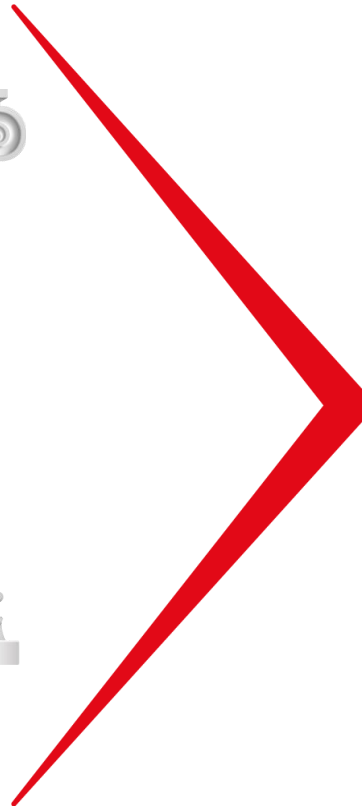


Business & Management



**Customer
engagement –
hidden value**

6 June 2017

The webinar will begin shortly...

Business & Management



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Customer engagement



Jonathan Clarke

Sales Coach and Personal Mentor



Hidden Value & Customer Engagement

6th June

www.vco-global.com

Today's marketplace

1. Buyers have a greater choice of suppliers

Effect: slows down the sales process, puts pressure on price



2. Sophistication

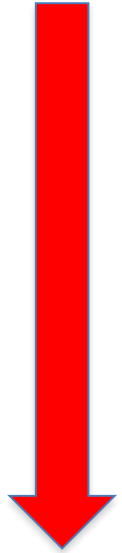
Buyers know the market.
(HBR: 60% of purchasing decisions made before contacting supplier)

