

Selling a Service is Harder than Selling a Product

A transcript of an interview of Tom McMakin, co-author of *How Clients Buy: A Practical Guide to Business Development for Consulting and Professional Services*.



Introduction

Professional services are bought on the basis of trust: trust in the capability of the service provider to deliver on their promises and trust the service provider will put the client's interests first. Those thresholds are harder to reach than demonstrating the efficacy of a product.

In this fourth of a series of interviews, Andi Baldwin of Profitable Ideas Exchange asked *How Clients Buy* co-author Tom McMakin how selling services is more difficult than selling products. The short answer is while products are sold primarily on features and benefits, professional services are sold based on reputation and referral.

The deeper answer has to do with how globalization and competition influence the cultivation of trust over distance and time. As Tom puts it,

But increasingly, people are not an all-purpose accountant for Poughkeepsie. Rather, they're a very narrowly niched accountant that sells expertise around transfer pricing as it affects sovereign wealth funds around the globe. In that case, the country club doesn't do you any good.

If it seems like selling professional and expert services is hard, it's because it is. Consequently, those who learn how to help clients buy have a significant edge.

A handwritten signature in black ink, appearing to read "Dave", with a stylized, cursive script.

Dave Bayless, Co-founder of Human Scale Business

About the Authors

Tom McMakin and Doug Fletcher are practicing consultants who live the challenges addressed in their book.



Tom is CEO of Profitable Ideas Exchange (PIE), a leading provider of business development services for consulting and professional services firms. Previously, he held leadership positions in private equity and served as the chief operating officer of Great Harvest Bread Co, a multi-unit operator of bread stores. Tom is the author of *Bread and Butter*, a critically-acclaimed book that describes his work at Great Harvest and how he and his team created a nationally recognized corporate learning community and culture of best practices using collaborative networks. He has appeared on the pages of *Fast Company*, *Inc Magazine*, *Newsweek*, *Business Week*, and *The Wall Street Journal* and speaks widely. He is a graduate of Oberlin College and former Peace Corps Volunteer in Cameroon.



Doug currently splits his time between speaking/writing/coaching on the topic of business development in consulting and professional services and teaching at the Jake Jabs College of Business & Entrepreneurship at Montana State University. He also serves on the Board of Directors of The Beacon Group, a growth strategy consulting firm headquartered in Portland, Maine. Prior to that, he was co-founder and CEO of North Star Consulting Group, a technology-enabled consulting firm that specialized in global web-survey projects. Earlier in his professional life, Doug served as a consultant with the management consultancy, A.T. Kearney, and was trained at General Electric in its leadership development program. He is a graduate of Clemson University and has an MBA from the University of Virginia's Darden School of Business Administration.

Transcript

Andi Baldwin: Tom, you argue that selling services is very different from selling products. How so?

Tom McMakin: You know, selling professional services—professional services are accounting and law, IT consulting, HR consulting—is very different than selling products. Think about products that you buy, like maybe a laptop. You buy them on features or attributes. You think about how much does it weigh. What's the screen size? How many pixels are there? Whether the camera is good. What's the processor speed? In fact, you can go online, and you can see a spreadsheet that compares different laptops.

But professional services are really different. They're sold on reputation, relationships, and track record. You can't imagine going online and seeing a spreadsheet that was comparing lawyers and saying, "One lawyer had got a five on integrity, whereas another lawyer got a four on courtroom presence." They're sold on people's past experience and on trust. So in that way, they're sold really, really differently.

It's interesting. I think the challenge of selling professional services has gotten a lot harder over the last couple of decades. Because as technology has linked us across the globe, our niches have become more specific. So maybe our parents were accountants in Poughkeepsie. In order to generate business, in order to create those relationships off of which they'd scope business, they'd meet people at the synagogue or church, or they'd meet people at the golf course. They'd get to know them over a lifetime, and then they would scope business off of those relationships.

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the country club doesn't do you any good. So the question of the day becomes, "How do you build a community that you can serve, that might well be global in scope?"

Andi: So why is it that people have such an allergy to the word "sales?"

Tom: You know, it's funny. I mean, we have a history in our country of selling. And you think about a movie like *Glengarry Glen Ross* or *The Wolf of Wall Street*—the salesperson is this predatory animal. I think at its heart, the salesperson is somebody that we think causes us to do something that we wouldn't ordinarily do if we had all the facts in front of us. So we're loathe to go to the car dealership, because we're afraid someone is going to sell us in that moment, trap us in that moment to do something that we wouldn't want to do. That's not the way we want to sell professional services.

Andi: In *How Clients Buy*, you offer readers this advice, "Never call it selling." Tell us more about that point of view.

Tom: Well, you know, I think we came to that view after interviewing a number of professionals in the field. Initially, our working title was *How to Sell Consulting and Professional Services*. But over and over again, professionals—managing directors of various firms—said, "Never call it selling." So we wanted to listen to that and understand it.

I think one of the reasons that we don't want to call it selling is because selling has got a sort of a bad name. It leaves a bad taste. It connotes that someone is manipulating the person that they're selling to. I think also there is a sense that we are the product when we're selling expert services. It seems fundamentally immodest, like we're bragging, if we try and sell ourselves.

The advice that we got from the professionals was the best way to do business development if you're in consulting and professional services is to do good work. In every case, advance your client's interests before your own interests. And that, more than anything, drives relationships, referral, and reputation.



The Real-World Guide to Selling Professional Services

A survival guide for every service professional, this book helps you up your game by schooling you in the secrets of finding, connecting with, and build lasting professional relationships with the clients you want and deserve.

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