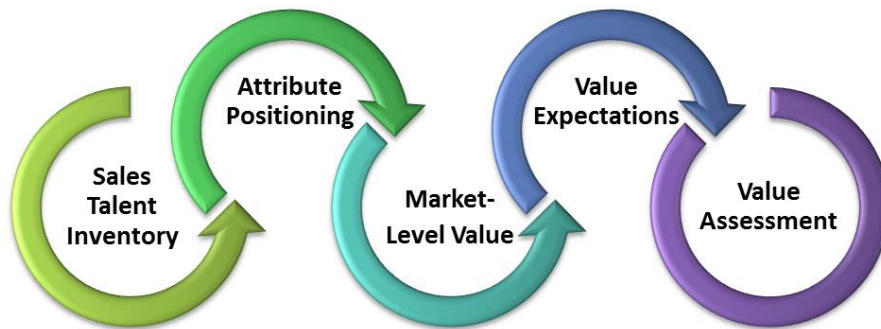


# Creating Business Value



**5 Steps to Changing  
Customer Perceptions  
and Winning More  
Business**

Whether you are transforming a sales force or just trying to create real change in the current team, here are **five important steps** to changing customer perceptions about your sales team and the business value you create.



## 1. Take Inventory of Your Sales Talent

Successfully building a new sales strategy must start at the very foundation: sales professionals themselves. Sixty-five percent (65%) of sales people who fail do so because they are in the wrong role for their skill base. This means that most sales people fail not because they're bad sales people but rather that they are in the wrong type of sales. The corollary is that you cannot assume that your existing team will be successful in a

● ● ●  
65% of sales people who fail do so because they are in the wrong role for their skill set.

new or changing role. All sales roles are not alike. In fact, in a study by The Chally Group Worldwide, only 7.3% of top performing New Business Developers ("hunters") have the

● ● ●  
necessary capabilities to be a top performing Account Manager ("farmer"). Further, only 30% would have a chance at performing at an above average level.

Successful sales transformations start with an analysis of the incumbent team that identifies the skills and competencies required for success in new roles. Once you understand the hand you're dealt, you can do four very important things:

1. You can place your highest performers -- as determined by *both* their track record *and* their potential to succeed in the new model -- in the roles that are most critical.
2. You can focus development and coaching efforts according to need. This results in the best possible performance improvement across the range of performers.
3. You can more aggressively manage turnover -- both voluntary and involuntary. Pruning the low performers who don't have potential releases management to focus on retaining stars and developing the core team.
4. You can improve the quality of your new hires. Historically poor under normal circumstances, hiring accuracy with a new sales model is tough. Knowing the competencies that are key to success and assessing candidates for potential to perform them will pay off in spades.

## 2. Market Level Value Definition

The seeds to successful value selling are planted well before a sales person sees a customer. Among the many areas marketing and sales become misaligned is on the definition of value. Marketers view value selling as the sales team's work. While that is a true statement it doesn't represent the entire picture. Sales people are able to sell the value of services and solutions, *if the value is real and they understand it.*

A product or service is developed and introduced to the market place to address a business need that exists in the market. Solution managers must:

- ✓ Define the business purpose of the their solution and the intended business-level buyers
- ✓ Develop a pro forma business case that characterizes the financial and non-financial

benefits, projected ROI, risk mitigation and more.

- ✓ Embed this information in the training content and tools for the sales team.

Absent of this critical information, sales people will either struggle to define it themselves or fall back on what they know: features, functions and company attributes.

### 3. Defining Effective Success Attributes & Effective Competitive Differentiation



Are you lost in sameness? Competitive differentiation is deceptively difficult and is often ineffective. The frustrating part is that you don't know if it is being effective or not. One clue is if you find yourself in constant price battles. The Harvard Business Review article *Customer Value Propositions in Business Markets* states, "If each [provider] is saying essentially the same thing, how do you make a choice? You ask each of the [providers] to give a final, best price, and then you award the project to the [provider] that gives the largest price concession. Any distinctions that do exist have been overshadowed by the [providers'] greater sameness."

Company attributes -- descriptors that intend to differentiate and sound so good to the authors; such as, "industry leading customer satisfaction", "the most qualified and experienced consultants/technicians" or "recognized innovator" -- do not always have the desired effect on the customer. They often do not differentiate, leaving the customer unmoved. Worse yet, they can frustrate the customer who is sincerely trying to make the best purchase decision. Create a list

of attributes on a solution-by-solution basis. Consider the following:

- ✓ How important is it to the customer? An attribute must be considered important to successful implementation of the solution or performance of the service.
- ✓ By an objective measure, how well does your company rate against the attribute?

