



Unique demands on salesperson in problem-solving sales

Can you answer these three questions?

1. Can problem solving sales be done by a salesperson with no formal technical qualifications?
2. Which of the following require problem solving sales? Laptop, Diesel generating set, scooter, printer cartridge, Storage (warehousing) systems.
3. Do you know the difference between Hunter and Farmer types of salespeople? It's all about getting the right mix



Can you solve the following three problems?

1. Richard works with a Carbide tools company. The company has a wide range of products. Typical descriptions of three levels of sophistication in the product range: - (Level 1) Carbide inserts i.e. tool tips as industrial consumable item. (Level 2) Standard Tooling Assembly. (Level 3) Specially designed set-up for an application. Richard used to sell standard tooling assemblies and has been promoted to custom tool set-ups. After few visits to customers of this product he asked his boss for help saying that when he asks these customers about the machining involved they tell him they do not know it yet. He asked how one can propose tooling set-up when one does not even know what machines would be used. Do you think this is a difficulty or an opportunity for Richard?
2. Michael has been working as Technical Services Manager with a company manufacturing plastic products of two types – Decorative (home interiors & furniture); Industrial (insulating substrates, material for gears, spindles). The company is an undisputed market leader for decorative products, but has very low share in industrial products. Michael has been providing technical support for both product groups and has been nominated on committees for national specifications and also represents the company at various Industry associations.

Industrial products have two market segments going by the customer size. One segment consists of several small scale industrial units. Second segment has large organized sector companies such as Siemens, ABB, Textile machinery makers, Printed circuit breakers etc. The company has 30% share of small scale sector while only about 5% of the organized sector,

which is dominated by a competitor whose products are de facto specifications for many applications.

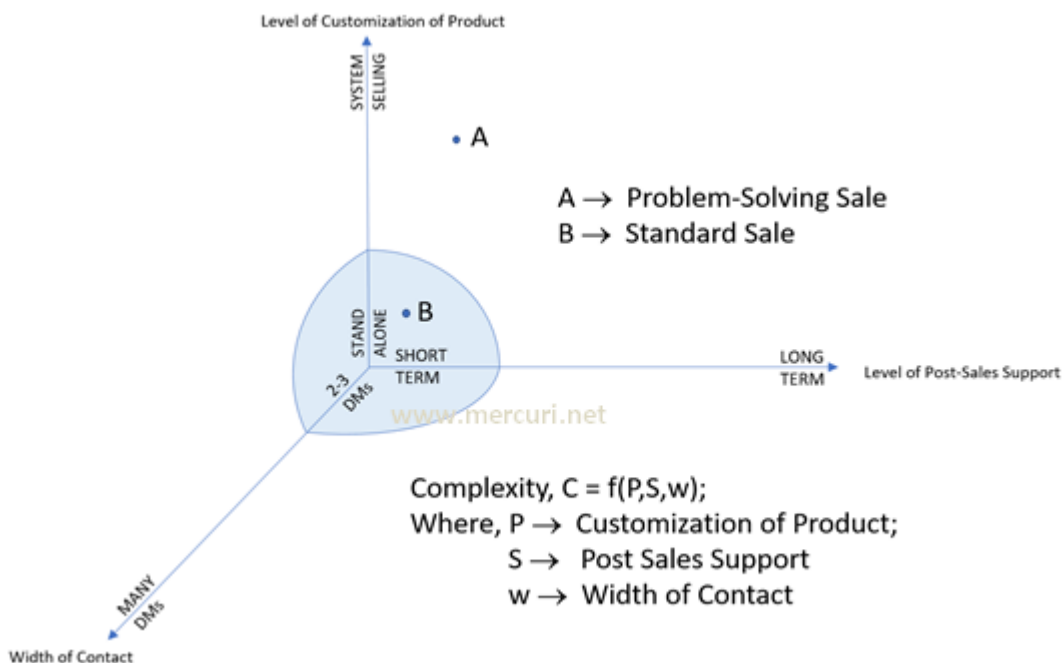
Michael was asked if he would like to take over as head of sales for Industrial products and he accepted the offer. What do you think in Michael' background could help in his new assignment? Where would he have to make special efforts?

