Best Practices – Needs Assessment

BELLWETHER FOOD GROUP, Inc.

February 2012

This is the third article in a series of five around a more effective sales process, something that many manufacturers are not taking advantage of today.

Needs Assessment Principles & Protocol
A needs assessment interview is a meeting where the entire focus is on the customer, their business, and their business needs. In an effective needs assessment interview, the sales person doesn't talk about their company, their products, their capabilities, or potential solutions to the needs of the customer. The entire goal is to collect information about the customer and their issues – NOT to talk about your company or to offer products. That comes later in the sales process.

Typical behavior is to ask a question or two, and continue with the capabilities presentation or talking about your products. This alienates the customer in the first two minutes. If that happens, you will never get the insights, information or develop the trust that others will.

The needs assessment approach is a significant shift from traditional or legacy sales processes that are based on telling the customer about the features and benefits of your products, or why your products are better than the competition. And for many career sales people and their managers, it might at first seem counter-intuitive.

What causes most sales proposals to falter is a poor or incomplete understanding of the ***customer's*** organization, politics, constraints, and priorities. As a result, the proposal misses the mark, addresses the wrong issues, or speaks to the wrong stakeholders.

Four Elements of the Needs Assessment Interview
The needs assessment interview is comprised of four basic elements, all designed to get to the true needs of your customer or prospect. They are:

- Spending time with your customer to ***understand their needs***
- Gathering as much information as possible to understand what a legitimate chance of success is at this time
- Listening — not talking about your brand, company, solutions, or capabilities
- Finding opportunities on which to capitalize in the future

Strategy of the Needs Assessment Conversation

The strategy is to get the other person to think about and share what is on their mind – the truth. Only when you are addressing the right topic will your ideas be received. Otherwise, you run the risk of getting a negative reaction to:

- A perceived or actual sales pitch
- Pressure to do something against their will
- An expectation of doing something they are not qualified to do (selling up within the organization) or that could be politically risky to them
- Products or solutions that don't fit with their organizational goals or culture
- Something they don't understand
- Something in which they simply aren't interested or don't have the authority to act on

When you take a needs assessment approach, one of the first things a customer or prospect will notice is that you are much different than the other sales people they have encountered.

Your actions, including information gathering and genuine listening, demonstrate you are willing to invest in what is important to them. You become a potential resource, someone who is a listener and a problem solver, not an aggressive nuisance. By demonstrating your desire to understand their needs, two things happen:

- You begin to find out the ***real issues*** and ***their definition*** of success.
- You start to gain insights for your own benefit, so you can determine very quickly how much energy and time to invest in this opportunity.

The needs assessment interview involves getting permission to ask questions. This demonstrates respect, allows you to set the tone and expectations for the discussion, and immediately lets the other person know you really intend to listen to them. Over time, you develop a relationship built on trust, which leads to the truth and what really matters to them. Then, and only then, can you build solid business opportunities if there is a match between what you can offer and what they need.

At first, your instincts might be that the needs assessment process might add time and effort to the sales cycle. In fact, it is just the opposite — the sales process gets shorter because all you are focused on are the immediate needs and issues of your customers.

Guidelines for a Needs Assessment Interview
The word “interview” is important. The goal is get the other person’s perspective, what they know (or don’t), how they see the situation, the role they will play (or not) in the actual decision- making process, and what success “looks like” to them.

The mindset one must have is one of gathering insight, perspective, and information versus persuasion or influence. 80 percent of communication is nonverbal, including body language and the emotional tone of the discussion. In conducting a needs assessment interview, use these guidelines:

- Make the discussion all about them
- Begin with a long view then drill down based on where the customer takes you
- Err on the side of wide-open questions
- Take notes or pretend to (*bring the blank note pad and pen)*
- Use silence. If they pause after a question, that means they are thinking – don’t interrupt that by talking
- Follow your interpretations of the customer’s answers
- Never assume – ask if you do not understand something. It might be a critical decision factor, and the customer doesn’t expect you to know everything about their business – how could you?
- Use the 80-20 rule – they talk 80% of the time
- Keep the discussion adult-to-adult – don’t try to make them happy, or appease them if they aren’t
- Stay on their level – not too fast, slick, or polished

The 80-20 Rule
The 80-20 rule is an effective way to think about conducting needs assessment interviews. You want the customer to do 80 percent of the talking and limit yourself to 20 percent. If you can stay within that threshold, most of the time you will get the insight you need in the first meeting to easily determine what to do and, more importantly, what ***not*** to do next.

