

Being Consultative - the Hourglass Approach.

Consultative behaviour.

In sales it's a buzz word – consultative selling – often referred to as “value added selling”. What does it mean, to be consultative? And even more important how do I become good at it?

When you search online you will find lots of definitions, often quite different from each other. We will explore consultative behaviour based on a model we have created; this model makes us aware of the role we need to fulfil in becoming consultative.

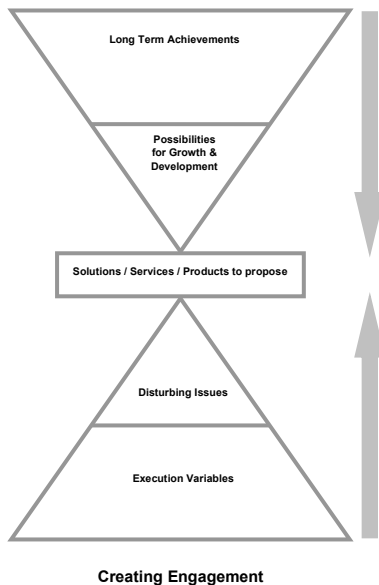
One of the key words in being consultative is **value**, adding value for the counterparty.

Let's reflect on a model that shows the consultative approach.... “the hourglass model”.

A few initial aspects of the hourglass - our model in being consultative:

- ✓ The term hourglass refers first of all to a wise use of the time we have with our the other party
- ✓ In the hourglass we recognize two parts: a top part and a bottom part, connected through a narrow gate
- ✓ It only makes sense to turn the glass once all “sand” has gone through. Turning the glass when all sand has passed, gives a new “leading” top part where all sand is now concentrated
- ✓ Depending on the sort of hourglass it takes sometimes really long before the sand has gone through before we finally can turn the glass.

Let's take a look at the hourglass and the description of the different parts.



In the top part we see two categories:

- **Long term achievements.** What does the other want to achieve in the longer term. What are they striving for within a so rapidly changing market? What are their business objectives and priorities? What position do they want to take?
- **Possibilities for Growth & Development.** What are possible steps they can take and should take in order to reach these achievements? What beneficial opportunities, market changes, market transformations do they see? What trends are affecting their market and how can they benefit from this?

In the middle part, the solution as our answer for the other

In the bottom part we see two categories:

- **Disturbing issues.** What is a burden for the other? What is causing delays? What is frustrating their business processes? Here we look at any issue that might disturb business, things they want to have solved.
- **Execution variables.** All the practical aspects that are important and that need to be taken into consideration when thinking about a cooperation or purchase. Things like: existing infrastructure, level of education/training of their staff, existing procedures.

At the base you see the term **Creating Engagement**.

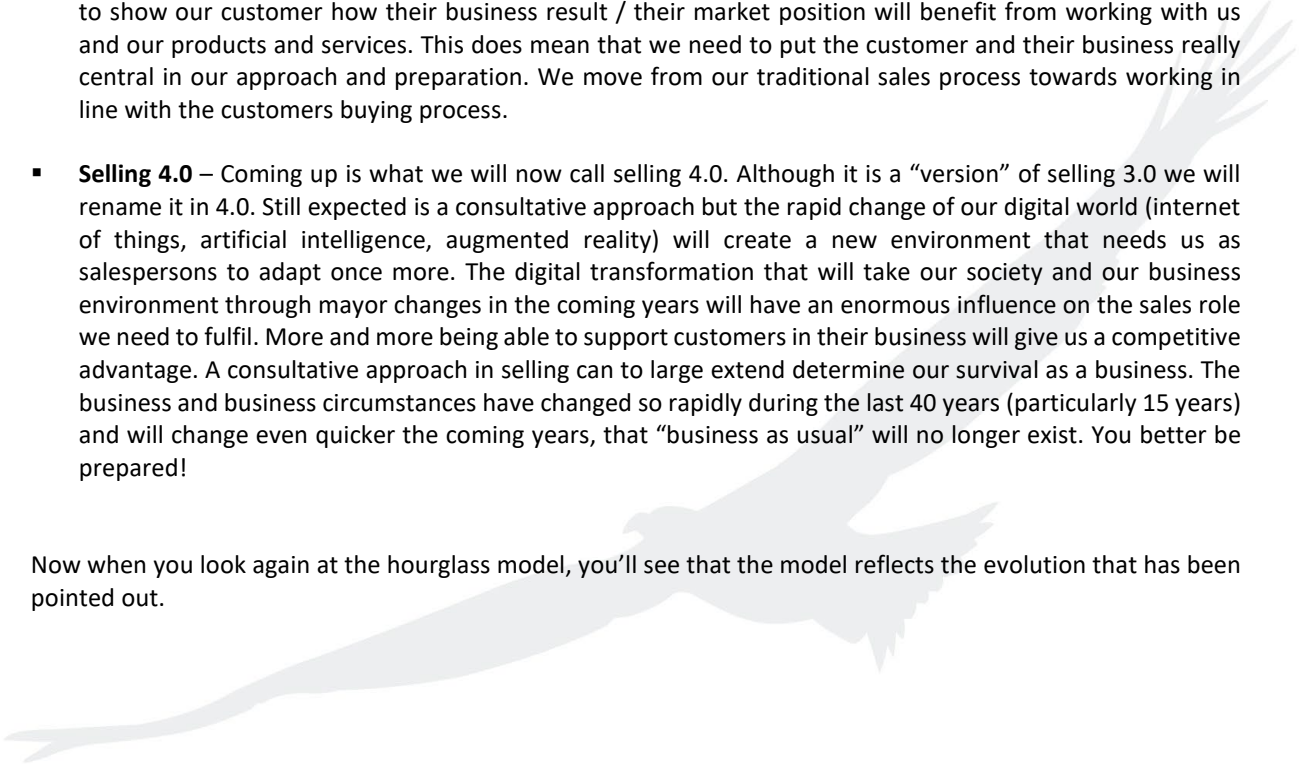
Using the hourglass means having the other “in” at every part of the hourglass.