4. Effect on prices

Downward pressure

3: The curse of consensus decision-making

Conventional Solution Selling



Situation

Problems

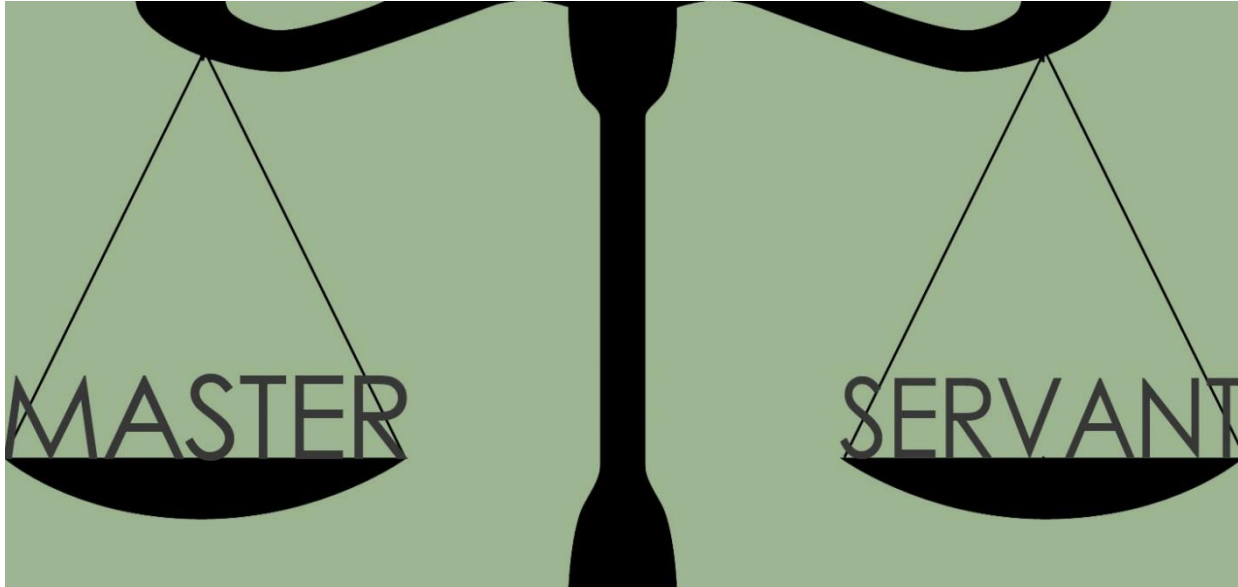
Implications

Needs

Offer: Make sure your solution is better than the competition



Value Centred Selling



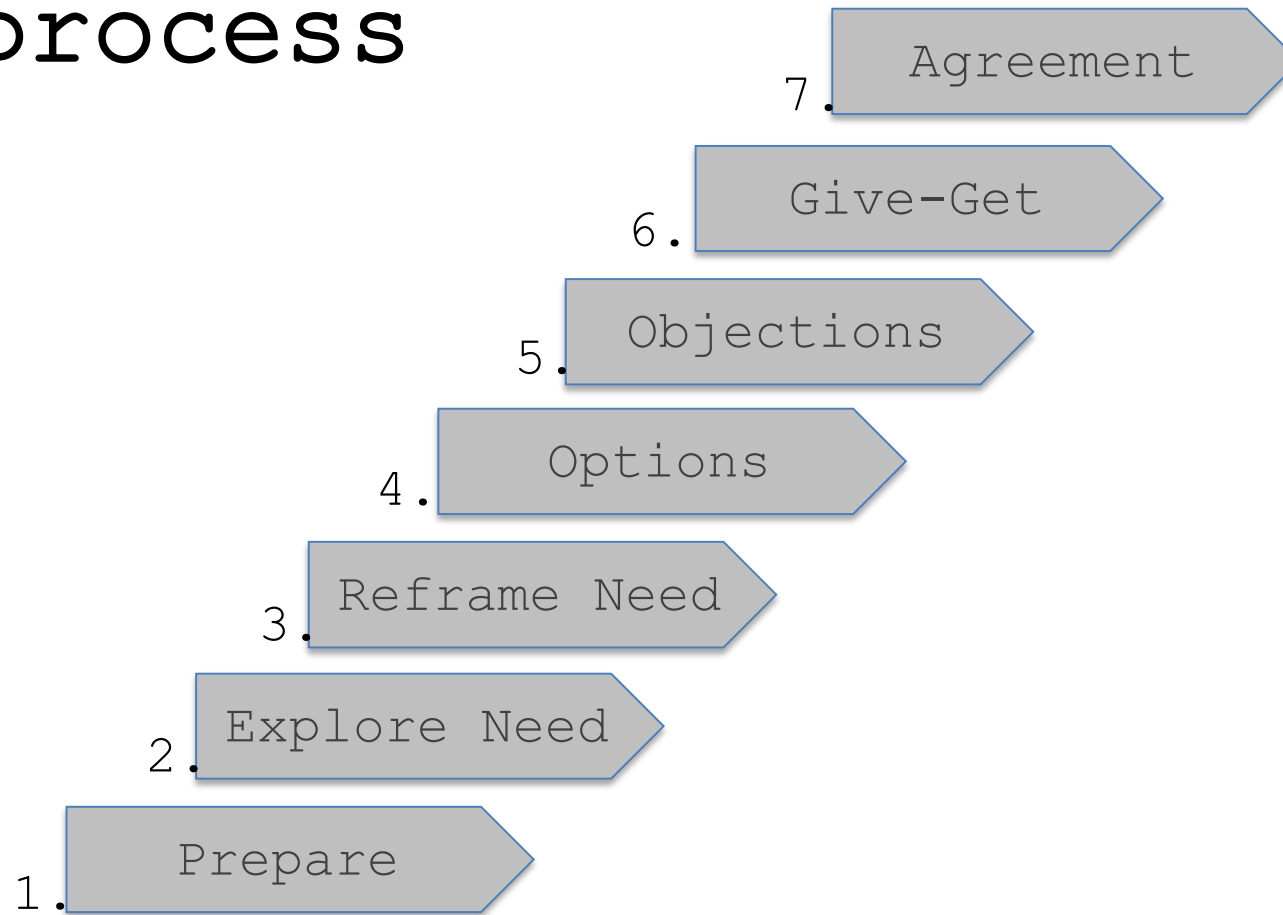
- Shifting from “servant” to real “partner” relationships with them. In this way, you build a peer-to-peer relationship.
- In today’s crowded markets, it’s all too easy to be seen as “just another supplier”, desperate for attention.
- It’s your behaviour that will build this relationship.. more than your words.
- A Key element to this is the correct perception of Value – The way we perceive it and the way the customer perceives it

