

How to Become a Trusted Business Advisor: The Fusion of IQ, EQ and XQ

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Mahan Khalsa delivered a keynote on "Turning Sellers into Trusted Business Advisors" at SAMA's 40th Annual Conference in May 2004. He noted that the term "trusted business advisor" has become a cliché with little common definition of what it really means and how to produce it. Yet, most of us believe that trust drives sales volume.

Trust, offered Khalsa, is developed during the value creation process. Trusted business advisors don't start out with the goal of being trusted business advisors—they start out being *value creators*. Creating value requires (1) meaningful information, which in turn requires clients to trust the path of openness and critical inquiry as laid out by the sales professional and (2) a comfortable level of trust on the client's part that the information will be used in its best interest. Value creators passionately and effectively focus their intent on helping clients succeed. This intent frees them to truly look at the client's business issues objectively without pushing their solutions—easing the way for open, honest dialogue where mutually beneficial possibilities can be explored.

"Intent sets us free," said Khalsa. We're free to open our thinking and the client's thinking—free to explore a solution that truly creates value, free to explore new ways to create value, free to truly listen to clients, free to hypothesize, test and

advise. "We're no longer salespeople—we're value creators. We create value for clients, objectively and subjectively. Objectively in things we can measure and subjectively in ways the client feels good about," added Khalsa.

"We simply can't uncover vital information or perceptions about business issues and constraints until the client starts talking—and they won't start talking unless our intent is clearly focused on creating value for them. Intent is a conscious competence, not just a nice, soft quality to have—it's learnable and provides the difference that makes a difference," explained Khalsa.

Measuring Trust

Khalsa established that value creation and trust flow in the same direction—they tend to move up or down together. The amount of value created is a lagging indicator of how well we have done. What about leading indicators? Is there a way we can measure how well we're manifesting our intent, how well we're building trust, how likely we are to create trust during the sales process? Khalsa proposed

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that trust, although defined in many ways, has at its core in the business and selling environment one key measure: the willingness to share information and examine beliefs. How much information a person or group of people is willing to share, or how openly they will examine their beliefs, depends on how they think that information will be used—for them or against them.

If we measure trust by the free flow and examination of information, we can actually gauge the probability of both our delivering real value and the client's willingness to act on it with us. This trust / meaningful information measurement, combined with our competence, credibility and reliability, can create the pathway that clears the dysfunctions typically found in the seller / buyer relationship—where ineffective selling / buying practices have developed a distrustful and fear-based environment creating, instead, a climate where people can truly find mutually beneficial business relationships.

How we get information about true business issues, constraints, resources, decision processes, budget, organizational context, etc. is critical to the success of both the client and us. And this isn't just about gathering data, it's about enabling people to share their belief systems, mental models and experiences about what they think, feel and experience to be true—so we can all be open to self-examination, get our best thinking out and expand the potential for value-creation.

The way we enable open, intelligent dialogue and questions, the way we peel down for answers and the way we challenge our own thinking helps clients feel safe and open to exploring mutually beneficial opportunities.

What's Holding Us Back?

"If we understand the critical importance of building trust, why don't we have this thing nailed down?" asked Khalsa. What's holding us back?

How we manage sales may be part



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of the problem. From his experiences with sales organizations, Khalsa finds that management often has two buttons: MORE & PANIC. The difference among sales organizations' philosophies is simply how many times they push the MORE button before they push the PANIC button.

The MORE button is not a bad thing; it's frequently pushed, however, due to dysfunctional practices and the lack of a HOW button. "As we look at the relationship between trust, information flow and value creation, it's clear that we have to make sure that the MORE button gets pushed in a positive way to stretch our creativity in value creation rather than in a way that applies negative pressure on the client and hinders value. Very few organizations are telling their salesforces HOW to do this. If we're going to get really serious about value creation, we've got to get serious with the HOW...because the MORE button will always be hit," explained Khalsa.

The Fusion of IQ, EQ and XQ – The HOW Button

The fusion of IQ, EQ and XQ provides

the HOW button for becoming a trusted business advisor or value creator. Individually, each serves as a lever for value creation, combined, they distinguish trusted advisors from salespeople.

IQ, or our intellectual value-creation horsepower, business acumen, industry knowledge and expertise, provides a valuable competence and credibility to our clients. Clients trust us to create value not just to be honorable, intelligent people—we have to prove we can play.

