# MBA M750 – Consultative Selling
## Fall 2019 Course Outline
## Marketing
## DeGroote School of Business
## McMaster University

## Course Objective

This highly interactive course will prepare you with skills to influence customer decisions and nurture customer relationships in a B2B environment. Business transactions are now less about money for product or dollars for service. Effective sellers are not product representatives anymore; they do not present brochures and do slick demos – in fact buyers mistrust such sellers. In this course you will work in buyer-seller teams to explore a sales approach that is value creating because it focuses on problem solving. According to latest research, customers are willing to pay a premium, erect barriers to the seller's competitors and establish the seller as a trusted adviser when sellers create value by using such a consultative sales process. Role-plays, case studies and student led discussions will be our means to help you establish your sales style and become a solution seller. We will explore concepts like needs assessment through effective questioning, communicating product/service attributes, negotiating and dealing with customer resistance.

## Instructor Contact Information


**Mandeep Malik**
Professor
malikm@mcmaster.ca
Office: DSB 228
Tel: (905) 525-9140
x23972


## Course Elements

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Credit Value: | 3 | Leadership: | Yes | IT skills: | No | Global view: | Yes |
| Avenue: | Yes | Ethics: | Yes | Numeracy: | Yes | Written skills: | Yes |
| Participation: | Yes | Innovation: | Yes | Group Work: | Yes | Oral skills: | Yes |
| Evidence-based: | Yes | Experiential: | Yes | Final Exam: | No | Guest speaker: | Yes |

## Course Description

The primary purpose of this course is to acquaint students with the essential concepts and practices in B2B buying and selling. It will have a focus on customer decision process and an influence approach or a sales approach for each stage of buying. It will be taught using a mix of classroom workshops, guest lectures and an online case based simulation. Role-plays will be used to give practice in analyzing customer types, dealing with different stages of buying, dealing with different members within buying centres, solving typical sales problems, and developing a consultative selling approach.

## Learning Outcomes

This course will help you to:

1. Understand the basics of consultative selling practices, as they need to be applied today
2. Understand the strategic elements of business buying (the customer decision process) in context of individual and organizational goals
3. Develop your 'sales style' by reflecting on your communication approach through role plays
4. Implement sales strategies given customer buying situation, i.e. buying stage, buying task and nature of business problem being addressed through this buying action (proposed acquisition of goods or services)
5. Deal effectively with customer resistance at different stages of buying, including conflicting priorities of different members of the buying centre
6. Refine your ability to effectively inform and influence groups through business presentations
7. Use the means of discussions, cases and projects to apply some of the principles learnt

## Required Course Materials and Recommended Readings

*Visit [www.emz2.com](http://www.emz2.com) and sign up for an online sales training resource that will challenge you with a new sales situation in each session and help you to develop the skills to solve sales problems in face-to-face consultative selling situations.* ***COST $ 85 - approx***

***DEADLINE FOR COMPLETION OF ALL ASSIGNED MOMENTIUM SESSIONS IS November 8th by 12 noon***

Readings from the journals –
*Journal of Personal Selling and Sales Management*
*Industrial Marketing Management*
*Journal of Selling- Northern Illinois University*

## EVALUATION

Learning in this course results primarily from in-class discussion, role-play exercises and is based on thorough preparation of the course material in advance. The balance of the learning results from the lectures on specific topics and guest speakers. All work will be evaluated on an individual and team basis. Your final grade will be calculated as follows:

## COMPONENTS AND WEIGHTS

| | |
|---|---|
| Participation in Class Discussions ............................................. | 20% (*Individual*) |
| Sales Role Play - 1 ........................................................................ | 10% |
| Sales Role Play - 2 ................................................................... | 20% |
| Sales Role Play - Final ........................................................... | 30% |
| Performance in Online Learning Project ....................................... | 20% (*Individual*) |
| TOTAL | 100% |

## GRADE CONVERSION

At the end of the course your overall percentage grade will be converted to your letter grade in accordance with the following conversion scheme:

| LETTER GRADE | PERCENT | POINTS |
|---|---|---|
| A+ | 90-100 | 12 |
| A | 85-89 | 11 |
| A- | 80-84 | 10 |
| B+ | 75-79 | 9 |
| B | 70-74 | 8 |
| B- | 60-69 | 7 |
| F | 00-59 | 0 |

## GROUP WORK

Groups will consist of two students. They will operate as a selling team for the first and the final role-play, and as buyer seller team for second role-play exam. 60% of your mark in this course is teamwork so choose your partner wisely. On or before September 26$^{th}$, you are required to identify and indicate course team to the instructor and the TA. Three assignments will be completed as a team.