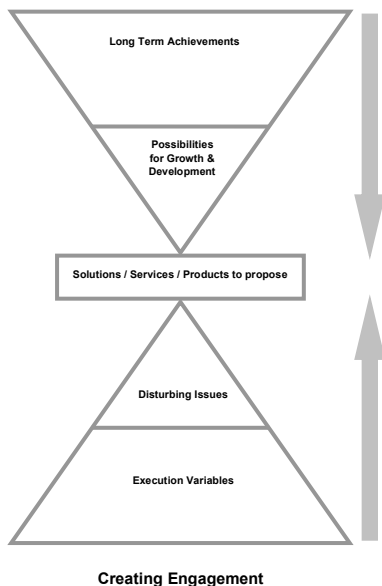
The hourglass model works in many contexts, to provide and understanding let's - as an example - elaborate on the use in a sales context. (We will make use of the term “Consultative selling”).

Consultative selling has to be placed in the context of the development of selling during the last 30 to 40 years up to now. What is this development and how is it connected to consultative selling?

- **Selling 1.0** – During the period up to 1975 the dominant sales approach had a focus on product knowledge, customers had a need and we as salespersons were able to show how our products could answer to the needs brought forward. It was typically the situation where a good salesperson could score based on the combination of product knowledge and a good understanding of the needs of the customer. The main focus was on product knowledge, since an understanding of - often general shared - needs was good enough.
- **Selling 2.0** – During the years after 1975/1980 lots of products more and more became commodities. Competition was often able to quickly come with alternatives or new developments, a successful salesperson would differentiate himself/herself based on adding services to the package. With upcoming commodity products customers would more and more concentrate on suppliers that can offer support on services (of course next to good products). Services like: maintenance, financing, leasing, training, et cetera. Whereas during selling 1.0 as salespersons we had learned to focus on understanding the needs of the customer, during selling 2.0 we more and more also needed to concentrate on problems our clients were experiencing when working with products / implementing products. Of course, next to focussing on the needs of customers. During selling 2.0 concentrating on the needs only was no longer enough.
- **Selling 3.0** – As years proceeded we saw once again a change in the expectations customers have from salespeople. Particularly after 2000 selling 3.0 really came up. Customers got access to information through internet and more and more had real knowledge on products and services that could provide an answer to their needs and problems. Salespeople that can only position themselves based on product knowledge have a hard time to perform in line with expectations from their companies. Also solutions to questions and problems experienced by our customers no longer give us a competitive advantage. Any salesperson/account manager that wants to guarantee a role for his/her company as a partner for the customer needs to distinguish based on the consultative approach. The consultative approach (or if you wish value selling), finds its basis on focussing on the customers business. What are trends that are important for my customer? What is the market position of my customer? What are developments they can expect in their market and business? What are their business objectives? The salesperson needs to be able to have a business conversation with the (potential) client. Once we have a good insight in their business, we are able to show our customer how their business result / their market position will benefit from working with us and our products and services. This does mean that we need to put the customer and their business really central in our approach and preparation. We move from our traditional sales process towards working in line with the customers buying process.
- **Selling 4.0** – Coming up is what we will now call selling 4.0. Although it is a “version” of selling 3.0 we will rename it in 4.0. Still expected is a consultative approach but the rapid change of our digital world (internet of things, artificial intelligence, augmented reality) will create a new environment that needs us as salespersons to adapt once more. The digital transformation that will take our society and our business environment through mayor changes in the coming years will have an enormous influence on the sales role we need to fulfil. More and more being able to support customers in their business will give us a competitive advantage. A consultative approach in selling can to large extent determine our survival as a business. The business and business circumstances have changed so rapidly during the last 40 years (particularly 15 years) and will change even quicker the coming years, that “business as usual” will no longer exist. You better be prepared!

Now when you look again at the hourglass model, you'll see that the model reflects the evolution that has been pointed out.





- On the top part you'll see the business orientation (selling 3.0). Are we able to have a meeting in which we concentrate on the customers business. What they expect. What trends they see, and we see. Can we make comparisons with other comparable/similar businesses. Can we add value to the meeting? Can we challenge our customer? Maybe even wake them up? Are we able to position ourselves as a business partner?
- The centre part – the solution / products / services we propose – has to be connected to both parts (the bottom and the top) and has to provide an answer to both parts.
- On the bottom part you'll see aspects of "practicalities"/"execution variables" - practical answers related to needs and circumstances. The bottom part also relates to "disturbing issues", anything that creates (potential) risks, difficulties, problems in relation to the sell that will take place or has taken place in the past.

With the consultative approach we first of all concentrate on the top part in order to get a real understanding on what we can do in support of business. Only when the sand has gone through and we really understand and have shown our challenging consultative role, we turn the glass and become practical. The other has experienced us as a business partner when interacting within the top part of the hourglass. The trust we have gained by investing in the top part will now support us when becoming practical. We can link our solutions to both the practical aspects and to the business results. Our products, services, solutions, will now be less seen as costs and more as an investment.

An important element of success is getting yourself in a position to start at the top part. Building up a relationship by showing you understand the business, the market, the challenges and that you're actually able to challenge the other, confront them and come with new insights will give you a significant advantage when moving to the "bottom" part of the hourglass and become practical.