Our XQ represents our ability and reliability to execute and make things happen. As an example, one of the most compelling values we can add to client organizations is a well thought-out and effective decision-making process, because when people can't make good decisions, good things don't happen, Khalsa said. This isn't about designing a process that gets clients to say "yes" to us; it's about providing a series of steps that would allow clients to make intelligent decisions in their own best interest. When we facilitate such a process with clients, we engender trust, open the flow of information and create value.

EQ is the part that is most often left out according to Khalsa. EQ is the container of safety that we build within which people actually share what they think and feel to be true—allowing us to structure effective conversations and ask hard questions in a soft way. EQ is also a conscious competence, and as business advisors we need to see ourselves as professional communicators who possess the ability to take command of our language down to our individual word choices. And it's not just what we say, it's how we say it and how we listen. "Too often," Khalsa explained, "part of the trust problem is that IQ and EQ move in opposite directions—the smarter our IQ, the lower our EQ. In other words, we become fixed on how smart we are and then tend to roll over clients, not listening, not hearing, not having our views examined."

If we're going to be true value creators or trusted advisors, we have to fuse our IQ, EQ and XQ—bringing together

our financial language, business acumen, expertise, executive-level dialogue, decision-making processes that identify and organize resources, communication skills and structured conversations. Khalsa emphasized that IQ, EQ and XQ, individually and fused, can be learned and measured—providing a powerful differentiator in the marketplace.

How to Make a Sale Now and Ensure Sales Later

During Khalsa's breakout session, "Becoming a Trusted Business Advisor," his audience posed the following questions: How can we get insight into the customer and build better relationships? How can we build trust? How can we balance the time it takes to develop relationships with the competing pressure to deliver results *now*? How can we work together with clients more effectively? How can we find out what our clients really value?

These are revealing questions from sales professionals who are continually being challenged to do better in a sophisticated and highly competitive business environment. The simple answer to all of these questions is: "There's no short-cut to creating value and trust, but the path is defined and walkable. Clearly, if we're going to take value creation and trust to a higher level, we need to elevate the quality and effectiveness of our conversations with clients. This requires a conscious competence for knowing what to say (IQ), how to say it (EQ) and how to get something going or drop it (XQ)," stated Khalsa.

In his book, *Let's Get Real or Let's Not Play*, Khalsa shares his version of a mindset and approach based on his research and years of experience selling and consulting with sales organizations. During the breakout, Khalsa shared this approach for taking trust and value creation to new levels. To begin with, he laid out key components to the mindset and approach:

- Intent counts more than technique.

We're value creators. When our intent is to help clients succeed, we can free ourselves to be objective rather than pushing our ideas and solutions from the get-go.

- Solutions have no inherent value—they only derive value from the problems they solve and / or the results they produce. Problems / results need to be defined by evidence of their existence and a calculation of the negative / positive impact on the organization.
- We have to penetrate past the nonsense and dysfunctions in the selling / buying process and get real—to say what we mean, be authentic, expand our awareness and choice and enable clients to do the same.

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- Business development is a balance between inquiry and advocacy, and both require IQ, EQ and XQ. World-class advocacy is most often based on world-class inquiry.
- The questions we ask of others and of ourselves largely determine the quality of our interactions, the effectiveness of our solutions, the exactness of our evaluation and the breadth of our creativity.
- Whether we're responding to a client's request or we're initiating a conversation, we must methodically conduct a thorough value creation diagnosis before offering a value creation prescription—using the client's language and business context.
- If we don't prove a financial impact, we won't be able to prove credible value and / or whether an opportunity is worth pursuing and investing our time, people and financial resources into.

Within this paradigm, Khalsa gave an overview of the ORDER methodology,

which provides a HOW button for successful business development. "There are other worthy sales approaches out there and SAMA is a valuable resource for finding new ways for doing things. ORDER is what we've found to be significantly effective with our clients who are working in a complex sales environment that requires exceptional face-to-face interactions and conversations," said Khalsa.

Simply, ORDER is a sales approach that fuses IQ, EQ and XQ with common sense (though not common practice) and common patterns of effective communication, thinking and analysis, which when applied consistently can significantly increase value creation and sales success. "The value in using

an approach like this one is that you've got a series of structured and logical steps, which frees you up to have a 'no-agenda mind,' where you can truly listen and hear

what the client is telling you," explained Khalsa. "When we have a clear intent to create value, we can actually open honest dialogue by giving the client a 'value hypothesis' (something we can kick around *together* to see if it makes sense) rather than a value proposition that we push onto the client."

