

Good Day,

Please find a great note below explaining transactional versus consultative selling, and how to better succeed by creating value for your prospects/customers.

Cheers,
Mike.

Salespeople need to separate transactional business from consultative business. In complex sales, they focus their attention on the consultative side. Sometimes buyers try to force salespeople into a transactional relationship, which is ok if you can compete on price or ease of acquisition.

Many organizations, and indeed many industries, are purely transactional. They want the cheapest price. And no argument. Wal-Mart, Home Depot and the Dollar Store are examples of this phenomenon.

Economics 101 will tell you that Value = Benefits – Cost. Sales professionals probably prefer a more practical definition, such as, “Value is something the customer is willing to pay for.” Sales People need to show where the opportunities exist to create value, independent of the product you sell. The research shows that there are four ways to create value for customers:

1. The Unrecognized Problem: Help customers understand their problems and issues in new and/or different ways.
2. The Unanticipated Solution: Help customers arrive at better solutions than they would have arrived at on their own.
3. The Unforeseen Opportunity: Present opportunities that have escaped the customer’s attention.
4. Broker of Capabilities: Become a broker of services and act as a customer advocate within the seller’s own organization.

The key point about selling where there is an opportunity to create customer value is that great sales forces think through ahead of time what kind of unrecognized problems can be exposed, what kind of unforeseen opportunities can be uncovered, what kind of unanticipated solutions can be provided, and what kind of organizational capabilities can be brokered. These value drivers are considered beforehand.

Great Sales people managers go through the process of thinking about how to become strategically important or difficult to substitute. What that requires for a sales person is a relentless orientation in guiding themselves towards the four value drivers and towards the question: What are you doing in sales calls and sales strategy that makes you difficult to substitute or makes you strategically important?

Superior sales people know the difference between transactional and consultative sales; they understand where they can create value; and they focus there.

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