3. Anna is a senior salesperson with Comfort Interiors. The company manufactures an incredible variety of residential and office furniture in collaboration with world renowned multinationals. She handles project enquires and has 8 to 10 enquires at various stages in pipeline. Over the last two years she has been very successful with getting orders for some projects and very unsuccessful with other enquiries. This contrast is making her uncomfortable. So she asked for advice from her Vice President Sales. He accompanied her on 10 sales calls during a fortnight and then debriefed her starting with a comment - "Anna, essentially same approach will not work for all project enquiries". During rest of the conversation he explained what he meant. Can you guess what it is?

What do we mean by Problem solving sales?

Every sale solves customer's problems. The term Problem solving sales is however reserved for complex business relationship involving pre-sales, sales and post sales phases. Complexity of the business relationship is a function of three parameters. Given below are two ends of spectrum on each of these three factors.

1. Product being sold: - One end of the spectrum is "stand-alone standard product". Other end is the "system selling".
2. Support needs of customer: - Aftersales support for 6 to 12 months at one end of the spectrum and ... Design advice, participation in evaluation of alternatives, continued relationship after sales or even partner status at the other end of spectrum.
3. Width of contact: - Only a few (2 or 3) people from either side involved in the sales process Many more.



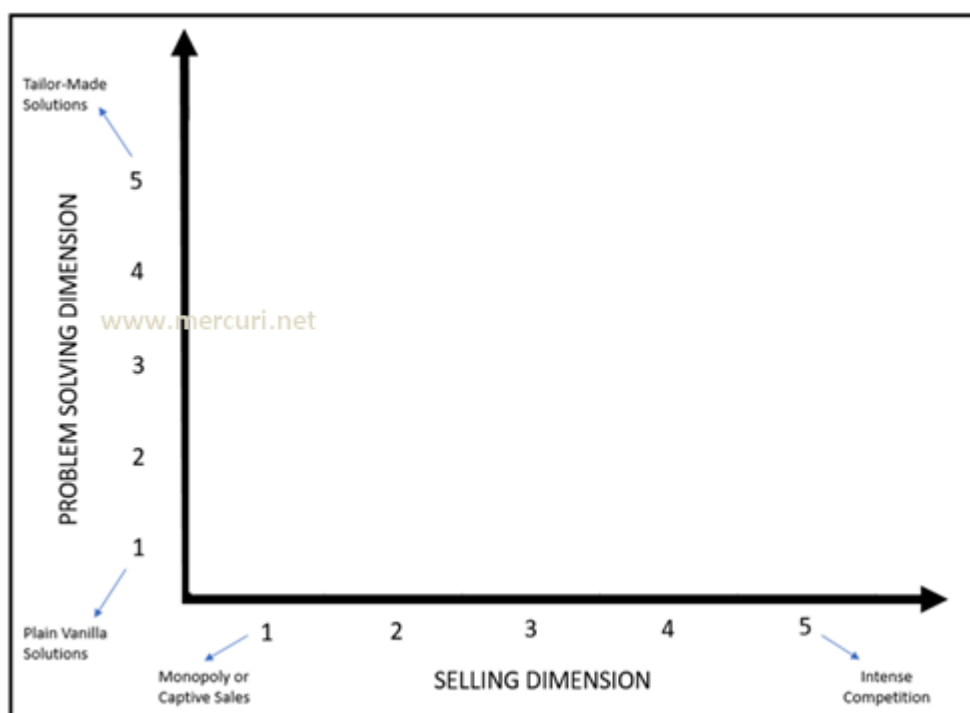
If the selling is more like first part of statements (see Point A in the graphic below) then it is a standard

sales situation. If it is the other end of spectrum (see Point B in the graphic below) then it is problem solving sales.

Two dimensions of problem solving sales

An important part of this type of business relationship is the forming, short-listing and fine-tuning of your solution in terms of its technical aspects. While formal technical qualifications are useful, you may find in practice that many successful salespeople without a technical education are excellent problem solving salespeople thanks to their experience and application orientation. This is because in solution selling the solution has to be right on three counts as below and only one of the three can be somewhat aided by basic technical qualification:

1. Solution has to be functionally right. It should do the work it is meant to do. That depends on whether or not technical aspects are proper.
2. Solution should be attractive for customer in relation with his various possible buying motives e.g. cost, other working methods, acceptance by workers/ operators, aesthetics.
3. Solution should be right from our point of view – should be possible to deliver!