## PARTICIPATION

Name cards are used to help give credit for your participation. You must have a name card with your full first and last name clearly written and displayed in front of you for every class.

Class participation marks are based on the quality and quantity of participation. It is suggested that you spend 30-45 minutes each week to prepare by reviewing topics using resource materials, and you should make notes as well identify questions you want to ask in class. You should also schedule about one hour each week to review material covered in class and work on your assignments.

It is our belief that highly interactive environments are the breeding grounds for excellence in stimulating idea generation, enhancing communication skills, improving analytical processes, fostering collaborative networks, testing assumptions, and having fun! This is also the time and place to develop the assertiveness and communication skills that are necessary for success in business. Consequently, we value and reward contribution. For our sales class, contribution relates to:

- Being prepared for class discussion – demonstrate fair knowledge of subject content
- Offering analysis in a critical and constructive manner
- Being eager / willing to debate issues using logic and integrating knowledge of basic sales/marketing concepts; Listening and reacting to comments made by other students
- Your ability to communicate clearly (i.e. quantity of dialogue is not the same as quality)
- Demonstrate initiative to bring new and relevant knowledge to class discussion

**THIS COURSE WILL RELY HEAVILY ON `EMPOWERED LEARNING' AS SUCH IT IS IMPERATIVE THAT YOU PREPARE FOR EACH CLASS – THIS WILL DETERMINE THE TAKE HOME VALUE OF THIS COURSE TO YOU AND IMPACT YOUR LEARNING.**

Interim contribution marks will be made available by the TA about half way through the course. Come to see me then if your mark is low, or well before if you are concerned that it might be low. There are ways I can help you to participate more effectively. The key to high participation grades is making a quality contribution to every class. Marks will be awarded on both quality and consistency.

## ACADEMIC DISHONESTY

You are expected to exhibit honesty and use ethical behaviour in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity.

Academic dishonesty is to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. This behaviour can result in serious consequences, e.g.

the grade of zero on an assignment, loss of credit with a notation on the transcript (notation reads: "Grade of F assigned for academic dishonesty"), and/or suspension or expulsion from the University.

It is your responsibility to understand what constitutes academic dishonesty. For information on the various types of academic dishonesty please refer to the Academic Integrity Policy, located at:

**www.mcmaster.ca/academicintegrity**

The following illustrates only three forms of academic dishonesty:

1. Plagiarism, e.g. the submission of work that is not one's own or for which other credit has been obtained.
2. Improper collaboration in group work or collaboration to complete the online cases
3. Copying or using unauthorized aids in tests and examinations.

## ONLINE LEARNING RESOURCE

In this course we will be using an online gaming based learning resource produced and managed by e=mz2 – **Momentium**. Students should be aware that when they access the electronic components of this course, private information such as first and last names, user names for the McMaster e-mail accounts, and program affiliation may become apparent to all other students in the same course. The available information is dependent on the technology used. Continuation in this course will be deemed consent to this disclosure.

If you have any questions or concerns about such disclosure, please discuss this with the course instructor.

## POLICY ON MISSED EXAMINATIONS / TESTS / ASSIGNMENTS

### *Missed Mid-Term Examinations / Tests / Class Participation*

Where students miss a regularly scheduled mid-term or class participation for legitimate reasons as determined by the Student Experience – Academic (MBA) office, the weight for that test/participation will be distributed across other evaluative components of the course at the discretion of the instructor. Documentation explaining such an absence must be provided to the Student Experience – Academic (MBA) office within five (5) working days upon returning to school.

To document absences for health related reasons, please provide to the Student Experience – Academic (MBA) office the Petition for Relief for MBA Missed Term Work and the McMaster University Student Health Certificate which can be found on the DeGroote website at **http://mbastudent.degroote.mcmaster.ca/forms-and-applications/**. Please do not use the online McMaster Student Absence Form as this is for Undergraduate students only. University policy states that a student may submit a maximum of three (3) medical certificates per year after which the student must meet with the Director of the program.

