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Question-Based Selling

By Michael Lovas, President
About People

How long have you worked in the financial industry? If it's more than five years, you've seen sales approaches come and go. Are they all just fads, or do they move us along a continuum of professional improvement? I say the latter. Tracking the approaches over the years, I've seen a distinct improvement.

The newest approaches are questions-based and take us a giant step in the right direction. They are called by various names, including: solution-focused selling, values-based selling, consultative selling and spin selling. The idea is, you ask questions, thereby showing that you want to help your client, rather than just try to make a sale. That's good. It takes us in the right direction. But, it's not enough.

All those approaches are flawed because they presuppose two things:

Presupposition #1. The problem is money-related. This is evidenced by the questions asked. A couple of perfect examples are: "What's most important about money to you? How would your life be different if money were not an issue? What money habits have been obstacles to reaching your life goals?" While those are good questions (when the problem is money-related), they're not very good questions when the problem is not money-related. Many of the problems experienced by high-net-worth people are not related to money. They might be related to character development in grandchildren, business exit strategies, divorce, charitable funding, or a hundred other issues that are not directly related to money.

Presupposition #2. The advisor has the answer. This manifests in two ways: 1) the advisor contends that his product is the perfect solution, even when it is not. Or, 2) the advisor wants to force the product to fit the situation. There is a glaring truth that comes to light here. Advisors who believe they have the answers are wrong. The best we can hope to have is the questions. The client actually does have the answers, and it's our job to help him self-discover those answers.

For the most part, the questions we've seen are pretty good, but mostly they are structured to set up a sale. They don't necessarily help the client do anything other than buy the product. What if the product is not in the client's best interest? Let's say it's an 80% match. Is that good enough? Can you be 80% ethical? **Here's an idea:** Why not just take the "selling" out of the formula and actually help the poor client in the absolute best way possible? This is the essence of trust, integrity and professionalism. It's also the heart of being client-centric. Isn't this the best reason to set up strategic alliances with other professionals? Approaching the client in any other way taunts the boundaries of ethics.

In the past few months I've spoken on "Communication Ethics" at two national conferences (IMCA and Merrill Lynch). After a while, it gets easier to spot the people who operate in the grey area of ethics. They're the ones who approach selling as though they live in a world of scarcity. They also seem to always be looking for new clients. If your own clients are not fiercely loyal, perhaps the way they experience you is different from how you experience yourself.

Let's look at an example. I enter your office looking for help with my finances. You ask me a series of questions about money and the safety of my investments. You show me that my portfolio is at risk. You ask, "What's the pay off for you when your financial security is exposed to risk?" You ask, "Do you want more safety, and if so, how much? How much are you willing to lose?"

Can you see where this goes? All the questions are pointing to a need for a “safe” product, perhaps a fixed annuity. Our conversation was going to end up there, no matter what answers I gave. In that scenario, you’re not serving me. You’re serving yourself by herding me toward your product. You’re pretending to be consultative, pretending to help me find the right solution for my specific situation. But, instead, you’re really manipulating me into your barn. It’s the equivalent of using guerrilla tactics to ambush the unsuspecting.

**Consultative Selling is a selling program.
It is not a consulting methodology.**

Let’s look at how you can jump from selling to helping. To truly help your clients by using a consultative approach, you have to learn how to listen in a totally different way. This is not easy. It’s like learning to inhale in a different way. It’s like relearning your golf swing. It is essentially taking an unconscious activity and bringing it into your consciousness, then changing how you do it. And, the rewards are amazing.

Most people think they’re listening to their clients, when they are actually listening to their own internal dialog, specifically three tape loops running in their minds. Those loops are judgment, defensiveness and fixability. Here’s how each one works:

Judgment. While the other person is talking, we begin to scrutinize. “This guy is an idiot. How did he even get a job, much less keep it? Look at that suit. He actually has a pocket protector in his coat pocket! I’ll be glad when he buys something and hits the road.”

What we’re doing when that tape is running is calculating how different the other person is from us. We’re using ourselves as the model of perfection and looking for the flaws in the other person. We learned that “center of the universe” thinking as babies and many people never learn how to stop doing it. When that tape is running we are unable to listen to the other person.

Defensiveness. We hold onto insecurities, unless we’ve done a great deal of transformational work on ourselves, taken a lot of self-development classes, engaged in on-going coaching. There are areas of perceived weakness in us that we don’t want other people to see. When someone mentions one of our sensitive points, we get defensive. When a prospect mentions one, even if he’s not talking about us, we think he’s talking in metaphor and has seen our flaw. Then, we get even more scared because we think, if the prospect can see this flaw, then he is significantly smarter than we are.

When that tape is running, we’re using ourselves as the model of imperfection and looking for clues that the other person can see through us. When that tape is running we are unable to listen to the other person.

Fixability. This is the act of wanting to fix the problem expressed. In personal situations, we want to jump in and give advice to fix the problem. In professional situations, we want to sell our products to the other person. Just as all roads lead to Rome, all problems can be fixed by our products. This tape presupposes that we have the answers. No matter what the questions, we have the answers. No matter what the problems, we have the answers.

Of course, we’re totally and completely wrong about that. We don’t have answers. The best we can possibly have is the right questions. Only the other person has the answers. The best we can do is help the other person self-discover those answers. When our Fixability tape is running, we’re narrow-minded and short-sighted.

Ever talk with someone who wanted to save you or convert you or convince you? Nothing you could say would convince that other person that you didn’t need his brand of fixability. That’s what’s going on in our minds when we seek to fix. Of course, what’s not going on is running is listening. When all we see are our brand of fix, we are not able to listen to the other person.

The point. If you engage in any of those three tape loops, you are not listening to your clients, prospects, family members and friends. Instead, you’re listening to yourself. The sad part of this is

that the one thing nearly all people crave is to be heard, to be simply listened to. When people come into your life, they want to know that you will drop your own agenda and listen to them. People don't normally understand that their problems are typical, that many people have the same problems. They think that their pain, their concern, their situation is happening only to them. Thus, they feel alone, cut off from the rest of humanity. When you, then, fall into one of the three tape loops, you too isolate them.

If you want to help, you must learn to turn off the tape loops. You must interrupt them. Until you do, you won't be able to help people in the way that most really need. When you are unable to listen to people, a multitude of awful things happen simultaneously:

1. You prove that you're a one-trick pony with no creative thoughts.
2. You cut off any chance of tapping into your intuition.
3. You obliterate any possibility of finding an out-of-the-box solution.
4. You restrict your own trustworthiness.
5. You eventually wonder why you get no satisfaction from your personal and professional relationships.

There are several simple keys to listening in such a way that eliminates that awful list. In my next article, I'll go deeper into the art and science of listening. I'll explain how you can easily switch into a true listening mode. However, I will leave you now with one hint. Your ability to listen is directly linked to your ability to "read" the person in front of you.

I'll be teaching these consultative listening skills in February. Want to join me?

When:

Thursday & Friday, February 3-4, 2005
(Thursday 8:30am – 4:30pm , Friday 8:30am – Noon)

Where:

Beautiful Denver, Colorado
(Exact location to be determined)

Tuition:

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