
 - Maintain eye contact



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Skill 5– Positioning

- Present your product “tailored” to the customer
 - Match it to customer needs
 - Interactive exchange
 - Use your customers language
 - Use referrals or customer testimonials



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Skill 6– Checking

- Determine what the customer thinks
 - Ask questions that require feedback
 - Never ask closed-end questions



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Closing the Deal

"Today's business climate requires product & service providers to uncover and fully understand client's goals, problems and needs prior to offering options and recommending solutions."

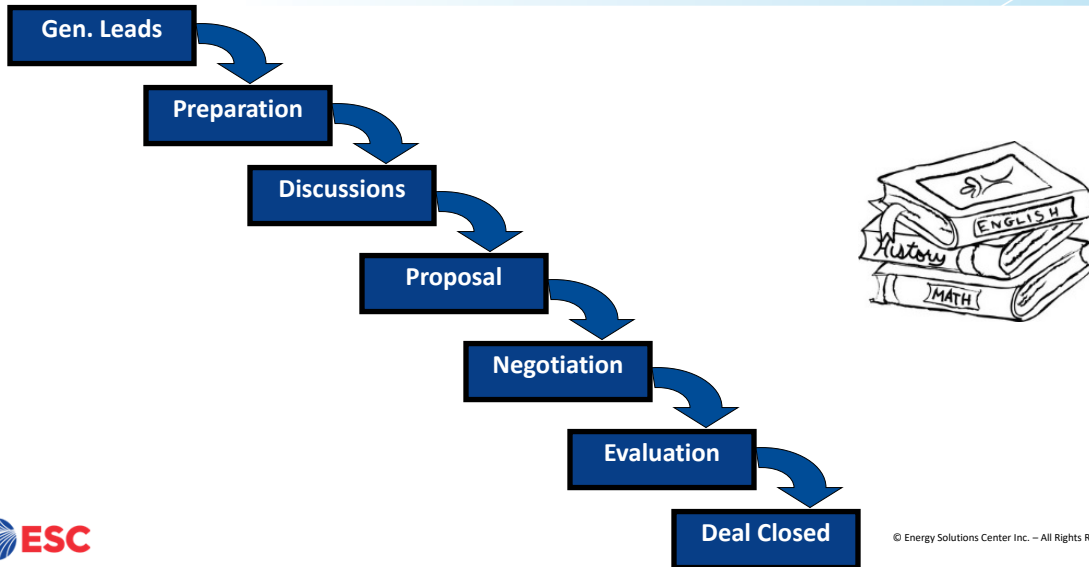
- Scott Potter, Baker Communications

Sales Cycle - 6 Step Process



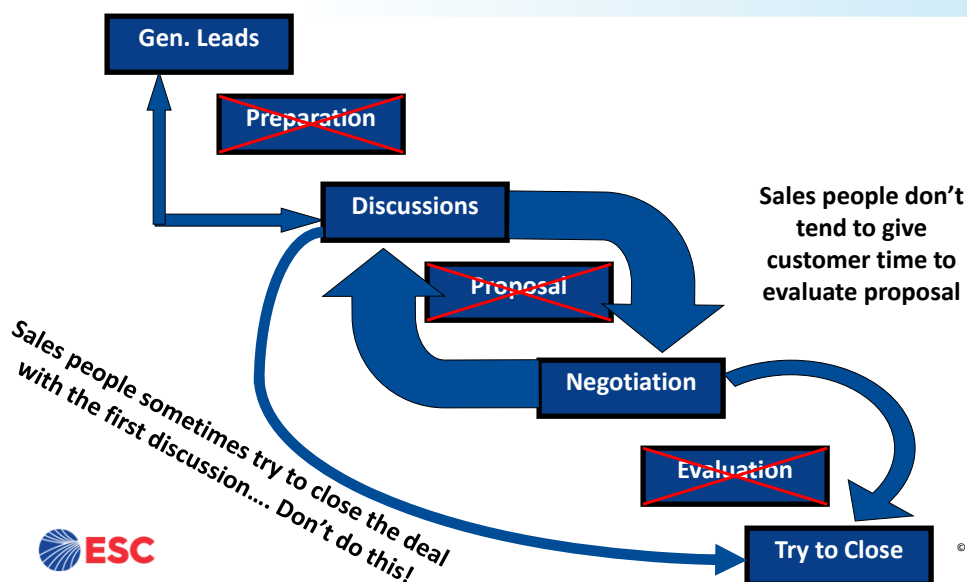
- The sales cycle to convince a customer to do something with natural gas that they did not know they needed before your visit may be typically 1-2 years for larger C&I facilities, and shorter times for small commercial or residential.
 - Larger commercial facilities need to budget for capital expenses and the budget approval process usually puts you in the next fiscal year before money can be spent
 - Internal / External barriers