To document absences for reasons other than health related, please provide Student Experience – Academic (MBA) office the Petition for Relief for MBA Missed Term Work and documentation supporting the reason for the absence.

Students unable to write a mid-term at the posted exam time due to the following reasons: religious; work-related (for part-time students only); representing University at an academic or varsity athletic event; conflicts between two overlapping scheduled mid-term exams; or other extenuating circumstances, have the option of applying for special exam arrangements. Such requests must be made to the Student Experience – Academic (MBA) office at least ten (10) working days before the scheduled exam along with acceptable documentation. Instructors cannot themselves allow students to unofficially write make-up exams/tests. Adjudication of the request must be handled by Student Experience – Academic (MBA) office.

If a mid-term exam is missed without a valid reason, students will receive a grade of zero (0) for that component.

### *Missed Final Examinations*

A student who misses a final examination without good reason will receive a mark of 0 on the examination.

All applications for deferred and special examination arrangements must be made to the Student Experience – Academic (MBA) office. Failure to meet the stated deadlines may result in the denial of these arrangements. Deferred examination privileges, if granted, must be satisfied during the examination period at the end of the following term. There will be one common sitting for all deferred exams.

Failure to write an approved deferred examination at the pre-scheduled time will result in a failure for that examination, except in the case of exceptional circumstances where documentation has been provided and approved. Upon approval, no credit will be given for the course, and the notation N.C. (no credit) will be placed on the student’s transcript. Students receiving no credit for a required course must repeat the course. Optional or elective courses for which no credit is given may be repeated or replaced with another course of equal credit value.

Requests for a second deferral or rescheduling of a deferred examination will not be considered.

Any student who is unable to write a final examination because of illness is required to submit the Application for Deferred MBA Final Examination and a statement from a doctor certifying illness on the date of the examination. The Application for Deferred MBA Final Examination and the McMaster University Student Health Certificate can be found on the DeGroote website at **http://mbastudent.degroote.mcmaster.ca/forms-and-applications/** Please do not use the online McMaster Student Absence Form as this is for Undergraduate students only. Students who write examinations while ill will not be given special consideration after the fact.

In such cases, the request for a deferred examination privilege must be made in writing to the Student Experience – Academic (MBA) office within five business days of the missed examination.

Special examination arrangements may be made for students unable to write at the posted exam time due to compelling reasons (for example religious, or for part-time students only, work-related reasons):

- Students who have religious obligations which make it impossible to write examinations at the times posted are required to produce a letter from their religious leader stating that they are unable to be present owing to a religious obligation.
- Part-time students who have business commitments which make it impossible to write examinations at the times posted are required to produce a letter on company letterhead from the student's immediate supervisor stating that they are unable to be present owing to a specific job commitment.

In such cases, applications must be made in writing to the Student Experience – Academic (MBA) office at least ten (10) business days before the scheduled examination date and acceptable documentation must be supplied.

If a student is representing the University at an academic or athletic event and is available at an overlapping scheduled time of the test/examination, the student may write the test/examination at an approved location with an approved invigilator, as determined by the Student Experience – Academic (MBA) office. In such cases, the request for a deferred examination privilege must be made in writing to the Student Experience – Academic (MBA) office within ten (10) business days of the end of the examination period.

Note: A fee of $50 will be charged for a deferred exam written on campus and a fee of $100 for deferred exams written elsewhere. In cases where the student's standing is in doubt, the Graduate Admissions and Study Committee may require that the student with one or more deferred examination privileges refrain from re-registering until the examination(s) have been cleared.

## STUDENTS WITH DISABILITIES

Student Accessibility Services (SAS) offers various support services for students with disabilities. Students are required to inform SAS of accommodation needs for course work at the outset of term. Students must forward a copy of such SAS accommodation to the instructor normally, within the first three (3) weeks of classes by setting up an appointment with the instructor. If a student with a disability chooses NOT to take advantage of an SAS accommodation and chooses to sit for a regular exam, a petition for relief may not be filed after the examination is complete. The SAS website is: **http://sas.mcmaster.ca**

## POTENTIAL MODIFICATIONS TO THE COURSE

The instructor and University reserve the right to modify elements of the course during the term. The University may change the dates and deadlines for any or all courses in extreme circumstances. If either type of modification becomes necessary, reasonable notice and communication with the students will be given with explanation and the opportunity to comment on changes. It is the responsibility of the student to check their McMaster email and course websites weekly during the term and to note any changes.