Deliverables

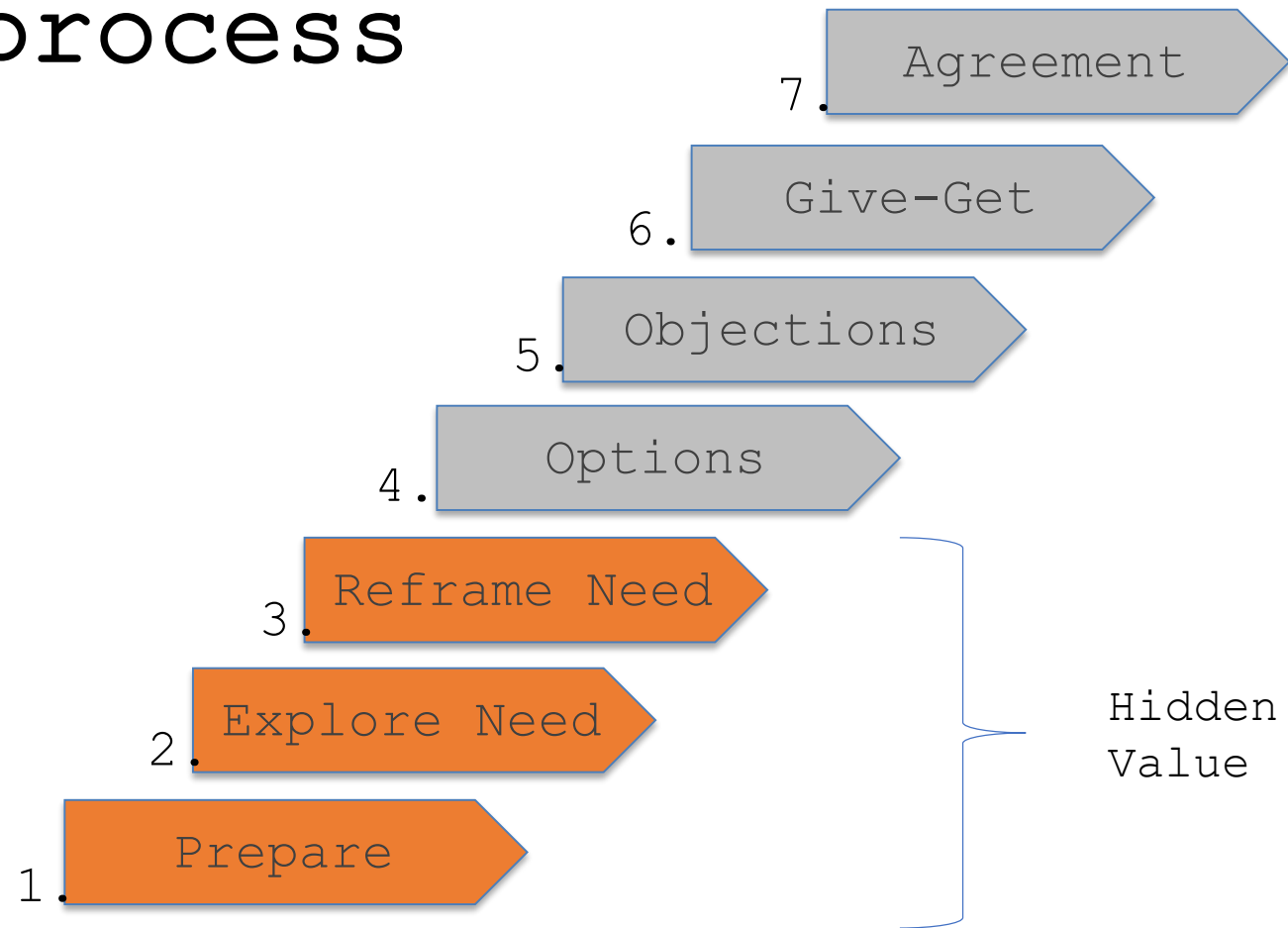


- Hidden Value
- Partner v Servant
- Essential Preparation & insights
- Reframing

Value-Centred Selling: Overall process



Value-Centred Selling: Overall process





Hidden
Value

Hidden Value

Features of Our Product/Service

How we tend to
see our
Product/Service

Value to the
Customer

**Customer's
Business**

**Customer's
Operation**



start with why

Hidden Value

The value of a product or service is in the difference it makes to the person or company using it.



Value to the customer

Operations

- Improved productivity.
- Reduced plant downtime.
- Improved product quality.

Business

- Increased sales.
- Increased profitability.
- Improved business reputation.



Client
Partner
Or Client
Servant?

Partner or Servant: Does it matter?

- Clients don't **listen** to servants: they **instruct** them
- Credibility diminishes: hence there is no **urgency** to do business with them.
- Easily **replaced** when they find someone else (even 5%) cheaper
- Need to **work longer hours** to achieve revenue targets



Servants: Common pitfalls

- Making offers too eagerly, offering too many assurances
- Quoting too quickly: before asking essential business, operational and/or technical questions
- Discounting too much, too fast. Not getting something in return
- Spending too much time with customers who can't or won't buy. Not establishing buying criteria
- Not involving key decision maker(s)
- Failure to highlight risks (technical, operational, business) of buying cheap... before quoting a price



1. Availability



PARTNER

- Meetings planned in advance
- Asks for specific info or people to be there

SERVANT

- Always available
- Does not make pre-meeting requests

2. In a first meeting..



SERVANT

- Presents their services, background, bio etc.
- Gets interviewed by the client
- Seeks to impress the client and get to "Yes"

PARTNER

- Outlines current market challenges
- Invites client to contribute, interviews
- Shares insight, reframes the game

3. Quotations and Prices



SERVANT

- Quotes early, when asked
- Discounts
- Justifies fee according to effort / time

PARTNER

- Discusses budget guideline first
- Justifies spend according to the risk of getting it wrong
- Is willing to walk away

4. Client Management



SERVANT

- Conducts reviews of client satisfaction
- Is preoccupied with delivery
- Looks for referrals at the end of project

PARTNER

- Does reviews about usefulness and value
- Continues to bring fresh insights to client
- Looks for referral points throughout project

Signs you are indeed a “Partner”

- Turn to you when they are budgeting
- Invite you as a speaker at internal conferences / events
- Friendship: They want to keep in touch outside of specific projects (caveats!)
- Book time with you in advance, or organise their schedule to fit in with yours
- See you as a sounding-board for their own career or ideas