If an attribute rates well against these criteria, you're off to a good start. But it may not be a competitive differentiator. So you must also judge:

- ✓ By an objective measure, how do your chief competitors rate against the same attribute?

Review the attributes on which you position today and grade them according to the above points. The ones that rate the best become your core set and the ones that your marketing and sales efforts should focus on.

Attributes are important to customers when the attributes drive value. Therefore, your core set of attributes need to be linked to validated benefits. This can help sales start the benefits conversation and keep the focus on value, not features.



## 4. Setting Value Expectations with Executives Early in the Sales Process

We've all been there: we are near the end of the sales process; the customer has had the proposal for some time and we have high expectations for the order. Then, instead of a "yes" we get plea, a demand really, for a lower price. Our value training kicks in but in spite of our best attempts the customer isn't responding well. They want an answer and we're running out of time. So we make the price concession.

Successful value selling *is a process* not a step in a process. The sales person must set expectations about value, with the right buyers, from the start. Two key decisions are important to get things started well. The first is calling on the right, business-minded management. Business value is important to those that are responsible for business results. The sales person must develop and maintain relationships with business managers and executives. These individuals understand the business problems clearly and establish the priorities in solving them.

Second, the sales person must be effective at challenging the executive to see opportunity that isn't readily apparent or compelling them to consider new ways of solving unresolved problems. They must assert that value will be the reason the customer will buy from them. Further, the sales person should go as far as saying that if they do not agree on the value created by a possible solution, then a proposal will not even be submitted. This begs the invitation for the executive to support a collaborative effort to evaluate the potential business impact of a solution.

## 5. Value Analysis: Collaborating with the Customer

In the beginning of the sales process, value statements should be general in nature, to a point. Claims of value created in similar companies and markets or created by addressing similar business problems help get the buyer's attention. But as the sales process progresses, value must become increasingly specific to the customer. A compelling business case must be specific to each customer. This doesn't mean that the business case for a particular solution will be all that different for each customer. It means that each customer will confirm the business issues, help project the impact of the solution, confirm the assumptions and generally participate in the outcome. This is essential for at least two reasons. A customer will not accept the results of a business case that they were not involved with; and, they need to understand that the business value assessment is relevant to *their* business and reflects whatever unique characteristics there are of *their* business.



A business case can be a complex analysis or a relatively simple one, but the essential elements of a business case include:

- ① A clear statement of the customer's business problems addressed by the solution
- ② A well sourced list of assumptions that underlie the business case
- ③ Quantified and non-quantified value
- ④ Return on investment
- ⑤ Risk assessment and mitigation
- ⑥ Strategic alignment



Building a business case doesn't need to be difficult; yet, it is not done nearly often enough. Among the things that make it more difficult than it needs to be – no market level value proposition, no knowing how to do it, not involving the customer – one stands out: **the fear of not being right!**

Understandably, if a sales person doesn't think they can create an accurate business case, they will not even try. However, business cases are *never* accurate.

A business case is a prediction of the future. And there is very

little certainty when predicting near and long term business changes associated with the performance of a service or implementation of a technology solution. If a solution reduces staff turnover, will that save money? Of course. How much will turnover reduce? There is no way to predict this *accurately* so one must predict it *logically*. You cannot know for sure how much turnover will be reduced or how much money will be saved; therefore, being *right* cannot be the objective. The sales person and the customer leverage their collective experiences to develop credible assumptions. If the assumptions are defensible then so is the math.

This has built in checks and balances. One cannot get carried away with the assumptions in an effort to create a favorable result because the assumptions will not be defensible -- not logical.

Reviewing a business case with executives should be a consultative and informative session, not a persuasive presentation of a proposed solution. Allow your objectivity, hard work and problem-solving focus do the persuading. Explain assumptions and how you arrived at conclusions. Defend your logic. Expect tough questions. Be open to input on the business case as well as your solution.

Successful use of value assessment and joint business case development will build trust, explain value in a meaningful and customer-specific way, establish credibility with executives, and win more business.

## How can you change direction if you're not moving?

The size of the challenge may paralyze decision making. In ideal circumstances, a company would want to address these five areas in the right sequence and thoroughness. However, the dynamic nature of business and the pressure to compete and win won't allow it. But the change process must start somewhere and it is achievable. Balance across all of the areas is more important than mastery in individual areas. So, get moving!