## ACKNOWLEDGEMENT OF COURSE POLICIES

Your registration and continuous participation (e.g. on A2L, in the classroom, etc.) to the various learning activities of MBA M750 will be considered to be an implicit acknowledgement of the course policies outlined above, or of any other that may be announced during lecture and/or on A2L. **It is your responsibility to read this course outline, to familiarize yourself with the course policies and to act accordingly.**

Lack of awareness of the course policies **cannot be invoked** at any point during this course for failure to meet them. It is your responsibility to ask for clarification on any policies that you do not understand.

## ASSIGNMENTS

***Using Role Play Simulations***

This is the main stay of the sales course and is used as an examination tool too. It is the reason students self-select themselves out of the course and it is also the reason many students are motivated to take this class. Role-plays are fun, competitive, LIVE problem solving challenges that you can embrace. Depending on the stage of the course each aspect of the B2B or industrial sales process is role-played independently and cumulatively. I try to minimize risk by assigning you into teams of buyer-sales professional-observer. You get instantaneous feedback using tools validated by practitioners. In preparation we watch, understand and analyze video case studies of buyer seller interactions, pausing sometimes every thirty seconds to comprehend the power of words, tone, body language and more. These cases help us solve the small mysteries of human interaction. The ongoing Q&A keeps you thinking on your feet, arguing, debating, referencing intuition but then exploring the science.

**Role Play 1 (to be scheduled with the TA and Instructor after Week 6)**

This is a short role play to give you early feedback on your understanding of and ability to apply skills taught in class. You will be given TWO scenarios and asked to interact with a simulated client in those scenarios. Each interaction will be limited to the first five minutes of the buyer-seller meeting and you will only be required to demonstrate a skill set limited to making a first impression, building affiliation and creating interest in a value proposition such as to have a longer interaction with the simulated client. This role-play test will be scheduled outside of class time with the TA / Instructor and will be limited to testing you on essentials taught in the first five weeks of the course. You will be given feedback right after the test is completed.

**Role Play 2 (to be scheduled by / with the TA during the second week of November):**

Within your groups you will be required to form buyer seller teams, and develop a selling situation from opening to close of meeting (not closing the deal). You will then enact this role-play, in the presence of the TA / Instructor. Your interaction will be observed / audio recorded, critiqued and marked, and detailed feedback provided. The sales performance will be judged in context of the buying situation. It is imperative that the situation reflect steps from first meeting, through rapport development to needs analysis and initial product discussion within the sales process. You are encouraged to use presentation material or product literature or demo equipment to make the role-play as realistic as possible. YOU CAN DEVELOP PRODUCT SPECFIC LITERATURE ON YOUR OWN.

NOTE: Please schedule your interim role plays in consultation with the TA. You will be responsible for room bookings. You must hand in the role-play proposal by October 25th.

**Final Role Play Test (in the week of December 9th and Dec 16th:** The situation, product / service and guidelines will be provided one to two weeks prior to the scheduling of the final test. It is typical in this test that you undertake a team selling effort to the buyer played by the instructor or an industry representative. It is possible that this role play be videotaped for our records.

Your skills will be tested on each stage of the buying and selling process and you must demonstrate a good ability to apply / execute all selling steps. As a team you will have up to 50 minutes (subject to change) face-to-face with the buyer. In most instances the buyer will be quite cooperative, easy to deal with and interested in what you represent.

**CAUTION:** You will be evaluated as a team and as individuals; so it is quite possible that if the evident sales effort is not equal then you will not earn the same mark. Also keep in mind that the grading will change if it is believed that parts of your pitch are not realistic or not professionally executed. For example a poor opening / introduction or an unexpected illogical argument during the process could earn you a FAIL even though other elements are properly executed. Besides the overall grading, your mark will also be adjusted using a scale of 0-10 with zero representing `highly unlikely to buy’ and ten as being `a definite sale’.