The Y axis

The level of problem solving effort can range on a 1 to 5 scale for various types of selling, as seen in the graphic above. Here are some illustrative examples:

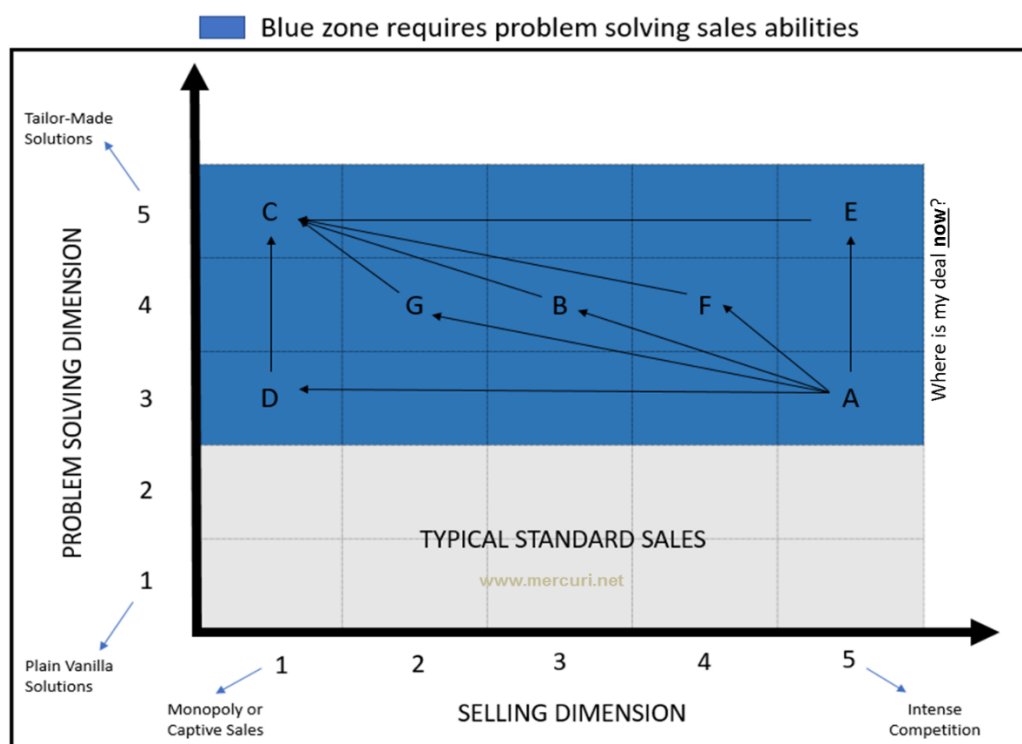
1. Plain vanilla products with nothing out of ordinary e.g. a shrink wrapped software.
2. Combination of standard product. Responsibility of combining is that of customer.
3. System Integrators – supplier designs and executes the combination.
4. Tailored solutions.
5. Solution developed on drawing board with equal participation from customer's side.

The X axis

By dimension of selling is meant how do you form and present our package as benefits to the customer so that the customer sees how our product and service can meet his requirements. Salesperson's job is to prove to the customer that we can meet his requirements better than competitor or better than status quo. Salesperson must also find all objections to solution and handle them fully systematically. That is the X axis. The level of sales efforts can range from nil (monopoly or captive sales) to fierce competition from many players on a scale of 1 to 5.

Significance of 'Dimensions'

Deals in problem solving sales necessarily follow a long sales cycle. One of the two dimensions will be more urgent at various points on the timeline as deal progresses. THE KEY IS TO REALIZE WHERE THE DEAL IS AT PRESENT and accordingly focus the efforts on X dimension or Y dimension. That is what Vice President Sales meant in problem 3. Of course the other dimension also needs to be taken care of while focusing on one of them.



A particular project deal may begin at Point A in above diagram and in the best scenario case move to B and then to the position C. But rarely if ever the deal will move smoothly like this. Some other routes are shown, as in $A > D > C$ | $A > G > C$ | $A > F > C$ | $A > E > C$. The paths shown here are illustrative. There could be many more ways of going from A to C.

The salesperson must do two things: -

1. Pay attention first to X axis or Y axis as the case may be.
2. If on X axis, shift from Hunter type of selling to farmer type as one goes from A to C.

(Hunter type is a high projection but not so high empathy selling; while farmer type is the high empathy and controlled projection type of selling.)



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