



Executive Business Institute

Consultative Selling for zSSR's Software Group July 15, 2008

The objectives of this course are to familiarize you with the approach that consulting teams use, in order to allow you to maximize your client value in a consultative sale.

- Understand, and get practice using:
 - A sales technique to help understand what value the client accrues from your potential solution
 - Hypotheses to make the most of the information you and others already know about the client
 - A method of writing an executive-level client presentation to showcase your solution in a compelling story

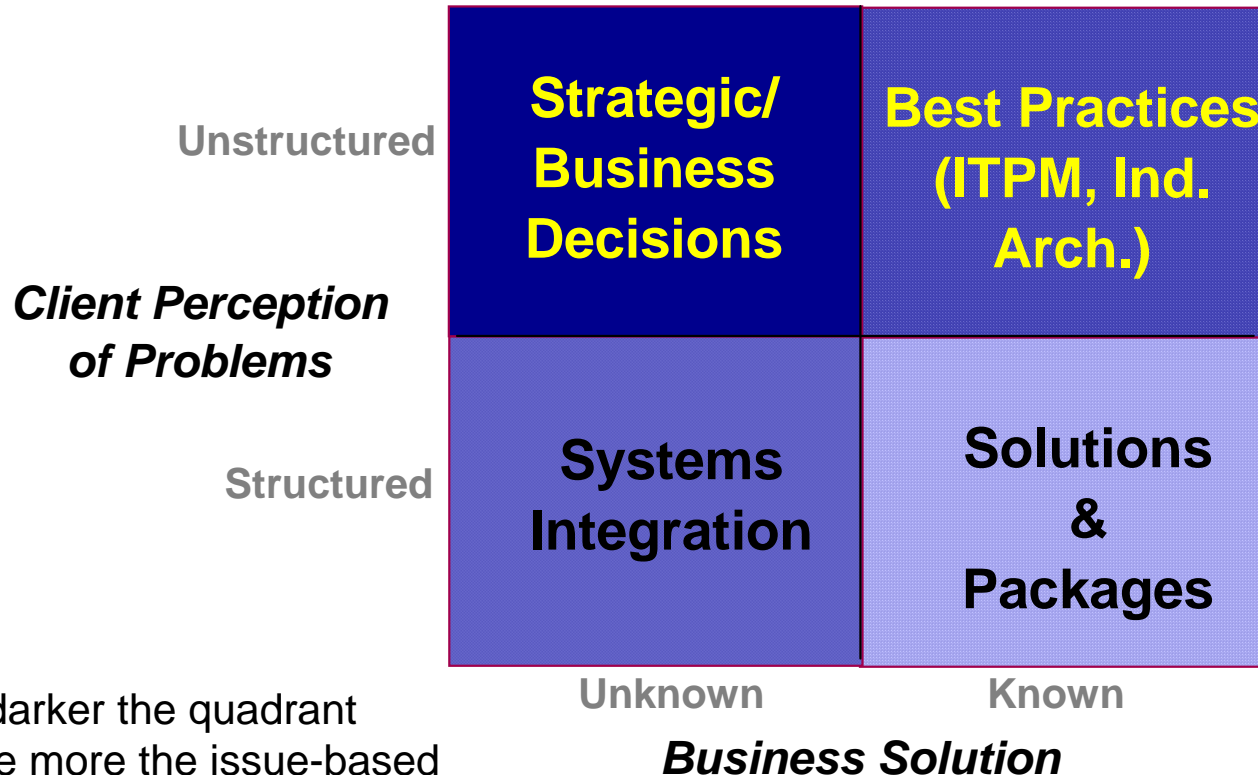
The agenda is designed to give you a mix of theory and practice in order to maximize the investment of your time.

- Definition stage overview: The OBQ tool
- OBQ exercise and debrief
- Structure stage overview: The use of hypotheses to take advantage of all that is known about the client by generating tentative conclusions
- Hypothesis exercise and debrief
- Writing overview with logic diagram exercise
- Writing exercise and debrief

Here's how the timing of the day breaks down into lectures and exercises.

Day	Time	Min	Topic
Tues	10:00 – 10:30	30	Consultative Selling – OBQ Tool
Tues	10:30 – 11:30	60	Consultative Selling – OBQ Exercise (15) & Debrief (45)
Tues	11:30 – 12:30	60	Lunch
Tues	12:30 – 12:50	20	Consultative Selling – Structure / Hypotheses
Tues	12:50 – 1:50	60	Consultative Selling – Hypotheses Exercise (30) and Debrief (30)
Tues	1:50 – 2:05	15	Break
Tues	2:05 – 2:50	45	Consultative Selling - Writing for Effect
Tues	2:50 – 3:25	35	Consultative Selling – Writing Exercise (15) and Debrief (20)
Tues	3:25 – 3:40	15	Break

Consultants use the issue-based technique as an analytical approach for the situation where the client perception of the problem is unstructured and the business solution unknown.



Note: The darker the quadrant shading, the more the issue-based technique is used.

There is value to both IBM and customers in approaching problems in this way.

- Value to IBM:

- Provides a common approach, language and process, worldwide
- Promotes intellectual rigor, and focuses the team on the most critical elements
- Leads to high client sat and profitability

- Value to customers:

- Ensures that the proposals are based on sound facts and findings, and are tied to the business value they seek
- Explicitly demonstrates the logic used, so they can sell the implementation ideas within their organization
- Allows teams to work efficiently and in a focused manner on their problem/opportunity

The issue-based technique helps consultants and sellers in many ways, other than just ‘problem solving.’

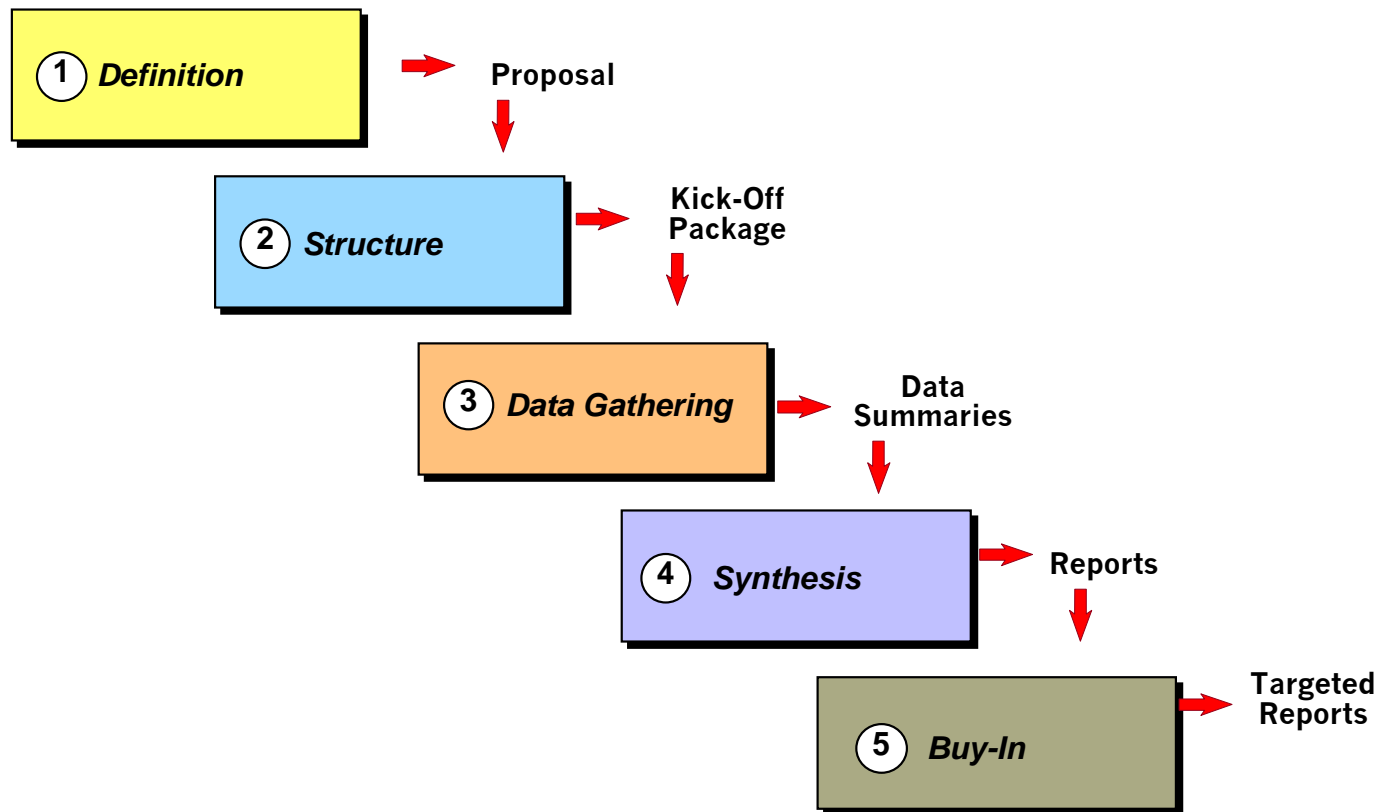
- **A problem-solving tool** that makes it possible to chunk big, complex problems into manageable bites
- **A way of thinking** that helps individuals and teams to clarify and structure their thoughts, work, and communication
- **A communication tool** that helps a consultant/sales team to convey the evolving compelling messages they are developing for the client

