

Strategic Initiatives

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Discover.

Analyze.

Strategize.

Implement.

Measure.

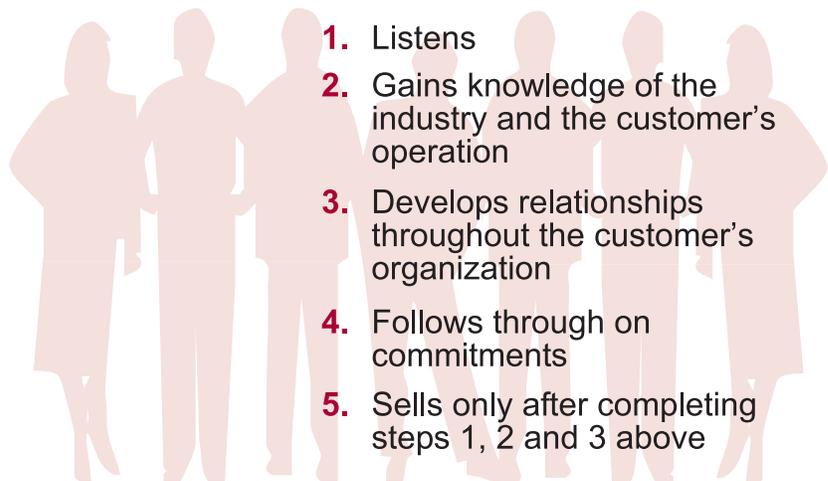
Needs Assessment Interview

Understanding What Is Important to the Customer

Chain restaurants are operating in an increasingly competitive market driven by slowing industry growth, markets crowded with rival chains and changing consumer demographics and lifestyles. Best-in-class foodservice suppliers are responding by developing a focused and disciplined sales force to meet the needs of each priority customer. Yet, one tool that suppliers have not developed is the simple, yet extremely important practice of assessing the needs of each of these customers.

Understanding customer needs is clearly a subject that is given a lot of dialogue and discussion within supplier organizations. Yet, the clear consensus among the many chain and independent operators we have spoken to in the past six months is that most sales organizations simply do not have the skills or invest the time required to understand what is really important to their key customers. →

Key Attributes of a Successful Sales Person



1. Listens
2. Gains knowledge of the industry and the customer's operation
3. Develops relationships throughout the customer's organization
4. Follows through on commitments
5. Sells only after completing steps 1, 2 and 3 above

Source: The Hale Group, Ltd.

The Hale Group recently completed a pilot program with a large, successful, and respected multi-national foodservice organization. One of the key learnings from participating in sales calls with this already accomplished sales team was that there was much more to learn about their customers, and many more sales opportunities within existing accounts than most thought possible.

Two key learnings emerged from this work:

- 1. Customers will spend more time with a sales person** when they are convinced the sales person has invested the time and energy to prepare for the meeting by researching the organization, formulating thoughtful questions and being committed to listening.
- 2. The most successful sales performers attained the greatest results when their success was measured by gaining new business within existing customers and gaining entirely new customers.** This group excelled in learning new skills, obtaining new accounts, and improving penetration rates within existing customers. As a result, the strongest performers were the most ardent advocates of the new process.

The Needs Assessment Interview

The concept and practice of a “needs assessment interview” is relatively uncommon in foodservice today, unlike other industries. Recently, The Hale Group asked a group of 30 national chain operators (marketing, R&D and purchasing) what characteristics and behaviors the most successful sales people demonstrate. We heard five things:

- Listen
- Know the business and my restaurants
- Have relationships throughout the organization
- Follow through on what they say they will do
- Do the first three things before they try to sell anything

Most operators indicated that very few suppliers are prepared to ask good, thorough questions in order to learn about their priorities, issues and challenges. The most surprising insight was that many operators reported that sales people from respected organizations call on them without having been in their restaurant(s) or viewed their website!

Underutilized Tools

The two most underutilized tools in gathering information about a customer:

Listening
and
Silence

Source: The Hale Group, Ltd.