Khalsa followed by sharing these key elements of ORDER:

O – Opportunity. We can't help someone who has no perceived need. We have to fight the urge to jump to solution-talk before we thoroughly investigate the client's perceived needs and desired outcomes. So to begin with, we have to do something rather counter-intuitive—move off the solution so we can clearly assess the problem and how the client sees things.

By asking hard questions in a soft way, and through skillful listening, we must gather intelligent information around five main components to determine if there is an opportunity to create value and then build a business case *with* the client:

1. **Issues:** The key business issues the client needs to solve. Issues are comprised of problems (current state) and desired results (future state). We need to be very thorough in finding a shared definition of the problem and the desired results.

2. **Evidence:** The evidence that those issues exist. Evidence can be soft (anecdotal) or hard (measured data). Ideally, it's hard, measured data that gives proof of the issue's existence or would provide the proof that the problem is being resolved.

3. **Impact:** The financial impact of these issues on the organization. When you get to hard evidence, get a measure by asking:

- How do you measure it?
- What is it now?
- What would you like it to be?
- What's the value of the difference? and
- What's the value in terms of one to five years?

If there's only soft evidence we should at least qualify it on a scale of 1-10. If we can't show the R in the ROI, then our solution becomes a cost to the client rather than an investment. When you get the financial impact, both you and the client will get a quick feel for whether the opportunity is worth pursuing—that it's something the client cares to solve and invest in.

4. **Context:** How a proposed solution aligns with the big picture at the client organization. Understanding context allows you to know who and what else is affected in the organization by implementing a solution. This identifies who stands to gain or lose from a solution, who your champions and detractors are and if the value associated with a solution is significant for the organization.

5. **Constraints:** The reasons key decision-makers give for not acting on a solution, including past, present or future constraints. Sales are made

as much by removing constraints as they are by increasing the elements of value creation.

R – Resources. We can't help a company that has insufficient resources.

Time: When is the client hoping to get started? How soon does it need the results in place? Look for yellow lights. Is the timetable realistic?

People: Who does what? How is the effort divided between you and the client? Yellow lights: too little of your involvement, too little of its involvement.

IF WE'RE GOING TO TAKE VALUE CREATION AND TRUST TO A HIGHER LEVEL, WE NEED TO ELEVATE THE QUALITY AND EFFECTIVENESS OF OUR CONVERSATIONS WITH CLIENTS.

Money: Do you and the client agree on the potential range of the required investment? Ask the client early in the process if it has a budget or projected amount of investment to see if it fits into an acceptable range. The end in mind is to get value justification and determine if it makes sense to move forward—not to negotiate a price.

D – Decision Process. We can't help someone who cannot make a decision. Find out the decision-making process at your client's organization and / or be ready to suggest one you think makes sense. Here's a possible format:

What are all the steps the organization will have to take to make a decision in its best interest?

What specific decision gets made in each step?

When will the client make decisions?


Who is involved in each step?

How will the decision be made? Applying what criteria? How will the

client decide among alternatives?

E – Exact Solution. Getting the opportunity, resources and decision process in place facilitates creating value with an exact solution. Now we're ready to switch to advocacy. Remember proposals don't sell, people do. Make sure you can present your solution to the right people, for the right amount of time to enable a decision for a "yes" or "no." A decision not to decide is sub-optimal for everyone involved. So be clear on what you want to accomplish as a result of your meeting and presentation. Too many meetings go nowhere because we meet with clients to dump mountains of data and information, but don't address what the client would really need to see, hear and believe to be true to give a definitive answer in your presence.

R – Results. How we solve creates more sales than how we sell. When you get the business, prevent and foresee potential problems and follow through on creating value with measurable results. If you don't get the business, find out what happened. If the client doesn't make a decision, suggest a series of steps you can take together to allow the client to confidently say "yes" or "no."

Khalsa concluded with: "Regardless of what approach or process we use, what's going to make a difference in adding significant value and creating long-term trust with clients is how good we get at using a systematic and repeatable process that effectively fuses IQ, EQ and XQ towards helping clients succeed. There are proven ways to improve our business development capabilities and skills that provide significant results for clients and for us individually and as organizations. We have to apply new thinking and behaviors at the management level and change our individual and collective behaviors, which will produce transformative results." 

Mahan Khalsa, Vice President of the Sales Performance Group at FranklinCovey, is the author of Let's Get Real or Let's Not Play and co-author of businessThink.