The best measure of the training is driving IBM business by improving client relationships; right after a three-day course held for client execs, one student realized significant business results.

Jamie Ross called on the CIO of Talbots a week after the class.

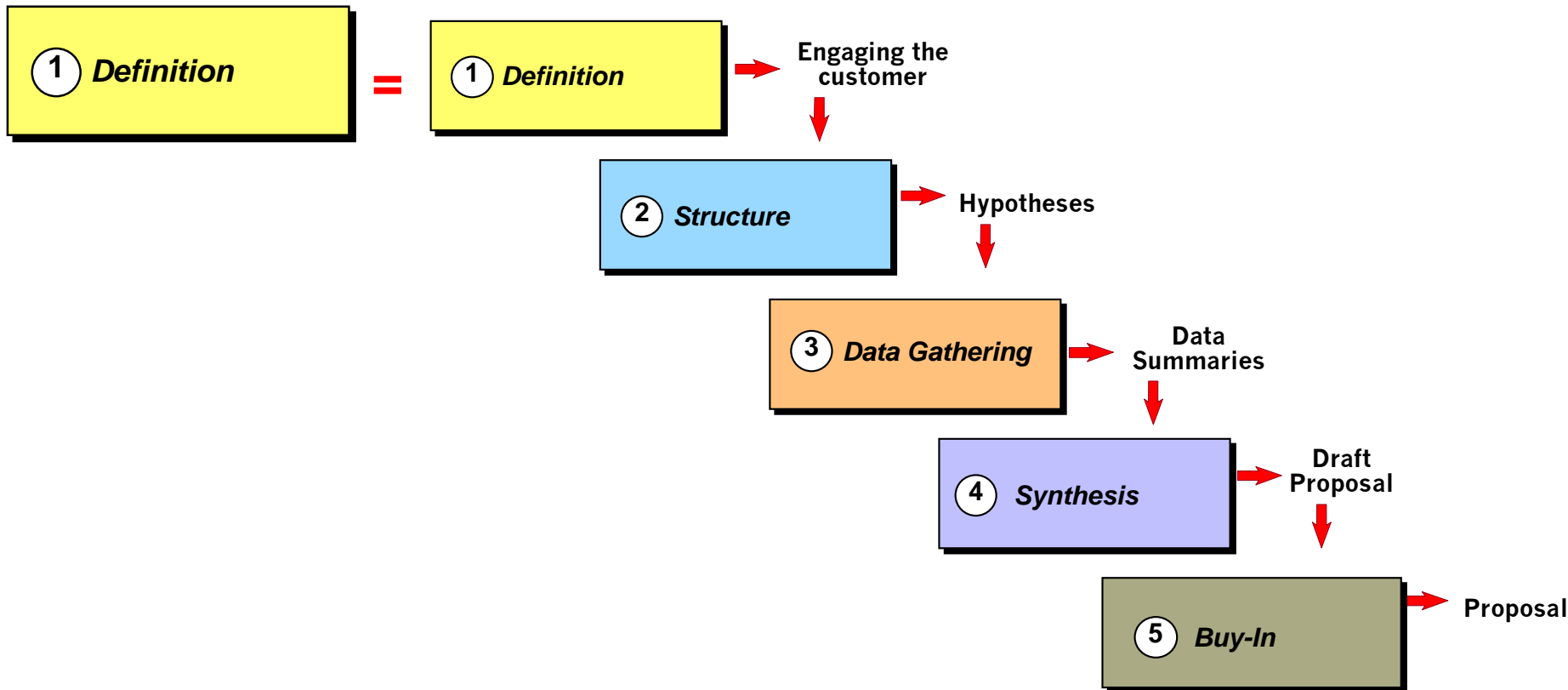
- **“I used a prepared document, based on the skills that I learned.. I presented the same information ("you are out of capacity Mr. Customer") and this same CIO, two weeks later said that what I told him totally made sense and that he now had a solid business case to not only upgrade that mainframe but to buy the additional ZIIP engines. He then told me that he wanted to nail down leasing arrangements to pull the POS into June of this year...this is a 9 MILLION dollar pull ahead that I should have been getting mid-2007.”**
- **“I presented the same data both times but with vastly different results. *What was the difference between the two calls? It was the consultative selling skills that I learned in that class.* I am not new to sales or the IBM method. I have been in sales for over 20 years, with IBM for 7. This course should be required for all S&D folks, it is that valuable.”**

The five-stage consulting process has its genesis with McKinsey Consulting and has evolved in its use with a number of consulting firms including IBM.



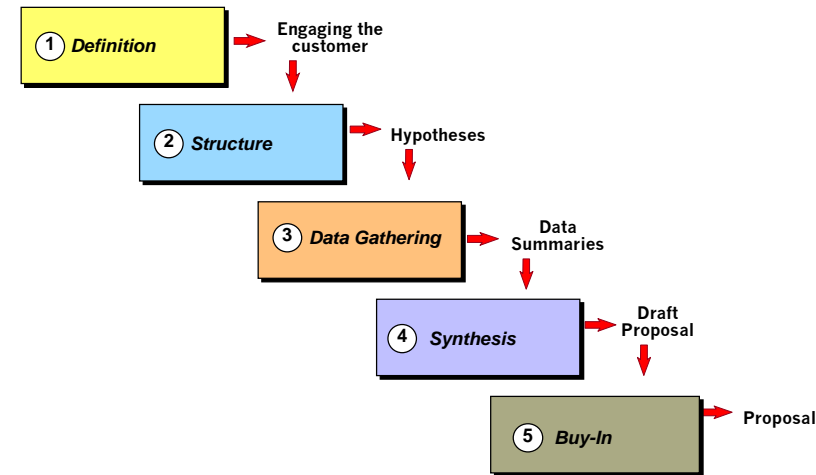
© SOE Inc. 2004. All Rights Reserved.

But the Definition Stage in itself involves a shorter iteration of all the stages to ensure that the resulting proposal meets the needs of the client and takes into account all that is known about those needs.



We will extract certain elements of the issue-based technique today, to help develop and enhance your consultative selling skills.

- Your need to be ‘wide and not too deep’ drives you to:
 - Make effective executive-level calls
 - Build trusted advisor relationships
 - Identify and work with key client sponsors
 - Execute consultative selling techniques



The purpose of the Definition stage is to start the discussion of what the client wants to have happen, and how an IBM solution can help, as well as to further the IBM-client relationship.

