

Understand how clients buy your services and win more business

IN this article on essential sales skills, Kate Fleming of Ridley Fleming introduces the SPIN® buying cycle to show how clients make decisions when buying high value services such as consultancy services.

Many firms are finding out, to their cost, that winning work is a highly competitive process that can be very expensive and time-consuming if not executed correctly. It now demands strategic input, persuasive selling skills, client interaction and communication before, and throughout, the decision-making or 'buying' process.

Common pitfalls – How many opportunities has your firm wasted by:

- Opening with a detailed but unpersuasive pitch about your firm's history and number of consultants....." So what?"... thinks the client
- Focusing on the features of your advice rather than the specific needs of the individual decision-makers and their organisation
- Failing to uncover the client's problems and satisfying those needs
- Being unstructured, longwinded or difficult to follow prompting, at best, indifferent reaction from the client but, most likely, no reaction at all
- Offering detailed price breakdowns that invite analysis, comparison and negotiation
- Failing to differentiate your offering effectively from those of your competitors. How will the client distinguish between firms if they all promise the same things?

So how do clients make decisions?

Clients go through a number of clearly defined stages before deciding who to award their work to. Successful consultants understand this process and what they need to do to influence the buying decision.

The Buying Cycle® (above), devised by Huthwaite Research Group, illustrates the thought process a client uses to arrive at a purchasing decision:

- 1 Recognition of Needs
- 2 Evaluation of Options
- 3 Resolution of Concerns
- 4 The Decision
- 5 Implementation
- 6 Changes over time



The client has different priorities at each phase of the cycle. This means that the consultant will need to employ *different* selling skills at each stage in order to be successful.

Stage 1 – Recognition of Needs

It is in the first phase, known as the *Recognition of Needs* phase, that the client becomes aware of a potential situation or problem that will require specialist advice or services.

At this stage it is important for the consultant to help the client identify problem areas, clarify them and translate them into their real needs.

It is important to remember that, if you don't know what the client's problems are, you will not be in a position to know which of your services and capabilities the client will want to buy.

Stage 2 – Evaluation of Options

Once the need has been recognised, the client moves in to the second phase of the cycle, the *Evaluation of Options* phase. Now the client will be evaluating *how* to resolve the problem(s) and this may also include questions such as: "Which is the best firm/consultant to help me?"

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Carried away by the opportunity to win the business, many professionals make the mistake of overlooking the way in which the client will make their buying decision. An important key to your success will be to uncover, early on, the client's decision criteria: i.e. those factors that will shape or influence their buying decision. You will need to help the client to evaluate choices and make the right decision – i.e. proactively manage the selection process to your firm's advantage – ensuring that the client evaluates the options you offer above those offered by the competition.

Early on in the Evaluation of Options phase, successful consultants benefit from developing detailed knowledge of the client's needs. Furthermore, clients often value expert input to help define the needs and provide a framework for the decision-making. This can be particularly valuable where several decision-makers are involved.

At this stage, you need to guide the client to identify, quantify or qualify the relative importance of the criteria that will influence their decision. This way each competing firm/consultant can be benchmarked against an agreed hierarchy of needs and decision criteria.

What are Decision Criteria?

Decision Criteria are the criteria that the client will use to evaluate the various competing alternatives – these criteria may be stated, or unstated, by the client. The client needs to make an assessment of each firm's ability to match what they are looking for.

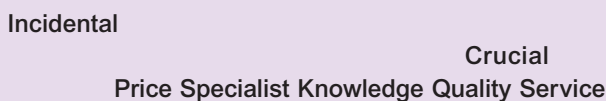
They may already have some guideline headings such as:

- Technical Competency
- Service Delivery
- Specialist Knowledge (e.g. Information technology, data management, human resource management etc)
- Price

Identify the Key Differentiators

Initially the client may rank all criteria equally. Over time, and with your help, these should be placed on a scale of importance.

For example:



This will also help you to manage the client's expectations and the decision-making process.

Clients may state that they will look for:

- The best technical expertise
- High levels of client service
- Value for money
- To work with people that they get on with

But you can help your own firm to stand out by qualifying these; adding the detail or even finding creative alternatives. For example if one decision maker's key criterion is Managing Consultant involvement throughout an assignment, whilst another member of the decision making team places a high score on low fees, the two criteria may be mutually exclusive. A compromise may be necessary and the client will need to rank the criteria in order of their real value. So, does the client *really* value Managing Consultant input above

all else, or would they be happy for junior members of the team to do the legwork and have it checked over by the senior consultant thereby keeping the costs down.

Similarly, another criterion may relate to accessibility: does the client expect face to face contact with the firm, or would they value a tailored information service, delivered using the latest internet technology that would give them perceived round the clock access to your firm.

Such a systematic approach means that, when the time comes for the clients to make their buying decision, they will be able to choose your firm over the competing alternatives by evaluating each against the criteria and their relative importance. If you have prepared well, assessed the client's values and requirements and are clear about your own firm's strengths and weaknesses, your firm will be seen to match those criteria.