## DETAILED GUIDELINES FOR ROLE PLAY TEST 2

This selling situation role-play will give you an opportunity to demonstrate your understanding of the buying and selling process and apply the key skills required for sales success. Please design your role-play using the following suggestions:

1. Develop a simulation of a business-to-business selling situation <u>lasting no more than thirty minutes</u>.

2. You should assume that you are meeting this buyer for the first time, in their office for a pre-arranged get-together. Cold calls are also acceptable. It is fair to make assumptions like - you are meeting this buyer based on a query made by him/her or their firm, and that the person you are calling on is a decision-maker. All assumptions must be mentioned in the observer brief sheet - a half page summary of the situation you are going to demonstrate for the benefit of the audience and the instructor.

3. The role-play should demonstrate the essential steps in the sales process including, *opening, questioning to identifying needs, product proposition (using a Feature Benefit analysis / product demo), and handling early resistance*. If you see time as a constraint, it is possible to close the call with agreement on the next proposed action; however, such calls must <u>at least</u> demonstrate identifying needs and the ability to overcome objections early on in the sales process.

4. Please try to obtain and use brochures for the products you are trying to sell in the role-play. It is also possible for you to develop your own brochures, letters of reference or any other support documents for the sale. NOTHING SHOULD BE LEFT TO OUR IMAGINATION. You can use product samples for demonstration, if they are easy to carry and demonstrate.

5. <u>You should not be reading from or referring to a script.</u> The role of the buyer should be well defined and the process should demonstrate a two-way interaction in which the buyer is participating actively. Otherwise both members of the group will lose marks.

6. **Please dress for business and know that the role-play test is a simulation of a professional business meeting. Any `un-business like' behaviour will have a negative impact on your marks. Ideas that do not appear logical or realistic will not be accepted.**

7. You will be judged on your presentation and communication skills, demonstration of and adeptness at the buying and selling steps, usage of sales tools and effort put in developing such tools, reality of the business script/situation and other such skills.

**TIPS FOR SUCCESS IN THIS COURSE**

1. Invest 30-45 minutes each week on readings to prepare for class discussions. Preparation is key to effective participation in class.
2. Listen carefully to how discussions are developing; question ideas; offer disagreement; create debate and think critically about topics being discussed.
3. Be eager and willing to hold your peers accountable for your own learning outcomes – this includes giving fair and critical feedback; sharing resources; etc
4. Be a proactive learner – demonstrate interest by seeking feedback, set up review meetings with instructor / TA and research learning materials outside of those provided or recommended.

## CLASS SCHEDULE

| Date | Topic | Readings | Methodology |
|---|---|---|---|
| **Session 1 (Sept 12th)** | Discuss course structure - class participation, role play assignments, online simulation etc.<br><br>**Intro to Sales Simulation - Momentum** | | **Guest Presenter: Marguerite Zimmerman** |
| **Session 2 (Sept 19th)** | Interpersonal Influence<br><br>How we buy. How should we sell?<br><br>Organizational Buying and Buying Centres | **Articles 1 and 2** | Communication Exercises<br><br>Buying experiences exercise<br><br>BGH Case Study |
| **Session 3 (Sept 26th)** | Organizational Buying | **Articles 3, 4 and 5** | ***Guest Speaker – Simeon Wong*** |
| **Session 4 (Oct 3rd)** | Relationship Selling | **Article 6** | Lecture and discussion; |
| **Session 5 (Oct 10th)** | Prospecting and Pre-Sale Preparation. Cold Calling as a prospecting method | | Lecture and discussion;<br><br>Role Plays; |
| **Session 6 (Oct 17th)** | Opening and Rapport Building. | **Article 7** | Lecture and discussion; Case analysis exercise; |
| **Session 7 (Oct 24th)** | The Sales Approach – Needs Identification;<br><br>SPIN Method by Dr. Neil Rackham | **Articles 8 and 9** | Lecture and discussion; |
| **Session 8 (Oct 31st)** | Role Play Practice – SPIN Method | | ***Buyer – Seller – Observer Teams*** |
| **Session 8 (Nov 7th)** | The Sales Proposition; Communicating Value | **Articles 10, 11 and 12** | Feature-Benefit analysis exercise |
| **Session 9 (Nov 14th)** | Meeting and overcoming customer resistance | | Lecture and discussion; Role Plays; |

| | | | |
|---|---|---|---|
| **Session 10 (Nov 21st)** | Sales Negotiation Process | **Article 13** | Negotiation Role Plays;<br><br>Lecture and discussion; |
| **Session 11 (Nov 28th)** | Closing a Sale / Obtaining Commitment | **Article 14** | ***Guest Speaker*** |
| **Session 12 (Dec 5th)** | In Class Role Plays | | |