### • • • Business Case Words to Live By

*"Math errors are acceptable; Logic errors are not."*

This lesson was provided by a CFO as he described how he evaluates business cases. Understanding this is liberating. It enables credible development of quantified value.



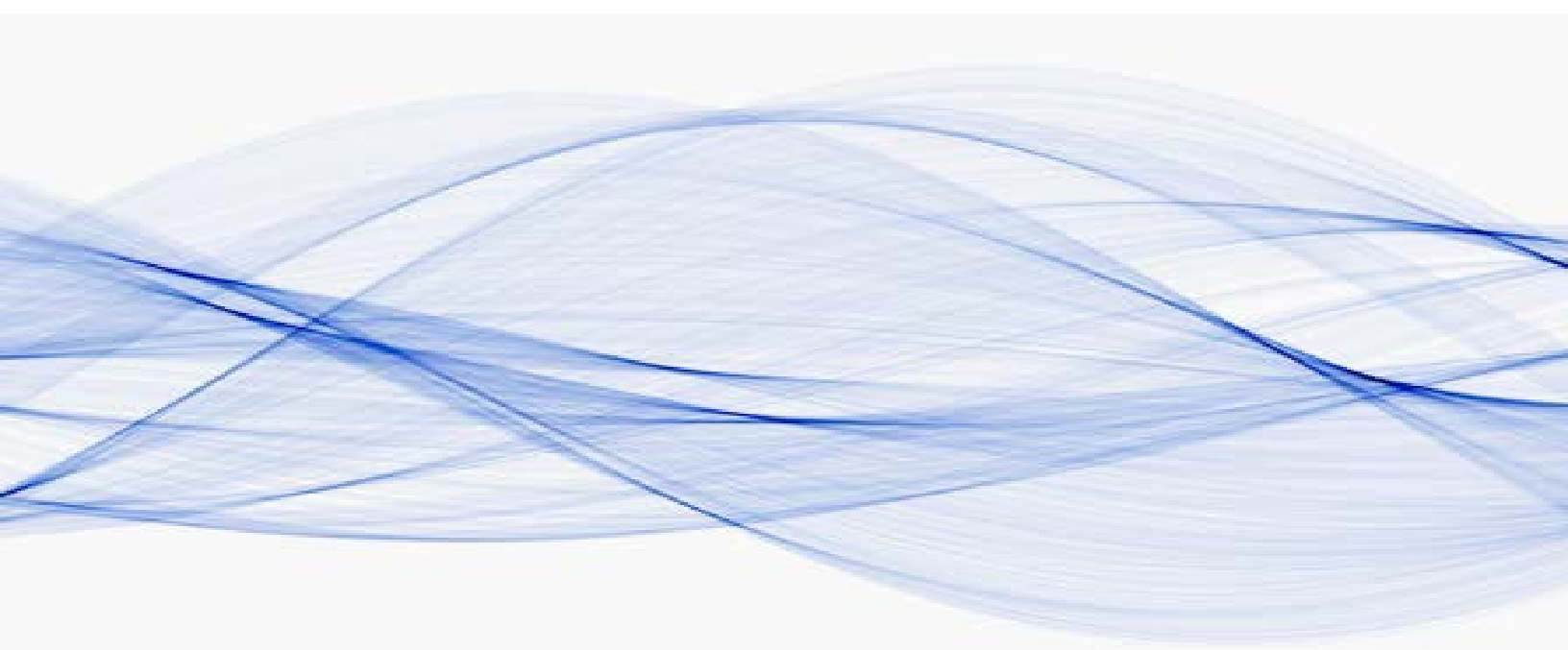
## About Pretium Partners

Accomplished value-selling organizations align four essential areas: *accurate selection of salespeople, effective value selling implementation, management coaching and alignment of sales and marketing.* Pretium creates success for clients by building solutions in these four areas.

Based on their Value Assessment Methodology, Pretium solutions instill sustained, engrained individual and organizational change that increase your sales effectiveness. Services include sales and marketing training and predictive assessments for talent selection, alignment and development.

As a Chally Partner, Pretium leverages the industry's most accurate predictive assessment science to help clients manage organizational change, implement new go-to market strategies, improve hiring selection, decrease undesirable turnover, shorten ramp-up time, increase quota attainment rates and more.

Founded in 1997 in Columbus, Ohio, Pretium has worked with client companies of all sizes in over 20 countries.



Pretium Partners, Inc.  
3240 W Henderson Rd.  
Columbus, OH 43220 USA  
+1.614.457.1726  
[www.PretiumPartners.com](http://www.PretiumPartners.com)



Rev 0812