The reasons the needs assessment interview is important and has proven to be successful are:

- The goal is to get customers to think about their business out loud, *versus* reacting to a sales pitch or someone asking them to do something
- The process differentiates an organization from almost every other supplier, and repositions the organization as a resource for the customer
- As the customer begins to focus on the subject of the discussion, the chances of getting the truth increase significantly versus defensive or quick answers designed to end the discussion
- The customer starts talking about what is important to him or her and provides the opportunity for the sales person to develop the “right” solution, product or service

The Process

The needs assessment interview process is designed to be more of an interview rather than a traditional sales call. It requires the sales organization to take a more thoughtful approach to the discussion with the customer. Therefore, there are tactics that facilitate the process / interview:

- Prepare investigative questions
- Be knowledgeable about the customer and industry environment
- Be willing to ask for permission to ask questions and take notes
- Demonstrate excellent listening skills and use of silence
- Summarize verbally what was heard in the meeting and ask the customer to validate it
- Be willing to ask the customer for his or her agreement to ask questions at a later date for further clarification
- Make a commitment to think about what was heard, put time into developing ideas to help, and follow up with next steps

It is NEVER appropriate to OFFER SOLUTIONS during a needs assessment discussion. If a solution is offered, the conversation shifts away from what is important to the customer and is perceived as an interruption. In addition, the guidelines of the meeting have been violated and the customer or prospect will be less trusting and less willing to grant future meetings.

The Questions

To begin thinking about how to use this process, we offer the following fundamental questions to start your own thinking. We encourage mixing and matching these elements to obtain the insight you need from a customer meeting.

Questions can be framed with these phrases:

- “Could you help me understand more about . . .?”
- “What else do I need to understand about . . .?”
- “Would you be willing to share with me . . .?”
- “As I recall, we talked about . . . Has your view of that changed since we last spoke? How so?”
- “Would you be open to the idea of a discussion about . . .?”
- “What are some of the factors / pressures that I, as an outsider, might not see or understand?”
- “What advice would you recommend on how to move forward?”

Meetings about a specific issue or a particular goal can benefit from these types of questions.

- “It feels to me like the recipe / product / supplier is something you are very proud of (or works for you). Can you help me understand more about why it works best for you?” →

Cardinal Rule

NEVER offer a solution in a needs assessment interview.

1. It is the **same as interrupting**
2. A solution offered immediately **shifts the conversation** away from a discussion about what is important to the customer
3. The **guidelines of the interview** (to learn and listen) **are violated**

Source: The Hale Group, Ltd.

- “Could you provide insight into how the scratch recipe (or a product) is impacted by your operating philosophy, approach or the environment?”
- “In the past, how have you decided on a product / service, or what factors influenced your decision?”
- “When you think about the best suppliers you have worked with, what are the characteristics that make them stand out in your mind?”
- “What could our organization learn from the best suppliers you have worked with?”
- “What are the one or two things you think we need to better understand about your operations or the realities of your environment or the issues you deal with that we might not see?”
- “Could you help me understand how your operation measures success and the pressures that result from trying to meet those standards?”
- “Could you give me some insight about . . . and where does that rank on your priority list?”

In every case, remain silent after asking a question.

What to Expect

Conducting needs assessments interviews takes time and commitment, but the benefits are rewarding for both the sales organization and the customer. The results you can expect to see after implementing this process include:

- The sales team is focused and engaged in the process with the customer
- Stronger customer relationships are formed
- Customers begin to trust and depend on the sales organization as a valuable resource *versus* just a product or service
- Decisions on time and resource investments become easier because they can be evaluated based on “facts”

- Sales success rates increase due to early identification of the appropriate mix of products and services needed to exceed customers’ expectations
- Customers’ perceptions of the sales organization improves and raises the bar for the competition

The success of the needs assessment interview process requires the support of and reinforcement from senior management on an ongoing basis. The process must not be treated as a one-time training “event.” Instead, a long-term change in the sales approach must occur.

About The Hale Group

The Hale Group is a consulting and advisory partner assisting companies develop fact-based strategies to contend with an evolving landscape. The underlying philosophy of the firm’s efforts on behalf of its clients, and in collaboration with them, is to formulate strategies that enable clients to break through the market clutter and identify platforms for growth.

The Hale Group has developed proven processes and tools to help organizations gain perspective on the opportunities and challenges within an industry. The level of The Hale Group’s participation can take many forms from addressing the overall process or an individual part of the process. However, in whatever capacity we participate, the desired outcome is for our clients to be successful.

Our products and services include:

- Strategy
- Organizational Effectiveness
- Market Research
- Operating Efficiencies
- Opportunity Analysis
- Mergers & Acquisitions

For more information about The Hale Group or to view other Strategic Initiative articles, visit our website at www.halegroup.com or call us at 978.777.9077 (Boston) or 415.285.3616 (San Francisco).