① *Definition*

- The Definition stage specifies the logical thought and communication processes used interactively with the client to frame IBM's commitment with the client. Linkages are done in this stage between the client's objective (what they want to have happen) and the solution you will deliver.
- Beyond the written legal commitments that the proposal will produce, this stage also helps both parties develop a sense of how it will be to work together, including mutual expectations about the relationship, communication styles, and other qualities of interacting.

Focus on the C-Level executive's interest and objective as you communicate the value of your solution.

CEO

- Increases Revenue, Profit, Market share & shareholder value
- Gains Competitive edge through Innovation
- Develops Business Strategy
- Enhances Customer Loyalty

CFO

- ROI & Cash Impact
- Overall Financial Goals
- Supports Strategy
- Addresses Compliance issues

CIO

- Supports Strategy
- Streamlines business Processes
- Enhances Company wide Productivity
- Align IT resources to support strategy

① Definition

OBQ helps us focus our thinking and define the key elements of the proposal.

① *Definition*

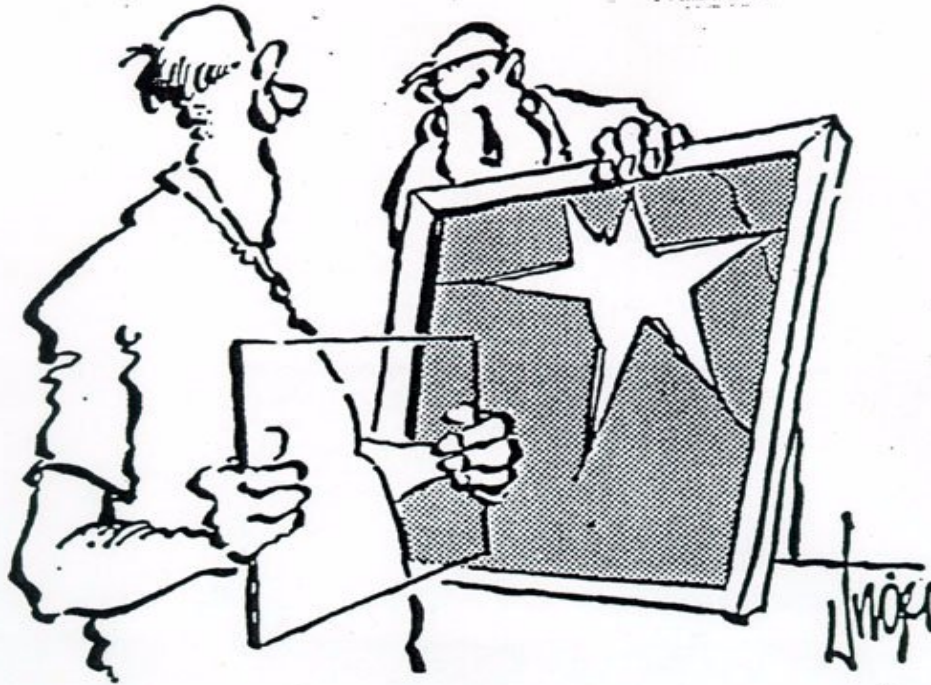
Objective: the client's objective, usually to resolve a problem or realize an opportunity

Barrier: the barrier or inhibitor to resolving the problem or realizing the opportunity (often a lack of expertise or resources)

Question: the critical question the seller asks, focused on overcoming the barrier to address the problem or opportunity. The question in statement form represents the **solution you are proposing.**

In addition, OBQ helps us to start where the client starts, but to not simply accept the problem definition at face value.

① *Definition*



“Can you cut me a star-shaped piece of glass to fit that hole?”

The "Q" in OBQ breaks down further into issues, or key areas of investigation.

① *Definition*

- **Objective:** Company X wants to manage server growth in a cost-effective manner
- **Barrier:** New locations in BRIC countries, with many servers in each, make this impossible for their current staff, and they can't afford to hire what's needed.
- **Question:** How can a software solution help me cost-effectively manage my server growth, especially considering the new locations?
- **The Question will break down into issues:**
 1. **Current software**
 2. **Proposed software solution**
 3. **Financial considerations**

Some common barriers that you might hear from System z clients will trigger the need for an IBM solution.

① *Definition*

- We don't have the resources to take on our major supply chain integration project
- Cost-cutting here has taken a toll on our resources
- I want to get off my competitive software, but can't afford to re-train all my staff
- It's impossible to keep track of server backups/tapes
- We can't afford to hire a staff of people to take care of multitudes of servers
- Our servers are underutilized
- We have no ability to provide capacity on demand
- Our Total Cost of Ownership is rising at an increasing rate
- Our disaster recovery costs and complexities are unbelievable

Source: Baldor Business Update, 2007 System z Summit

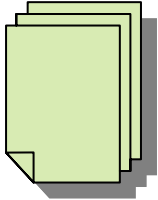
Now let's turn to the work you do directly, and try your hand at writing an OBQ.

① *Definition*



Objective: To turn theory into practice

Working in teams, identify the OBQ for a 'typical' situation you face



Deliverable: Client objective, barrier, question



Timing: 15 minutes, then we'll discuss

Let's turn now to the **Structure stage**, and the use of **hypotheses**.

- Definition stage overview: The OBQ tool
- OBQ exercise and debrief
- **Structure stage overview: The use of hypotheses to take advantage of all that is known about the client by generating tentative conclusions**
- Hypothesis exercise and debrief
- Writing overview with logic diagram exercise
- Writing exercise and debrief

Hypotheses, the next smaller element in the structure stage, can be useful to determine what information is available to you about your client and their needs, and what is already known.

② *Structure*

- Hypotheses: A tentative conclusion, phrased as an assertion, that comes from a variety of sources, including past experience, industry knowledge, methods, and subject matter expertise. Secondary sources for sellers include:
 - System z Analyst reports
 - CBV Summary Report
 - References
 - KnowledgeGate

We use hypotheses all the time in our lives, but usually automatically and without the rigor we want in our work with clients.

② *Structure*

- What is the definition of a hypothesis?
- How do hypotheses help us in day-to-day life?
- How do hypotheses help us in our consulting work?
- What characteristics do strong hypos have?
 - **Relevant** to the issue; provide new insights; if true, the hypo would help explain what's going on
 - **Specific** detailed enough to provide value and direction; not so general as to be “universal truisms” (e.g., some factors are more key than others)
 - **Testable** can be fully investigated within the time and resources available; avoid future tense wording as it is not possible to test the future
 - **Coverage** set of hypotheses is “necessary and sufficient” to completely answer the issue question

Let's look at some hypos from a consulting project to check how well the hypotheses address their associated issue.