**NOTE: THE COURSE SCHEDULE IS SUBJECT TO CHANGE. FLEXIBILITY WILL BE APPLIED TO BRING IN INDUSTRY SPEAKERS AND MODIFY TOPICS BASED ON PARTICIPANT LEVELS AND LEARNING MOTIVATION.**

**READINGS –**


1. \`Dismantling the Sales Machine' HBR November 2013
2. \`The Evolution of the Seven Steps of Selling' Moncrief and Marshall, Industrial Marketing Management, 34 (2005), 13-22
3. \`A six-stage model of the buying process for ERP software' Verville and Hallington, Industrial Marketing Management, 32 (2003) 585 – 594
4. \`Making the Major Sale" Shapiro, Posner HBR, July – August 2006, 142-148
5. \`Complex and Strategic Decision Making in Organizations: Implications for Personal Selling and Sales Management' *by Ullaga, Sharma,* Industrial Marketing Management 30, 427–440 (2001)
6. \`End of Solution Sales' Harvard Business Review, July-August 2012
7. \`Rapport Management During Exploration Phase of the Salesperson-Customer Relationship' Campbell, Davis and Skinner, Journal of Personal Selling & Sales Management, vol. XXVI, no. 4 (fall 2006), pp. 359–370.
8. "Customer needing: a challenge for the seller offering", J Tore Strandvik, Maria Holmlund, Bo Edvardsson, (2012),"Journal of Business & Industrial Marketing, Vol. 27 Issue: 2 pp. 132 – 141
9. "Salespeople as knowledge brokers: a review and critique of the challenger sales model", Rapp et al Journal of Personal Selling and Sales Management, 2014, Vol 34, No. 4, Pages 245 – 259, 2014
10. \`Customer Value Propositions in Business Markets' HBR March 2006
11. \`Capturing the Value of Supplementary Services' Anderson and Narus, HBR Jan 1995
12. \`Rethinking Customer Solutions' Tuli, Kohli and Bharadwaj, Journal of Marketing, Vol 17 (July 2007) 1-17
13. \`Executing Profitable Sales Negotiations: Selling Value Not Price' D'Andrea, Industrial and Commercial Training, Vol 37, No. 1, 2005, 18-24
14. \`Do Closing Techniques Diminish Prospect Trust' Hawes, Strong and Winick, Industrial Marketing Management 25,349-360 (1996)

## Proposal for your Team Role Play

Names of Your Team Members (Two members per team – One Buyer and One Seller)

I. Name of the company you will be representing:______________________________

II. Product or service you will be selling (include a brief description so I can understand what you are selling—don't just list a brand name):

III. Name of the company you will be selling to and please do provide details on the buying situation – type of buyer, competition, nature of purchase, buyer familiarity with this product / service etc:_________________________________

IV. What do you hope to accomplish in this **30 minute** interaction? (E.g. to actually sell the product and gain an order, to get another appointment to do a product demo, to get the prospects to take a tour of your manufacturing facilities, etc.)

NOTE: You may choose almost any B2B product or service to sell. After you submit your proposal I will then either approve or disapprove your product/service. Please note that my approval does not mean that you have chosen a particularly great product or that you will have no trouble presenting it. Approval simply indicates that you are allowed to proceed.

**UNDERSTANDING MY GOALS AND MY APPROACH TO LEARNING FOR THIS COURSE**

Why am I here? What is my motivation and goal in taking this course?

Do I believe that learning to sell will add to my portfolio of qualifications to succeed in life? How so?

What responsibility am I willing to take to have a meaningful learning experience?

What part must I play to ensure that my peers have a positive learning experience and contribute effectively to our classroom environment?

How do I propose to act on being an active, engaged, self-directed and collaborative learner?