

## Two steps to trusted advisor status

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### Add more value for your customers

As markets get tougher, it is natural for suppliers to strive to add more value for their customers. This meets suppliers' needs to retain customers and defend margin, and it meets their customers' needs to focus on core business. From the customers' perspective, they are displacing some of their cost onto their suppliers.

Hence the ambition of all B2B companies is to develop their customer relationships to the stage where they have "trusted advisor" status – an ambition made more significant by the current economic climate. But how does a supplier evolve to become a trusted advisor to its customers? And is trusted supplier status really the ultimate goal?

In this article we argue that there are two key steps to becoming a trusted advisor to your customers. We describe how companies, or divisions within companies, tend to be in one of three different stages of selling, and we identify the two key steps to progress from stage 1 to stage 3, the trusted advisor. We conclude by suggesting that the real goal should be something beyond trusted supplier status.

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### The stage 1 company

Most companies start here: they have a good product; their people are product experts; they sell on the basis of product attributes and they sell to people that are looking to buy that product. Note that within the general term "product" we include services that are standardised and sold from a price list.

Take suppliers of business communications systems as an example. In the early days they had not yet coined the expression "business communications system" – it was called the PABX (Private Automatic Branch eXchange) – and they were firmly at stage 1. They sold on the basis of feature lists and price, and PABXs quickly became commoditised. As a consequence, the most successful salespeople realised they needed to change the basis of the sale.

The good salespeople realised that there are two massive problems with stage 1 selling:

1. You miss a large part of the potential market, because you are only selling to companies that have already identified they have a need for your product
2. The customer has already fixed their requirements, so selling becomes a case of matching your product's features as closely as possible to the customer's stated requirements, and it is much harder to influence the final decision



### Step 1

So the more advanced suppliers took the first step – they moved from a feature-led sale to a benefits-led sale. Companies taking this step work through the following analysis:

- What are the strongest features of our product?
- What business benefits do they provide to the customer?
- We will sell on the basis of these business benefits

To become what we are calling a stage 2 company requires a clear understanding of how product features deliver business benefits, and the value those benefits provide.

### The stage 2 company

In the stage 2 company, salespeople sell on the basis of business benefit. For example, business communications system salespeople promote the benefits of avoiding telephone tag by having a voicemail system, and of saving the time and cost of travel by using conferencing.

There is an immediate improvement because now a salesperson can generate opportunities rather than wait for customers to decide they need a new communications system. Good salespeople can show prospective customers how they could save money and therefore justify a purchase earlier. It is no longer a simple replacement purchase. Furthermore, salespeople have the opportunity to influence the customer's decision making criteria, because they are helping to establish those criteria. And, most important in a tough financial climate, the sale is linked to a business case so it is less likely to stall.



### Selling benefits is not enough

Many companies get stuck at this stage. They congratulate themselves for developing beyond the "box shifter" stage and concentrate on perfecting a benefits-led sales approach. But better companies have realised that this is not enough.

Although obviously better than stage 1, a company at this stage is still selling product features – it is just that the product features have been processed through a "features-to-benefits" translator. The business communications system salesperson selling the time saving benefits of voicemail is still talking about product benefits. The company is still thinking product, product, product.

But this is a necessary step to reach stage 3, because as soon as salespeople start talking with customers about business benefits two important factors are revealed:

1. Customers want the benefits you are offering, but unlike the vendor, they do not link the gaining of the benefit exclusively to the product. Customers see a wider set of different ways to gain the benefit. For example, to alleviate telephone tag they could set up a message desk, invest in a workplace wireless telephony solution, or buy their staff mobile phones. It is important for salespeople to realise there is a different set of competitors they need to position against. It is also a great step forward for product development, because they start to appreciate that they need to know about these alternative approaches and maybe even consider offering them. But it is not the ultimate goal.
2. The company starts to understand that delivering the benefit is just as important as delivering the product, so they start to see the need to surround the product with offerings that help customers achieve the full benefits; perhaps consultancy to analyse incoming call patterns and recommend how calls should be handled, or networking advice so that calls are routed cost-effectively. Some people refer to this as "selling a solution".

Selling the benefits is not enough on its own, so what's next?

### Step 2

Successful stage 2 companies recognise that they need to take another step; they need to evolve from product companies that talk product benefits to business consultants that address customers' business challenges. They need to sever that historically strong link between business challenge and product, and develop to the state where they can analyse a customer's business challenge and recommend the best solution, regardless of product.

This has some far-reaching ramifications. The company, and its sales and technical people, need to become truly expert in their chosen area of business. To take our example of the PABX vendor that became a Business Communications System supplier: they now need to become business communications experts. That requires a much broader set of skills and offerings, and before these can be developed the company needs to define the area of business it wants to address. Business Communications System supplier is nicely bounded by the functionality of the business communications system. Business communications expert is much less specific.

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The stage 2 company that can see these opportunities is ready for the second step. To take this step they need to:

- Decide what area(s) of business they wish to address – the definition should be a combination of business activity and market
- Broaden their skill base so they are truly experts in the chosen area of business
- Widen their set of offerings so they have a realistically broad set of products and services that cover customers' needs in this area of business
- Reinforce their partnering activity, because there will inevitably be gaps in their offerings that need to be filled by partners
- Change their measurement and reward systems to reflect their new strategy of delivering to customers the best solutions to their business problems. To cite a simple example, the company taking step 2 will reduce the emphasis on sales targets for specific products.

So you can see that taking step 2 is a good deal more demanding than step 1 – we are not just passing everyone's thoughts through a features-to-benefits translator. It starts to look more like a complete transformation of the business and the organisation that supports it.

### The stage 3 company

The stage 3 company is selling its expertise in a specific area of business so its customers are no longer buying products or even solutions, they are buying confidence – confidence, for example, that if they work with the stage 3 business communications company then they will have the best business communications systems, processes and strategies to meet their corporate objectives. Instead of making contact when they want to buy a new system, customers seek the advice of the stage 3 company. Salespeople have the opportunity to contribute to their customers' business development and shape their customers' needs. And they have the responsibility that goes with this. The stage 3 company has reached "trusted advisor" status, the ultimate goal of many sales-led companies.



### Is trusted advisor enough?

Most people have trusted advisors already: the doctor, the lawyer, the accountant. Are these good exemplars of the ultimate goal for a customer relationship? Probably not; these are experts you turn to when there is a problem. Your "purchase" from the doctor is usually a "grudge purchase". He or she fixes your problem, but you would rather not have had the problem.

Achieving trusted advisor status to a good proportion of your customers is a great position to be in, but it is not the pinnacle of sales achievement. Yes, customers seek your advice and value your guidance, but there is a danger that they only seek out the trusted advisor when they have a problem. So there must be something more.

### Where is your company?

We have described the evolution that many companies go through on the path to achieving trusted advisor status to their customers. From what we have described here, you may be able to estimate the position of your company or division. Of course, the position you occupy on this "sales maturity curve" will vary from one set of customers or market to the next, and if you are a large company, from one product line or division to the next. You can judge yourself by your position with the majority of customers, but remember, what we have called stage 3 is not a pre-requisite for success; we have met many, very successful stage 1 and stage 2 companies.

Trusted advisor status is the ultimate goal of many sales-led companies, but from our observations this is not the end-point on the sales journey. Future articles in this series will develop the theme of what comes after trusted advisor status.

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