② *Structure*

- Issue:

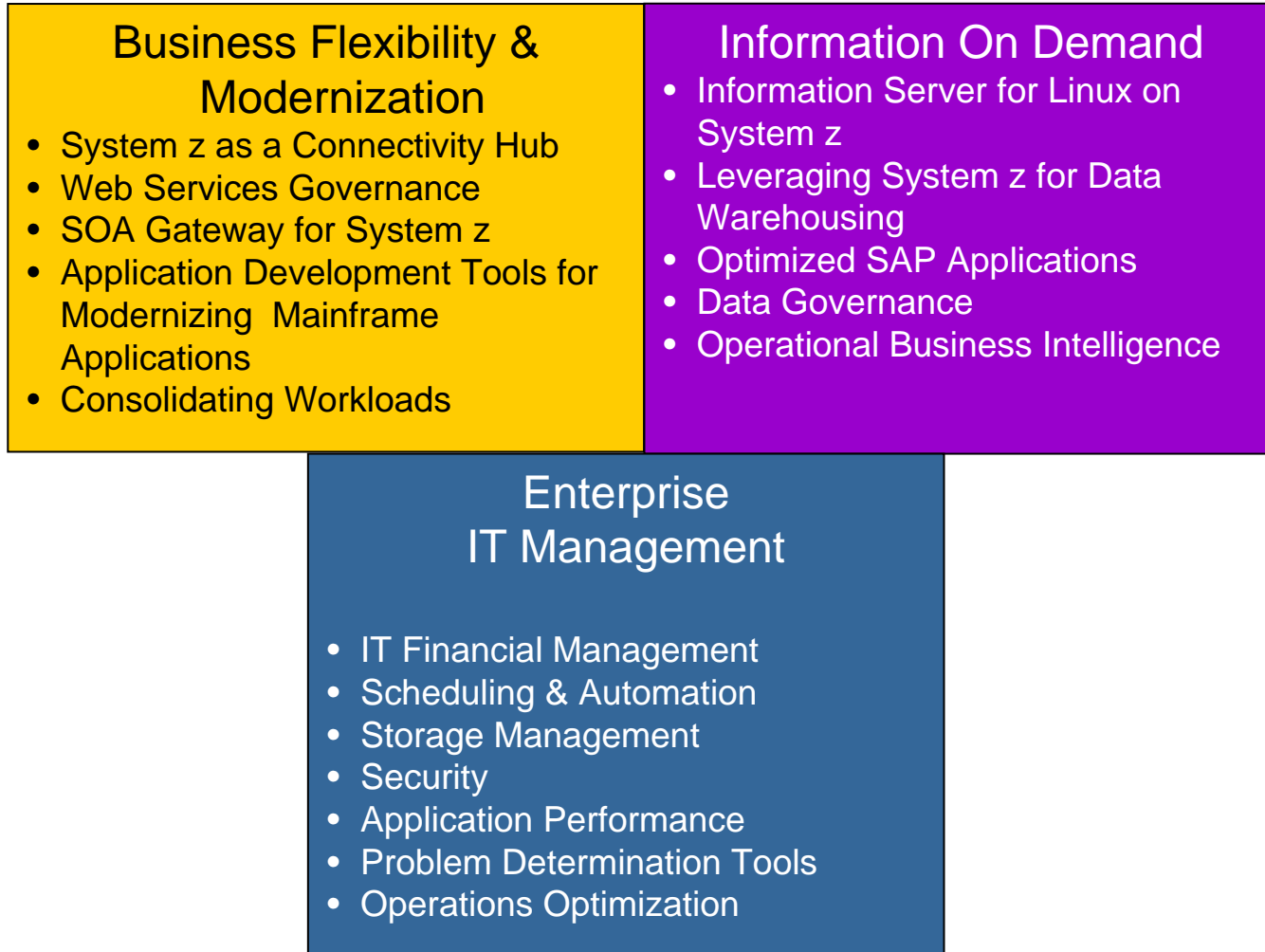
What criteria are most important to business travelers selecting a hotel?

- Hypos:

1. Spacious rooms with upgraded features, broadband access and premiere loyalty programs are features most desired by business travelers.
2. Business travelers will demand better hotel service in the future.
3. Vacation travelers prefer all-inclusive resorts by oceans or mountains by a 2-to-1 margin.
4. To grow revenue and profit, Canyon Sky Hotels must get itself included on corporate and travel agent preferred hotel lists.

Before working on hypotheses, let's break the work you do into the key plays of z Software.

② Structure



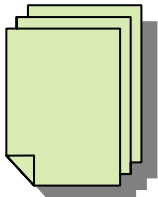
Let's now apply hypotheses writing to those key plays.

② *Structure*



Objective: To turn theory into practice

- Working in teams, identify a starter set of hypotheses for one of the key plays:
 1. Business Flexibility and Modernization,
 2. Information On Demand or
 3. Enterprise IT Management



Deliverable: A set of hypotheses for one of the plays



Timing: 30 minutes, then we'll discuss

The storyboard, where hypotheses become headlines, is the best tool to start developing the story of your proposal.

② *Structure*

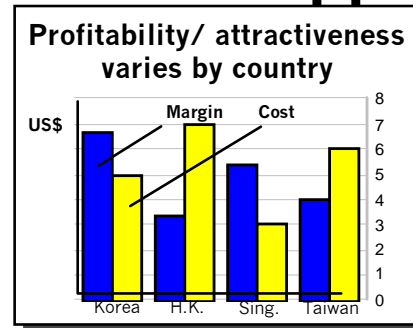
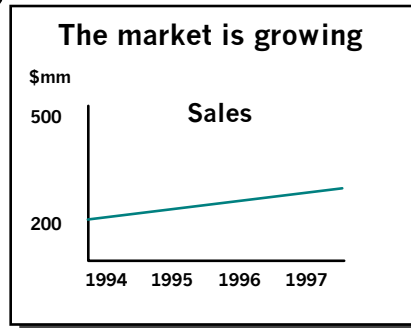
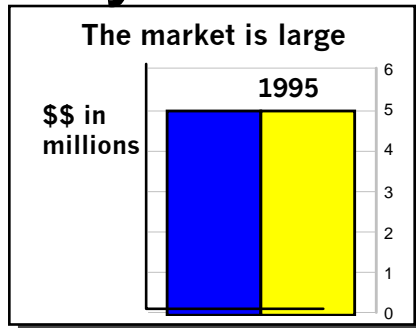
Storyboard

Set context	<table border="1"> <tr><th>Headline</th></tr> <tr><td> </td></tr> </table>	Headline		<table border="1"> <tr><th>Headline</th></tr> <tr><td> </td></tr> </table>	Headline		<table border="1"> <tr><th>Headline</th></tr> <tr><td> </td></tr> </table>	Headline				
Headline												
Headline												
Headline												
Issue 1	<table border="1"> <tr><th>Headline</th></tr> <tr><td> </td></tr> </table>	Headline		<table border="1"> <tr><th>Headline</th></tr> <tr><td> </td></tr> </table>	Headline		<table border="1"> <tr><th>Headline</th></tr> <tr><td> </td></tr> </table>	Headline		<table border="1"> <tr><th>Headline</th></tr> <tr><td> </td></tr> </table>	Headline	
Headline												
Headline												
Headline												
Headline												
Issue 2	<table border="1"> <tr><th>Headline</th></tr> <tr><td> </td></tr> </table>	Headline		<table border="1"> <tr><th>Headline</th></tr> <tr><td> </td></tr> </table>	Headline		<table border="1"> <tr><th>Headline</th></tr> <tr><td> </td></tr> </table>	Headline				
Headline												
Headline												
Headline												
Issue 3	<table border="1"> <tr><th>Headline</th></tr> <tr><td> </td></tr> </table>	Headline		<table border="1"> <tr><th>Headline</th></tr> <tr><td> </td></tr> </table>	Headline		<table border="1"> <tr><th>Headline</th></tr> <tr><td> </td></tr> </table>	Headline				
Headline												
Headline												
Headline												
Summary Next steps	<table border="1"> <tr><th>Headline</th></tr> <tr><td> </td></tr> </table>	Headline		<table border="1"> <tr><th>Headline</th></tr> <tr><td> </td></tr> </table>	Headline							
Headline												
Headline												

After drafting the headlines, think about what you'd need to see on the page to prove how or why that headline is true.

