



PEOPLE BUY PEOPLE

PAUL JOHNSTON discusses creating value in the sales conversation

In this feature I'm going to look at the sales-buyer conversation as a critical space where customer value is created. I will pull ideas from my experience of 20 years as a senior and board-level marketing and sales practitioner, and some of the insights that have come from my academic and commercial research about the art and practice of selling in a B2B context. These ideas connect with material about how salespeople are a source of customer value in themselves that can be found in my co-authored book *Value-Ology: Aligning Sales and Marketing to Shape and Deliver Profitable Value Propositions* (Kelly, Johnston, Danheiser, 2017).

It's sometimes easy to overlook the fact that doing business is fundamentally a social activity. We focus on the commercial details of the proposition and the benefits of the solution and pore over these in win-loss meetings. Yet when we chat with colleagues about the way business is going, someone always says, "At the end of the day, people buy people."

There is a great deal of wisdom in this intuition. Of course, product and service solutions must provide the relevant and distinct value that the customer is seeking, and at the same time I also believe good sales professionals instinctively understand that social interactions make an important difference to the way business is done. The idea that people matter in selling situations stands in direct contrast to the claims in the often-discussed 'Challenger' sales approach of Dixon and Adamson that the idea of relationships is dead and that all that matters is providing a provocative new market insight to catch the customer's attention.

The other truism often put forward by non-salespeople is that if you are a good talker then you are naturally a good salesperson. Experienced sales professionals know otherwise. They know selling is something more than an ability to sell sawdust to a wood mill, more than being silver-tongued and

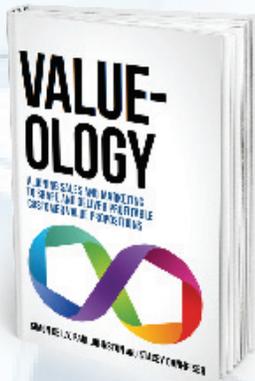
likeable. This is not to say these things are irrelevant, but much more is going on in successful sales interactions with customers. The intangible, invisible and social aspects of buyer-customer interactions are so meshed with who we are as the salesperson that, as former Citibank CEO Lynn Shostack once said, "The person is perceived to be the service." This means that how the salesperson conducts customer interactions has as much value as the product or service solution they are selling.

I recall in my early career being summoned by a major distributor to its head office. I was in for a 'roasting' from the senior team. Our product lines hadn't been very competitive, our account attentiveness was below expectations, and they wondered whether the product design guys ever listened to feedback from the customer, and if we even cared about their business. I was with the distribution team for about five hours. The first hour was an absolute ear-bashing. And then something happened. We started having a conversation. We talked about why things had gone their way they had, why they thought we were missing the mark, what our competitors were up to, and how we could go forward together to achieve the success that we all thought was possible. We ended up having a positive and productive meeting and the word back to my CEO was that I'd cut the mustard with them because I'd listened, been candid about problems, took responsibility, and worked with them on mapping a way forward for our business together. Sure, no deals were closed that day, but the conversation created customer value that we could leverage in the future.

ABOUT CONVERSATION

There is a Chinese proverb that says, "A single conversation across the table with a wise man is worth a month's study of books." It emphasises the significance of face-to-face interactions. I've come across many organisations where desk research ➤

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↳ has been conducted into customers and markets by the marketing department as if it is somehow more objective and dependable than sales feedback. I emphatically disagree. Market research serves a purpose, but it can never replicate the richness and specific insight of the one-to-one customer conversation. Of course, sales feedback can be dismissed as anecdotal and too specific for generalised conclusions, yet the customer may say just one thing that could transform your business. Conversation is an essential aspect of business life. It's a no-lose game and we take it for granted, without thinking too deeply about what it is and how we do it. This is interesting because my research suggests that the nature of sales conversations says something really significant about the calibre and value of the salesperson.

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This significance lies in the very particular way experienced senior sales and key account managers use conversation to position their interactions with customers as ‘Not Selling’. Now that's weird isn't it? We are in the business of selling and yet the aim of the conversation is to seem like we are not selling. The reason is that experienced salespeople want to ensure there is clear blue water between themselves and novice salespeople who are identified by sales guru Jill Konrath as pushy peddlers typically associated with commodity products. Novice sellers lack value because, it is claimed, they lack maturity, commercial savviness, general understanding of business, and have low social sensitivity. I've heard them delightfully described as “space cadets”.

In contrast, an experienced professional explained their use of conversation like this: “I'd try and find out when they might be happy just to have a chat with me,” which suggests a degree of self-confidence and lack of pushiness in the interaction, and “I've always had situations where we've been invited to go and have a conversation with the client,” which suggests a mutual respect and recognition of worth. The value of conversation for the experienced sales professional demonstrates deep sector experience, commercial awareness, civility, adaptability to changing situations, a solution-seeking attitude, and informed foresight about future opportunities and threats.

It all comes down to professional identity. Through skilful use of conversation, experienced sales professionals are able to cultivate and present an identity that the customer values.

CREATING VALUABLE CONVERSATIONS

We can use social sales skill to create valuable customer conversations. But being conversational isn't merely about being popular and nice. So called relational warmth factors don't generate customer

value in themselves – commercial teeth have to be shown too. Take the well-liked sales rep who, on every sales visit, spends time over a cuppa chatting with his customers about life, the universe and everything. But he never does any business! Having social sales skills isn't about the size of your contact list on LinkedIn either, or the number of ‘likes’ and ‘shares’ you get on your social media posts. Social sales skill in customer conversations is different. Social sales skill is about how, done well, customer conversations generate business and customer value.