Text Book Sales Process



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Reality



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Where to Start:

Gen. Leads	Preparation	Discussions	Proposal	Negotiation	Evaluation
------------	-------------	-------------	----------	-------------	------------

- Generate Leads
 - Cold call a list of prospects
 - Plant seeds and leave marketing material
 - Continued follow up with qualified leads and potential leads
 - Leads from expired contracts, new business , and canvassing the area
- Work with multiple leads at any one time



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Preparation and Planning

Gen. Leads	Preparation	Discussions	Proposal	Negotiation	Evaluation
------------	-------------	-------------	----------	-------------	------------

- Develop a Strategy
 - Research Client's Business situation
 - Research Clients industry
 - Possible Decision Makers
- Decision Drivers



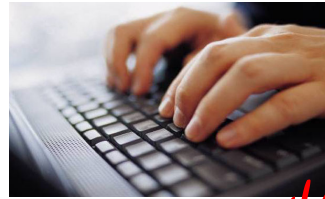
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Research...



- Business Situation
 - Profitability
 - Market share
- Industry
 - Competition
 - Industry changes
 - Regulations impacting industry



Surf the Web



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Who is the Decision Maker?



- Techniques vary depending on who you talk to or what you read.
- Possible Decision Makers:
 - Owner
 - Facilities Person
 - Financial Person
 - Engineer / Contractor
 - Plumber







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Decision Maker Thought Process

	Operating Cost	Capital Cost	Facility Appeal.	Comfort	Maint. Requirmt.	Technology Risk	Product Quality
Decision Makers							
General Manager	Major Concern	Major Concern	Major Concern	Major Concern	Minor Issue	Minor Issue	Moderate Concern
Finance Director	Major Concern	Major Concern	Minor Issue	Minor Issue	Minor Issue	Minor Issue	Minor Issue
Facility Engineer	Major Concern	Minor Issue	Moderate Concern	Major Concern	Moderate Concern	Major Concern	Minor Issue
Operations Manager	Major Concern	Moderate Concern	Moderate Concern	Major Concern	Moderate Concern	Major Concern	Major Concern
Energy Manager	Major Concern	Moderate Concern	Moderate Concern	Moderate Concern	Moderate Concern	Major Concern	Moderate Concern
Influencers							
Architect	Minor Issue	Major Concern	Major Concern	Moderate Concern	Minor Issue	Major Concern	
Consulting Engineer	Moderate Concern	Major Concern	Minor Issue	Moderate Concern	Moderate Concern	Major Concern	Major Concern
Facility Engineer	Major Concern	Minor Issue	Moderate Concern	Major Concern	Moderate Concern	Moderate Concern	Minor Issue
Interior Designer		Moderate Concern	Major Concern	Moderate Concern			

 **Major Concern**
 **Moderate Concern**
 **Minor Issue**
 **N/A, No Concern**

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People / Contacts

Gen. Leads **Preparation** Discussions Proposal Negotiation Evaluation

- Top down, bottom up, or in the middle
 - Ask who you should be talking too and don't go over your contacts head without their consent
- Know your audience
- LISTEN to the Customer
- Respond timely to requests
- Ask the right questions

What should you be looking for?