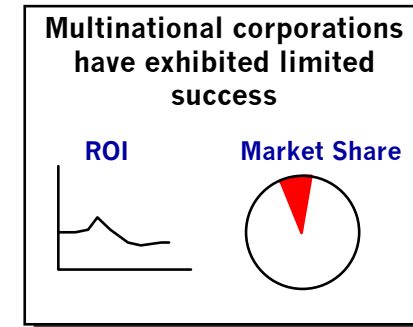
② Structure

Storyboard Pages With Place-Holder Support



- The competitive environment varies by country**
- Manufacturing, production, and local use requirements
 - Number of producers
 - Number of suppliers
 - Distribution networks

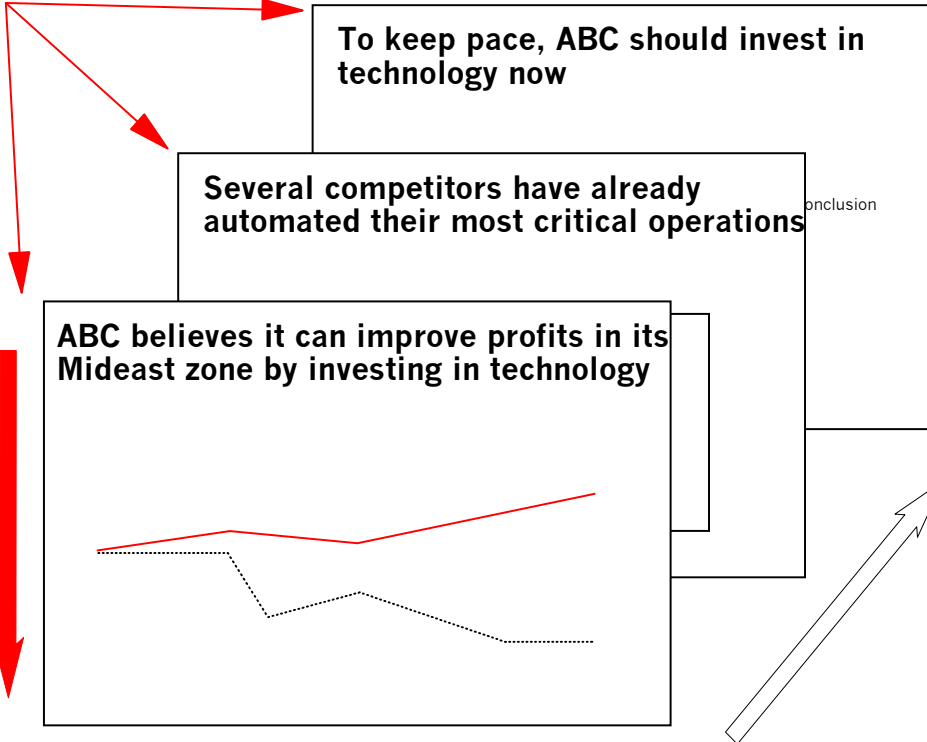
- Domestic producers have advantages**
- Captured suppliers
 - Controlled distribution



The prevailing IBM standard for client reports specifies landscape pages that demonstrate strong horizontal and vertical logic; this format lends itself well to a proposal or discussion document.

4 Synthesis

Landscape pages



Vertical Logic: the pyramid logic that structures powerful pages

Horizontal Logic: the internal logic that connects a headline to the one that preceded it and to the one that follows it

While each page tells its own key message, transition words in the headlines help the audience follow the horizontal logic flow.

4 Synthesis

Some Common Transitions

Continue

Also

First, Second

For Example

Furthermore

Moreover

Similarly

Contrast

But

Conversely

However

Nevertheless

On the contrary

Yet

Conclude

As a result

Consequently

In conclusion

Therefore

To sum up

Ultimately

Take a minute to order the following into a brief story, using the transition word clues.

Headline	Order of pages (1, 2, 3 etc.)
<p>To capitalize on this complex offshoring opportunity, we must develop a partner ecosystem that can address our clients' complex business and IT issues.</p>	
<p>Conversely, the offshore services market continues to grow, and represents a significant opportunity for IBM.</p>	
<p>In conclusion, prudent, targeted investment with key business partners will allow us to take advantage of the growth opportunity that faces us.</p>	
<p>Regional SI's and ISV's are a critical part of the ecosystem, as the mid-size companies are most likely to consider these local and regional service providers.</p>	
<p>The U.S. services market has stabilized, and moderate growth is projected for the next several years.</p>	

Let's turn now to the writing, using hypotheses as the first headlines.

- Definition stage overview: The OBQ tool
- OBQ exercise and debrief
- Structure stage overview: The use of hypotheses to take advantage of all that is known about the client by generating tentative conclusions
- Hypothesis exercise and debrief
- Writing overview with logic diagram exercise
- Writing exercise and debrief

Since our hypotheses are tentative conclusions, we need to ensure they are formulated on a base of solid facts and findings, and point the way toward a solid solution recommendation.

4 Synthesis

- **Facts** are individual data points, like annual sales revenue or profit margins by country. It is a fact that someone said something; even if they merely stated an opinion (for example, Manager A is unaware of the company's new mission statement).
- **Findings** are patterns or aggregations of facts, often obtained by math (for example, 45% of managers aren't aware of the company's new mission statement), rather than the use of judgment.
- **Conclusions** are usually business problems or opportunities, with a "so what" impact to the client. They are derived with creativity and insight. (For example, the lack of awareness among a large percentage of the management team has hindered the ability of the firm to achieve its goals.)
- **Recommendations** are like the prescriptions received from a doctor - they have two parts: the medicine, and the way the patient should take it (based on skills, timing, budget, and so forth).

To test your logic and understanding of the elements of data analysis, see how you do in building a logic diagram.

- Let's look together at some sentences that make up a logic diagram
- Take the sentences and determine which are:
 - Facts
 - Findings
 - Conclusions
 - Recommendations



- **Timing: 5 minutes**

The set up for this exercise is that it represents the results of a banana soda focus group.

A focus group was done for a small soft drink manufacturer, to evaluate the public response to a new banana soda. The following questions were among those asked:

1. What is your opinion of the soda's taste?

Excellent / Very Good / Good / Fair / Do not like

2. Would you buy this soda if it were available?

Yes / No / Not sure

3. If you said you would buy this soda, what would you be willing to pay, compared to national brands?

Would only buy for less / would only buy if it were comparable / willing to pay a more

4. Would you want this soda available in a diet version?

Yes / No

1. Q1 Respondent 1 said Excellent
2. Most respondents who would buy would want the price comparable to national brands.
3. Q1 Respondent 3 said Good
4. All positive respondents would want the soda in a diet version.
5. The banana soda would be a well-received product, if priced correctly and offered in both diet and regular versions.
6. Q2 Respondent 4 said No
7. You should offer the new banana soda, in both regular and diet versions, either priced competitively with national brands, or with coupon incentives to lower the initial price.
8. Q4 Respondent 4 said No
9. More than half of respondents would buy the soda if it were available.
10. Q4 Respondent 5 said Yes
11. 80% of focus group respondents reacted positively to the new soda.

Let's look at what the logic diagram from the "banana soda" exercise would look like.

RECOMMENDATION

You should offer the new banana soda, in both regular and diet versions, either priced competitively with national brands, or with coupon incentives to lower the initial price.

CONCLUSION

The banana soda would be a well received product, if priced correctly and offered in both diet and regular versions.

FINDINGS

80% of focus group respondents reacted positively to the new soda

More than half of respondents would buy the soda if it were available

Most respondents who would buy would want the price comparable to national brands

All positive respondents would want the soda in a diet version

FACTS

Q1 Soda Taste?

Q2 Would you buy?

Q3 Willing to pay?

Q4 Diet?

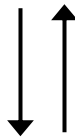
Let's consider a couple of questions we may be asked and their connection to the elements of the logic diagram.

4 *Synthesis*

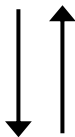
Recommendations



Conclusions



Findings



Facts

A headline is a full sentence that delivers the "so what?" message of the page, preferably at the conclusion or recommendation level.