Effective sales conversations create customer value by using two key social capabilities: first ‘social perception’ – the ability to read customer motivations, intentions, preferences; and second, ‘social adaptability’ – the ability to move comfortably between different buyer-seller contexts and change interaction and conversation styles to suit different situations. These are characteristics of what psychologists call ‘high self-monitoring people’, who are skilled in reading social settings and the intentions of others. There is a difference between this ability and the popular idea of emotional intelligence. The latter is about self-awareness and what is happening in the present, whereas social perception and adaptability are about awareness of others and what is likely to happen in the future.

The sales conversation is the space where social sales skill is used, and two things are essential for such skill to create business and customer value: dialogue and the use of the sales imagination.

DIALOGUE

Sales conversations make proper use of dialogue to create value. People often think that when two people speak that is a dialogue. This is a mistake. Dialogue can involve several people at the same time, and it means a sharing of points of view. Critically, it is the opposite of monologue, which can also happen between two people, except in a monologue people listen to respond rather than understand. They simply exchange tit for tat statements from their own perspective rather than working towards a new and improved mutual understanding of the world. Key aspects of effective dialogue are: being genuine, ensuring mutual openness, being non-manipulative, appreciating all points of view, and being non-judgmental and not blaming. The sole purpose of seller-customer dialogue is to come to a common understanding of business needs, to identify moments of change in terms of needs or priorities, and identify the likelihood for commercial exchange.

Dialogue helps the participants in the conversation build up a picture of what is valued. Often buyers make statements such as, “What we

are seeking is better value for money,” or “We want to understand where the added value is in the solution.” Without true dialogue, there is a real risk of misunderstanding or missing details because statements like these are generalisations. There is a significant aspect of the so-called ‘customer’s mental map’, their picture of the world that is missing. These missing elements require filling in with careful probing and respectful questioning. Often salespeople are tuned into tracking buying signals and overcoming objections in the conversation, rather than filling in the missing areas of the mental map. As US intellectual Randolph Bourne said a century ago, “Good talk is like scenery – continuous yet constantly varying and full of the charm of novelty and surprise.” The sales aim, of course, is to reduce the number of surprises caused by missing information, and to avoid this a good conversational strategy is to invite customers to express what they are keen to move away from (pain points) and keen to move towards (value points).

SALES IMAGINATION

The sales imagination plays an important role in sales conversations too. This is the ability to see what others can’t. Some sales professionals are good at it and create value, other are less good. Our imagination is the only ability we have that allows us to ‘see’ things that are invisible. The sales imagination is the ability to read the ebb and flow of the sales conversation, to sense the feelings and sentiments of the customer, to see possibilities that will benefit the customer, and to anticipate snags and traps that can be avoided. It is the ability to see the potential consequences and implications of action. Using the imagination also uses a special type of reasoning that differs from the analytical reasoning that we use so much in everyday business thinking. Imagination makes use of so-called ‘abductive thinking’. This is the ability to ‘stretch’ something from one context into another, such as medical surgeons visiting Formula One racing teams to see how they could improve their operating processes. It’s an ability to think more broadly and to spot unlikely patterns and connections.

The imagination in the context of the sales conversation shouldn’t be confused with artistic creativity and daydreaming because it is very much to do with seeing commercial possibilities. For the ancient Greeks, imagination was linked to the idea of phantasia, from which we get our word fantasy, and this is one of the reasons it has been branded rather juvenile by hard-headed businesspeople. For the sales imagination to work it has to be grounded in reality, or absurd ideas can result. Getting the balance right between complete lack of imagination on the one hand and pure fantasy on the other is vital. So, conversational strategies that utilise imagination are ‘supposing’ and ‘what if’ and these

can only work when dialogue is in place. This enables the salesperson to ask questions such as, “Suppose we were able to deliver essential components by drone delivery to your remote distribution depot?” or “What if we could deploy an AI solution that anticipated workload bottlenecks?”

So when we say, “people buy people”, I’m suggesting that what we mean is people are buying the ability of sales professionals to use their social sales skills; buying the value-creating power of their dialogue and their imagination. While both of these things are invisible and difficult to measure in themselves, they are still very much an essential aspect of the sales professional’s worth to the customer and their employer.

AVOIDING COMPLACENCY – THE CONVERSATION PAYOFF

The key thing to know about customer value is that it is subjective. It can only ever be determined by the customer and it is a moving target. It is made up of a complex range of elements from price, perception, relation, and a variety of attributes such as efficiency, effectiveness, know what, know who, attentiveness, cost of ownership and so on. For example, in *Value-Ology* we identified over seven core types of commercial value. It means every customer can have a different take on value and it can change according to their shifting priorities and needs.

Businesses lose sales when they lose touch with the value expectations of their customers. Research from US academics Scot Friend and Jeff Johnson indicates that, even if your relationship with your customers seems enduring and dependable, customer relationship familiarity can breed contempt, which in turn leads to sales complacency and loss of business. Companies often have no idea why they have lost business when it happens. They have abdicated the conversational opportunity to pick up signals that are the murmurings of impending customer detachment. The value of conversation means you are always in touch with change. The simple formula for this is: the frequency of customer conversation has an inverse relationship to business complacency.

The good news is that social sales skills are trainable and can complement conventional technical and sales management training. Sales teams can be trained to make better use of dialogue to ensure value creation. Research shows that people who are more skilled in social perception and social adaptability can leverage the use of conversations and dialogue to be more successful in business. Conventional training in sales techniques such as closing and objection handling, and sales management methodologies such as ‘Spin’ selling, are only part of the picture. Skilfully using the art of conversation to define and create customer value is an indispensable part of the sales tool kit.