Put your skills and services into a relevant context

It is also important to remember that clients buy benefits not features. Wherever possible, list the issues that your client values, look at the features of your own service and translate those into tangible benefit statements. These make a much more compelling sales arguments.

A useful model might be

| Issue | Feature of our Service | Benefit to client |
|--|---|---|
| Client has offices worldwide. All offices need access to support | We have a system for sharing knowledge and information | Client has access to relevant support via our web site. |
| Client requires fast turn round times | We have a large team of specialists which gives the flexibility to allocate resources at short notice | Client receives prompt service |
| Client requires itemised billing | We have computerised time/fee record systems that allow us to provide detailed breakdowns | Client can measure value for money. |

Stage 3 – Resolution of Concerns

As a result of your research, your identification of the key differentiators and the influencing that you have carried out prior to the evaluation of options, your firm should now be perceived as providing the best 'fit' for your client's needs. This should lead to a successful outcome for both you and your client. However, it is common for buyers to have last minute concerns, just as they are about to commit themselves.

These last minute reservations may be specific concerns or just vague apprehensions. Either way you will need to resolve them before the final decision to buy can be made.

You should go over the decision criteria and probe more deeply to uncover any unresolved tangible or emotional issues; Once you are able to resolve these issues, you will be able to move on to the next stage.

It is also important to find out, where possible, who you are competing against, and what the strengths and weaknesses of the competition might be, so you can handle any client concerns about your own organisation effectively.

Stage 4 – The decision

At this stage, the client makes the decision, influenced by the factors covered above.

Stage 5 – The Implementation Phase

In a complex sale such as consultancy, the buying process is only just the start of the client relationship. Now comes the *Implementation Phase* when you must finally prove your worth and your ability to provide the solutions to the client's problems.

Stage 6 – Changes over Time

It is important that you build on the rapport and relationship already established in the earlier phases in order to secure future work and client satisfaction. After all, businesses do not stand still and, before long, there will be changes and new opportunities.

Now the cycle begins all over again - so just remember your key objectives:

Establish what the client's real needs are, show that you have understood them and help the client to make the right choices.

Kate Fleming

| HOW TO LOCATE DECISION-MAKERS ON THE BUYING CYCLE | | | |
|---|--|--|--|
| Decision phase | Typical decision-maker concerns during phase | Sign that this phase is over and the next one starting | Common strategic errors in this phase by sellers |
| Changes over time | <ul style="list-style-type: none"> What is the significance of changes taking place? | <ul style="list-style-type: none"> New needs and dissatisfactions arise. | <ul style="list-style-type: none"> Failure to maintain relationship Short-term perspective |
| Recognition of needs | <ul style="list-style-type: none"> Have we a problem? How big is it? Does it justify action? | <ul style="list-style-type: none"> Decision-maker accepts that the problem is severe enough to justify change and therefore decides to take action. | <ul style="list-style-type: none"> Failure to investigate/develop the decision-maker's needs. Pushing own solution. |
| Evaluation of options | <ul style="list-style-type: none"> What criteria should we use in making a decision? Which solution or supplier best meets our criteria? | <ul style="list-style-type: none"> Decision-maker has a clear decision mechanism in place and has used it to select one or more desired solutions. | <ul style="list-style-type: none"> Failure to uncover decision-maker's criteria. Little attempt to influence/change stated criteria. |
| Resolution of concerns | <ul style="list-style-type: none"> What are the risks of going ahead? What if it goes wrong? Can we trust these people? | <ul style="list-style-type: none"> The decision is made. | <ul style="list-style-type: none"> Ignoring concerns in the hope they will go away. Pressuring the other person to make a decision. |
| Implementation | <ul style="list-style-type: none"> Are we getting value from this decision? | <ul style="list-style-type: none"> The particular solution is implemented. | <ul style="list-style-type: none"> Failure to treat implementation as a chance to persuade. |

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*Kate Fleming is a Partner in Ridley Fleming, providing consultancy and management training to the Professional Services Sector. She works with several leading firms, providing advice and training on such topics as Business Development, Client Relationship Management and Personal Development. A former Head of Marketing for the Training & Enterprise Council and Marketing Director of a leading NW commercial law firm, Kate is also an Associate of Huthwaite International and an accredited trainer of their SPIN® SELLING programme. Kate can be contacted at Ridley Fleming on or by email at: kate-f@ridleyfleming.co.uk
The Ridley Fleming website: www.ridleyfleming.co.uk includes details of Ridley Fleming programmes as well as articles and news items.*

SPIN® SELLING is a proven sales methodology developed for sales of complex or high value products and services; ie those sales which involve the buyer in significant cost and potential risk. It is based on extensive behaviour research, conducted by the internationally recognised Huthwaite organisation. The research by Huthwaite has demonstrated that: "The most effective sellers think in terms of buying, not selling". Effective sellers are actually enabling the client to buy. SPIN®, The Buying Cycle and Huthwaite are registered trademarks of Huthwaite Research Group Ltd. For more on this, read SPIN® SELLING, by Neil Rackham.