4 *Synthesis*

- Conclusions or recommendations are most compelling
 - Business opportunities
 - Business challenges
 - Decisions or actions to be taken and rationale
- Facts or findings can be effective but be cautious
 - Effective if necessary to the logic and argument of the story
 - "Data dumps" indicate incomplete analysis
- Well written headlines make it easy for the audience to "come along" with the compelling logic and argument of your story

The audience should be able to understand the key messages of your story by reading through the pages at the headline level without having to 'see below' to the supporting data.

4 *Synthesis*

Each headline:

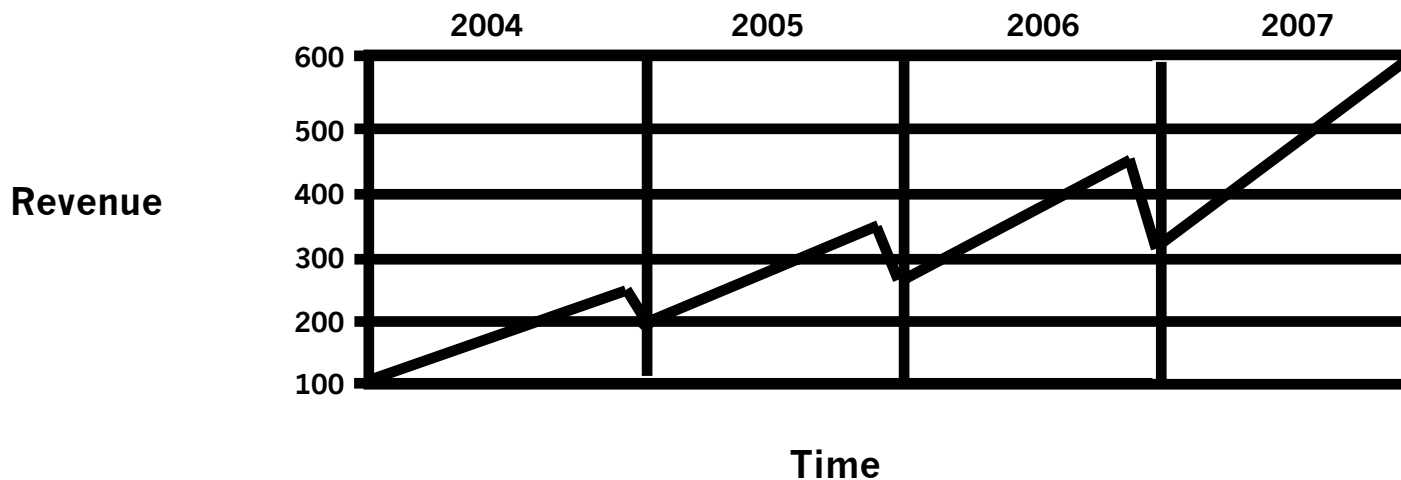
- tells a key message with a "so what" implication
- requires authors to know the "what" and "why" contribution of each page
- Has strong horizontal logic, including transition words, that builds an effective story
- allows time-constrained executives to easily understand your message

A good headline clearly conveys the author's intended message, rather than leaving it to the readers' interpretation of a graph, illustration or other supporting data.

4 Synthesis

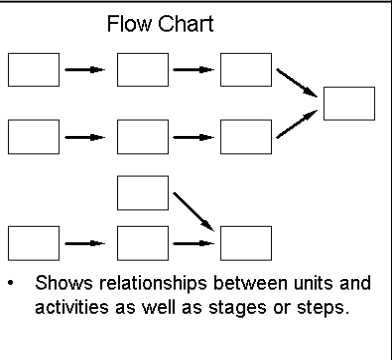
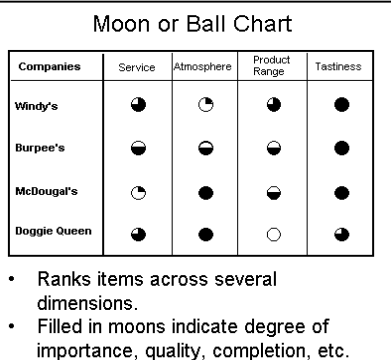
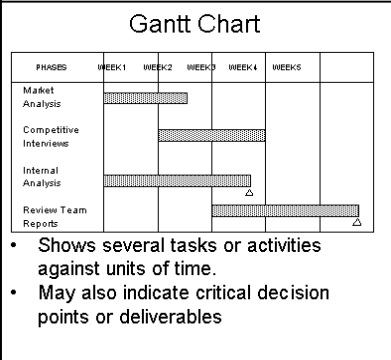
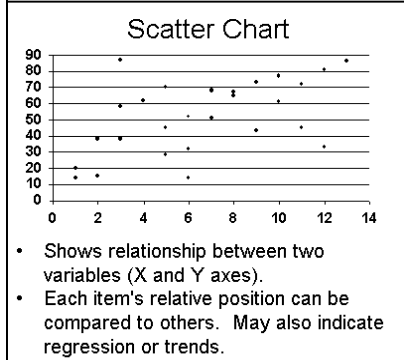
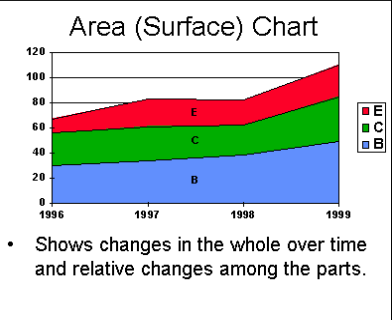
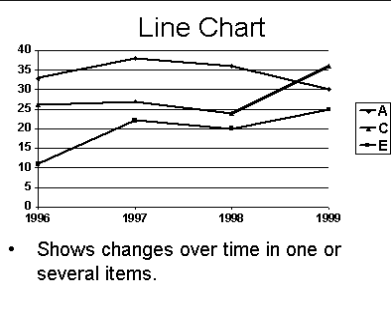
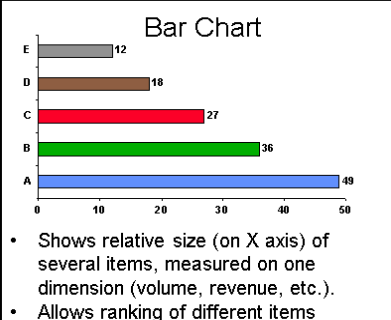
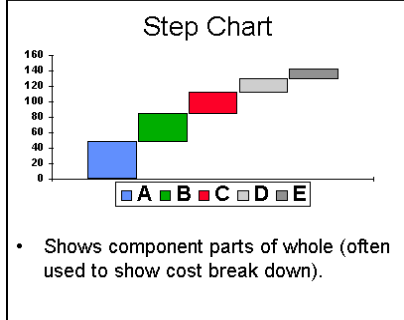
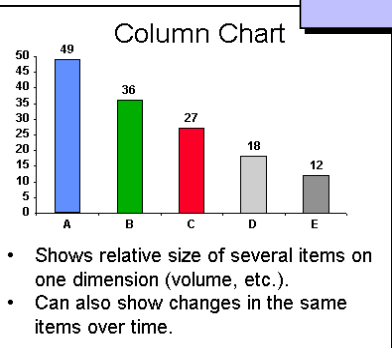
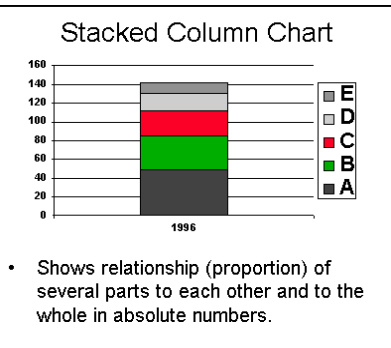
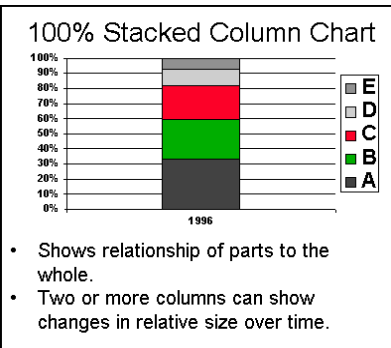
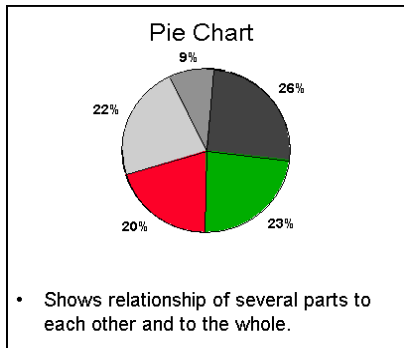
What are some possible headlines for this chart?