You will find that many customers simply are not accustomed to actually having someone really listen to them.

The key is to really listen and prove that you are listening. That can be accomplished by:

- Not interrupting or jumping in with a solution
- Summarizing and clarifying what you have heard

- Taking notes when appropriate
- Using silence to let the other person process what they have heard

Listening is a powerful skill that can have major implications to a sales strategy. Immediately, you can expect to notice some differences from a typical sales call, such as:

- Customers will be more receptive to you
- You will identify opportunities that did not exist before
- You will realize some existing opportunities are not a good fit
- You will learn much more about each customer, faster

When you ask the customer or prospect for help, clarity, or more details – provided you are sincere and they sense that – they will help you almost every time. If they won't, that is telling as well.

The most important point to remember in this conversation is that you can't behave like a typical sales person focused only on what is important to you. Your focus and behavior must be on truly understanding the other person's needs, issues, priorities, and concerns. When they see that you really are interested is when the information flow begins.

Sincerity, Venting, and Truth

If the approach of conducting the needs assessment interview is done well, the customer will transition through three distinct phases — sincerity, venting and truth.

Sincerity

This is the first phase when the other person is thinking subconsciously that this discussion is going to be like most other sales conversations, based on their own life experience. (*When is the pitch coming?)*

They are expecting the interruptions and, at this point, not even considering the possibility that you are going to listen to them. That's because few other sales people do.

On a sales call, this is when you get cost questions or some other behavior or tactic designed to end the conversation. This is a version of the flight or fight syndrome — bodily changes and behaviors designed to minimize the perceived threat which in this case is sales pressure.

This sincerity phase is the most critical as this is when the defense mechanisms begin to loosen up. Expect about 10-20 minutes of demonstrating sincerity before moving on to the next phase.

Venting
In this phase the other person begins to believe they can let their guard down and the real information and insights begin to flow.

This is another place in the discussion where you might be tempted to jump in with a solution or some advice. Don't! You will cut off the flow of information and, worse, their thought process, and you will prove to them that you won't listen.

A normal range of expectations is that this phase takes 10-20 minutes, although we have had this phase take as long as 30 minutes.

Truth
Finally, after the other phases, you tend to get the real truth and what's really important to the other person at the end of the conversation. There are a couple of reasons why this takes time.

First, the other person must process whatever issues they have to get to some resolution. Most people need a period of time without interruption to let their minds work. Second, the privilege of having someone actually listen is, for many, quite therapeutic.

After someone has spoken their mind, most people tend to relax. That can be a major advantage for your sales person in understanding the truth about this person's beliefs. While the truth might not be the answer you hoped for, at least you have the truth — or this person's vision of it.

Two additional articles will be a follow up to this one, each fashioned around the principles in "Silent Selling, Listening For the Sounds of Success". These subsequent articles will cover these separate topics in great detail — Account Penetration and Talent Assessment.

Founded in 2007, Bellwether Food Group is best known for our growth strategy and professional sales skill development work for manufacturers, restaurant brand architecture work for Chain Restaurants, and pre-acquisition due diligence work for private equity firms who invest in those industries.

"Silent Selling, Listening for The Sounds of Success", is Mac Brand's book describing our unique approach to sales. See more on our website: www.bellwetherfoodgroup.com

Mac Brand;	mbrand@bellwetherfoodgroup.com;	773-348-8420
Rob Hardy;	rhardy@bellwetherfoodgroup.com;	617-281-5175
Jon Jameson;	jjameson@bellwetherfoodgroup.com;	843-422-4285