Gen. Leads	Preparation	Discussions	Proposal	Negotiation	Evaluation
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- Conversion & Incremental sales opportunities
- Conservation and Energy Efficiency opportunities
- Savings and convenience with natural gas
- Maintenance issues
- Energy reliability
- Emissions – Desire to be **Green**
- Other opportunities
- Cooling, humidity control, or electric reliability issues



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Talk with your customer

Gen. Leads	Preparation	Discussions	Proposal	Negotiation	Evaluation
------------	-------------	--------------------	----------	-------------	------------

- Opening Comments
- Fact Finding:
 - What types of energy are used most and for what?
 - How old is the equipment?
 - Any Maintenance issues?
 - Any environmental concerns?
 - Financial decisions?
- Provide information
- Listen for verbal cues
- Look for non-verbal cues
- Find ways to add value



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Customer Organization



- Who is affected by decision
- Structure of customer's property (own, rent, property manager)
- Decision making process and decision makers
 - Who is responsible for the energy budget
 - Who is decision maker for capital investment
- Budgets and financials
 - Large Customers: Fiscal years and financial requirements (IRR, NPV, life-cycle costs, etc)
 - Small commercial or residential: Payback



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Credibility



- Credibility is everything to closing the deal and must be built up one step at a time.
- To gain credibility, respond in a timely manner.
- Explain your role and the process to the customer.
 - Realistic time frames
- Tell the truth, don't bad mouth competition



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Opportunities

Gen. Leads	Preparation	Discussions	Proposal	Negotiation	Evaluation
------------	-------------	-------------	----------	-------------	------------

- Ask the right questions and listen to the customer. They will tell you what their concerns are and you can then find a way to solve their problems.
- Plant seeds and question the customer for hot buttons (Operating costs, efficiencies, comfort, maintenance requirements, product quality, environmental concerns)
- Different Applications that could have multiple positive effects (I.e. humidity control, patio heaters, IR or spot heating)
- Up Sell to existing customers



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What should you be looking for?

Gen. Leads	Preparation	Discussions	Proposal	Negotiation	Evaluation
------------	-------------	-------------	----------	-------------	------------

- Opportunities to help you meet your corporate goals
 - Conversion: savings and convenience with natural gas
 - Growth: New gas load
 - Conservation / efficiency opportunities
- Retention opportunities
 - Replacement due to age of equipment
 - Maintenance issues
- Other opportunities



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Make a Proposal



- Recommend options
 - Look for signals
- Economic analysis
 - Only offer if you are sure that you can save the customer money
- Presentations
- Brochures / Leave Behinds
- Benefits of Natural Gas
 - *(ALWAYS COVER THIS)*



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Negotiate terms



- Trade concessions
 - Give and take
- Explore alternatives
- Focus on hot buttons
- Be Prepared for objections
 - High gas prices
 - Explanation of turn-on process and timeline
- Overcome obstacles – Be patient & Listen



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Overcome obstacles

Gen. Leads	Preparation	Discussions	Proposal	Negotiation	Evaluation
------------	-------------	-------------	----------	--------------------	------------

- Don't assume anything. Other factors may weigh into the decision process such as:
 - Commodity cost
 - Lower operating cost
 - Maintenance and/or efficiency
 - Reliability
 - Preferred fuel for certain applications
 - Cost of 'do nothing' scenario



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Close the Deal

Gen. Leads	Preparation	Discussions	Proposal	Negotiation	Evaluation
------------	-------------	-------------	----------	-------------	-------------------

- Give the customer time to evaluate the proposal
 - Short / Long term goals
- LISTEN and adjust deal as necessary
 - Does this meet their needs?
- Ask if the customer is interested
- Ask them for their next steps
- Ask about timing, budgets, etc.
- Anything preventing sale?
- Ask for the sale
- Follow-up after closing the deal



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Summary

Consultative selling is a sales approach that focuses on understanding your customer's challenges and recommending products or services to resolve them. Your role as a consultative sales professional is to empathize, advise, and advocate, not push a product. Customers should feel like you're genuinely in their corner, treating their problems like your own.



<https://www.salesforce.com/blog/consultative-sales-approach/>

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Thank you ...