Monthly Revenue 2004-2007
(In US\$ Millions)



Knowing which graph types best convey which messages gives us guidance as we draft support.

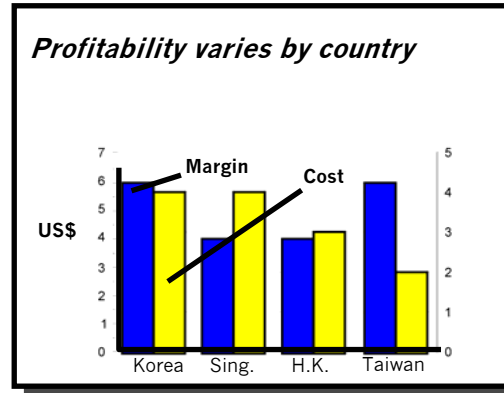
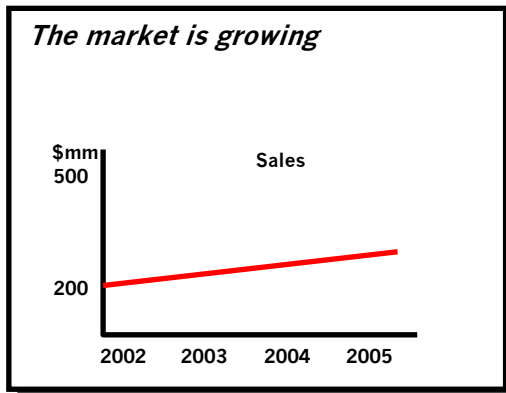
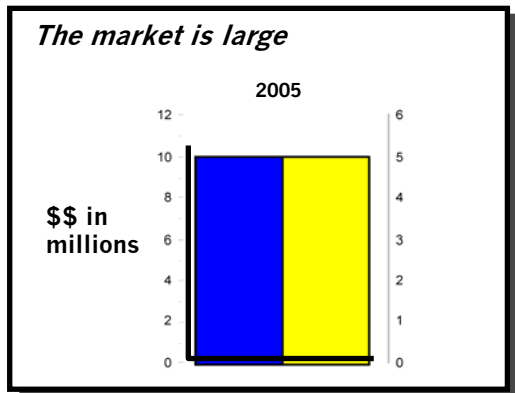
4 Synthesis



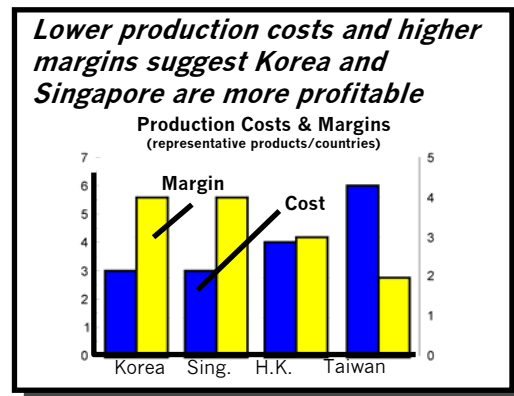
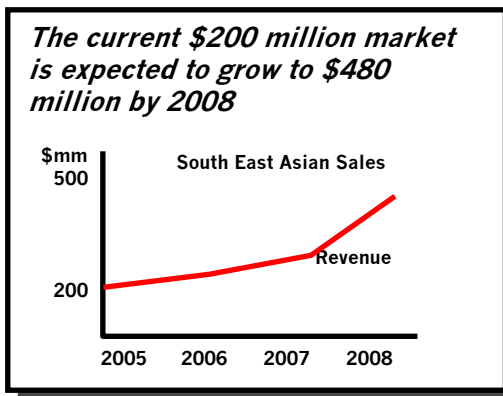
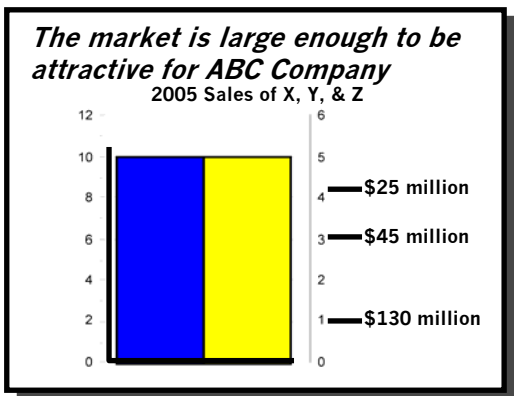
You modify and update the storyboard as you synthesize the data collected to prove your hypothesis headline.

4 Synthesis

Early version storyboard



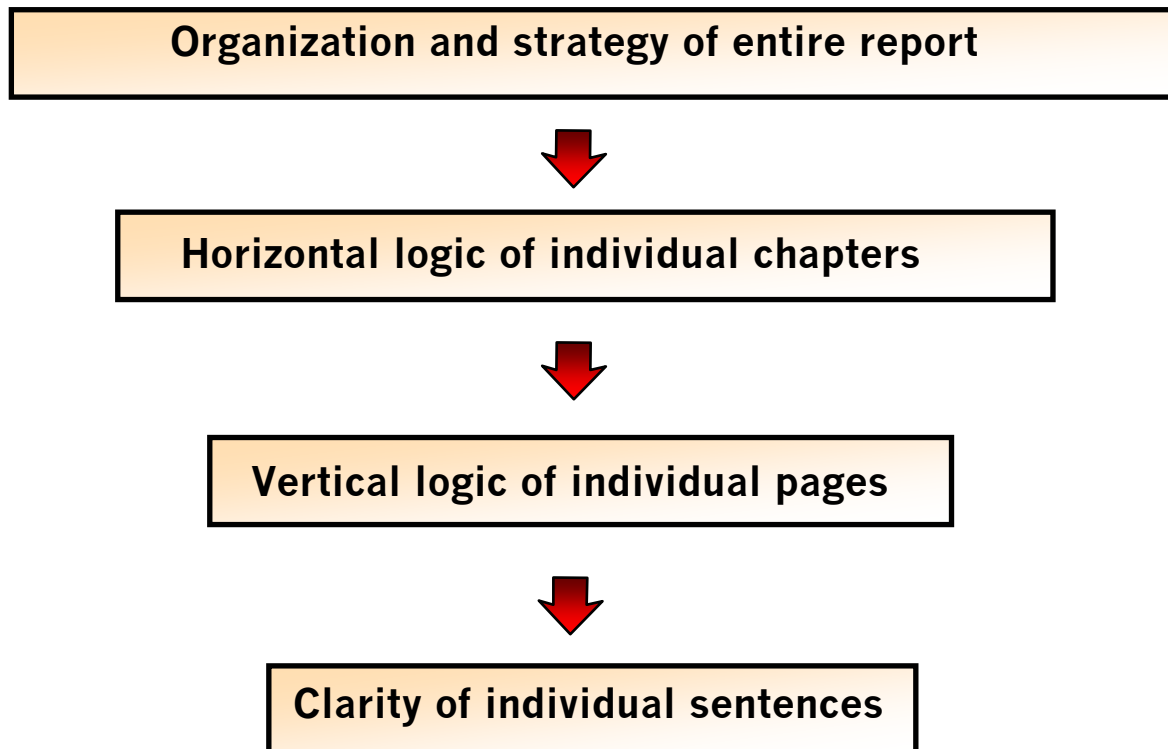
Later version storyboard



© SOE Inc. 2004. All Rights Reserved

Revising the evolving storyboard in stages is more efficient and produces higher quality results.

4 *Synthesis*



Use these questions to ensure the horizontal logic of your storyline has cohesion and follows a logical flow.

4

Synthesis

- Can you describe your proposal strategy? When do you plan to deliver the good news? The bad news?
- Have you set appropriate context?
- Are your headlines high impact "so what" conclusions, rather than just observations about data on the page?
- Do your transitions help the reader follow the story?
- Do your headlines flow logically and linguistically?
- Do you end with a summary and next steps?

Developed for IBM by SOE Inc. 2004

Use this checklist to check your vertical logic.

4 Synthesis

- Does the headline contain the most important idea on the page?
- Does the headline answer the question "so what"?
- Does the vertical support include what is "necessary and sufficient" to support the headline?
- Are bullets parallel in logic? Language?
- Does the exhibit support one message?
- Does the exhibit immediately relay its key message?

© SOE Inc. 2004. All Rights Reserved

Think "natural, clear, concise and relevant" to help avoid the most common pitfalls of business writing.

4 Synthesis

- Does your written language sound natural?
- Do you avoid unnecessary jargon?
- Do you use the active voice?
- Do you limit prepositional phrases and avoid extra words?
- Do you establish the appropriate tone?
- Do you emphasize the essential message?

© SOE Inc. 2004. All Rights Reserved

Let's take a look at some well-intentioned pages that fell short of their authors' communication goals.

4

Synthesis

- Is the headline message clear and compelling?
- Does the support (text or graphics) clearly depict how or why the headline is true?
- Is the key message of the page clear?

There are four major areas evaluated with each methodology

- In addition to organization, each methodology encompasses process, data, systems and tools
- These are the four corner stones or key elements of an effective mgmt system
- Once a business process is defined and understood, someone is assigned responsibility, and sets objectives
- Then procedures and tools are implemented to support the process
- Data is captured to support and manage the process.
- Now mgmt has the information necessary to control the business unit or process
- Our staff uses this model to assist in collecting only the necessary and relevant data while focusing on the process as a whole

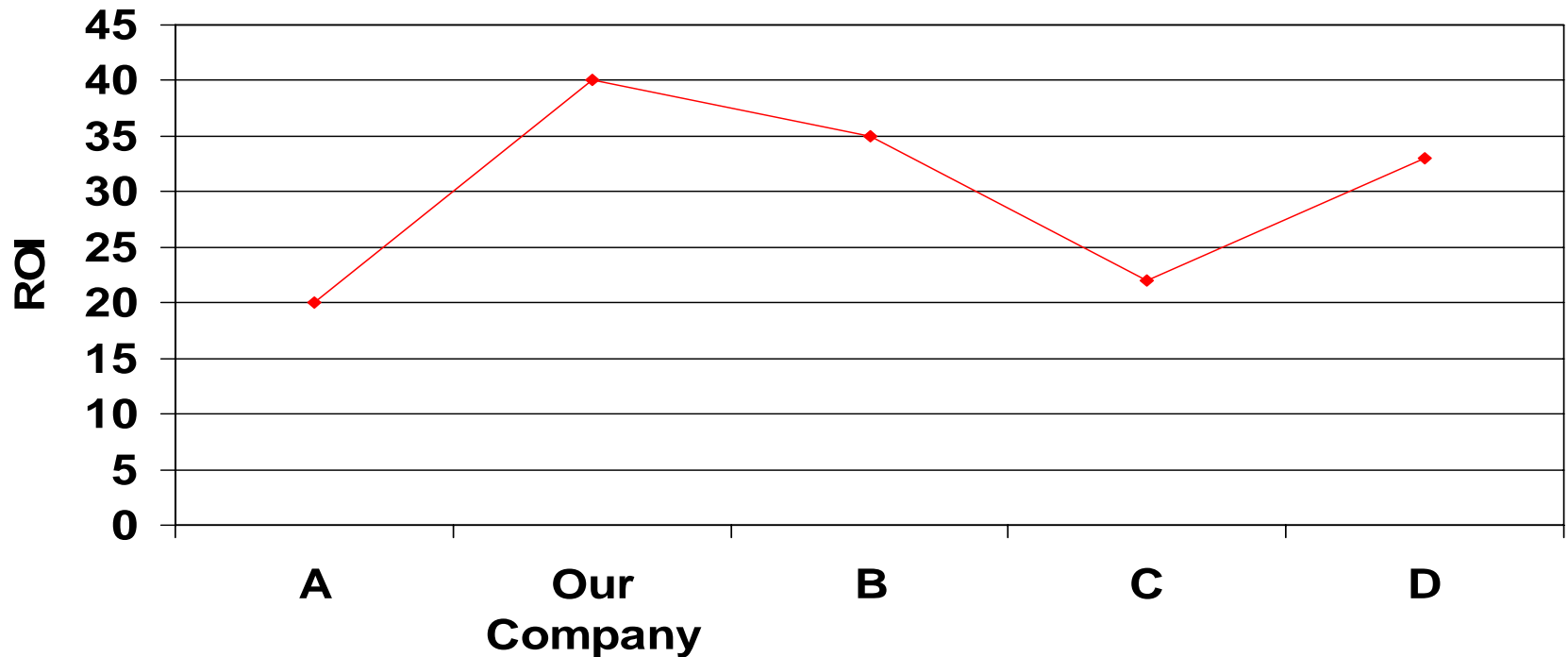
Use stories, humor, data.

- Know the points you want to make
- Use data
 - Avoid tables of data
 - Draw conclusions
- Stories can be very powerful
 - People enjoy stories
 - Personalize them
 - Make your point implicitly
- Use humor
 - Be prudent
 - Be relevant



Compared with our major competitors, we rank first in return on investment

Comparison of ROI by company



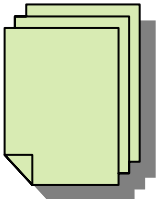
Source: "Say It With Charts", Gene Zelazny

Now let's turn back to your hypotheses and turn them into pages.



Objective: To turn theory into practice

Working with your previously developed hypotheses, 'mock up' pages that are vertically and horizontally logical.



Deliverable: 3-4 Powerpoint pages that tell a story and display strong vertical logic.



Timing: 15 minutes, then we'll discuss

Hopefully, this taste gives you a few hints and tips you can use; here are more ways to build your skills on this method of thinking and writing.

- **Global Blue Consulting – e-Learning course**
 - In a client simulation, using a ‘graphic novel’ interface, observe, and give guidance to, a team working on an engagement using the issue-based approach.
 - Learning@IBM course code BLG0214; No tuition

- **Consultative Skills and Action-Oriented Communication: 3 days**
 - In a client simulation, solve an unstructured problem, and, as a team, develop and present an interim report to the CEO of the client.
 - Learning@IBM course code 76767; Tuition: \$1835

I'll leave you with some references I've found useful.

Block, Peter, *Flawless Consulting*

Lanham, Richard, *Revising Business Prose*

Minto, Barbara, *The Pyramid Principle: Logic in Writing and Thinking*

Morrisey, Sechrest & Warman, *Loud and Clear-How to Prepare and Deliver Business and Technical Presentations*

Peoples, David, *Presentations Plus*

Strunk, William and White, E.B., *The Elements of Style*

Tufte, Edward, *The Visual Display of Quantitative Information*, *Envisioning Information*, *Visual Explanations*

Wainer, Howard, *Visual Revelations: Graphical Tales of Fate and Deception from Napoleon Bonaparte to Ross Perot*

Zelazny, G., *Say It with Charts*

Zelazny, G. *Say It with Presentations*