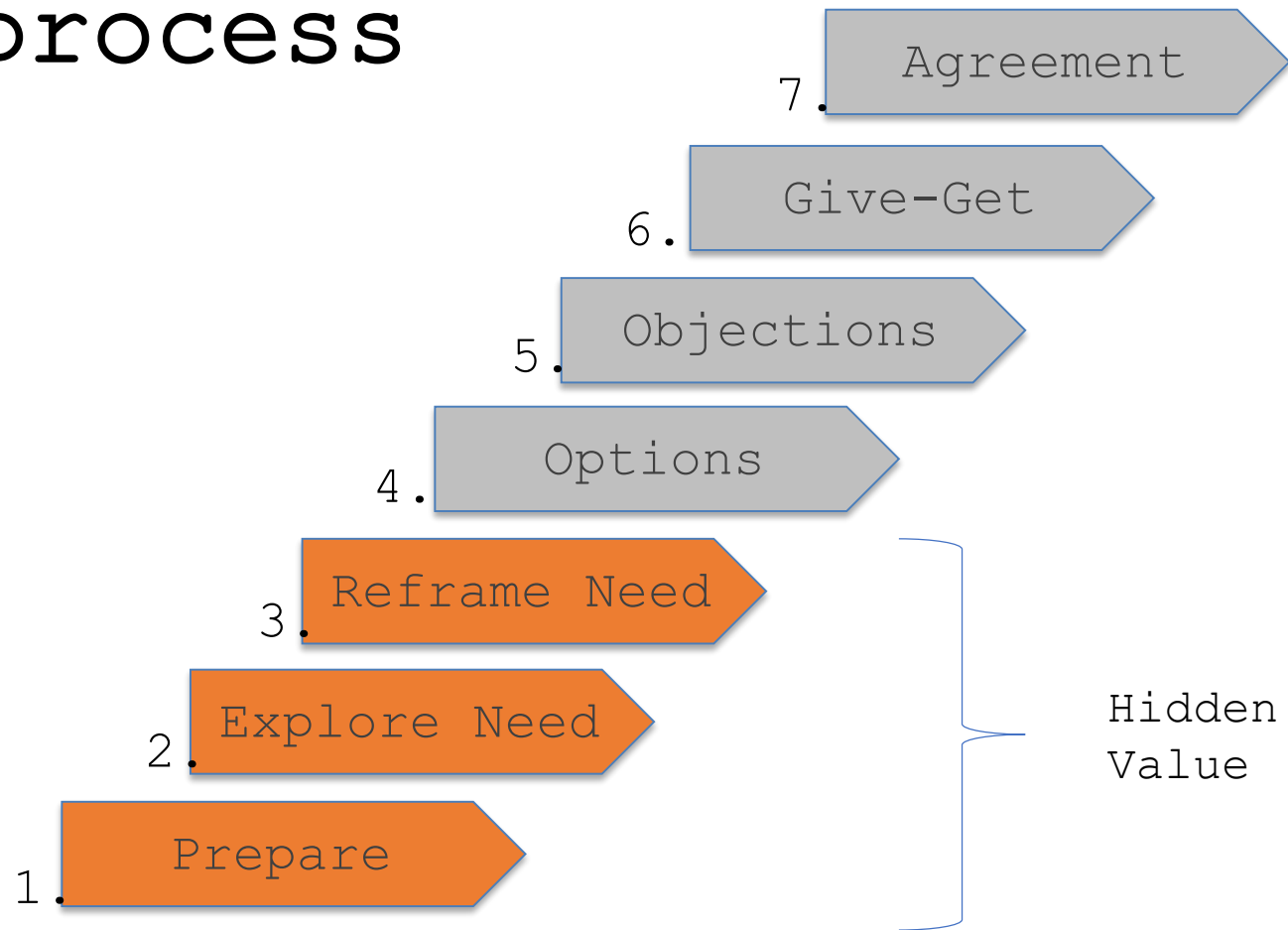
Objective

- Be their **trusted advisor**, supporting them **to navigate options**, mindful of the resources needed for each



Key Distinction: Campaign for best *approach*, not just best *supplier*

Value-Centred Selling: Overall process





Essential Preparation

Pitfalls of solution-ising

- Perceived as not-listening
- Seen as campaigning for your solution, vs. understanding of the customer's need
- You deprive yourself of the opportunity to explore the VALUE of your solution
- **On a slippery slope to being their servant!**



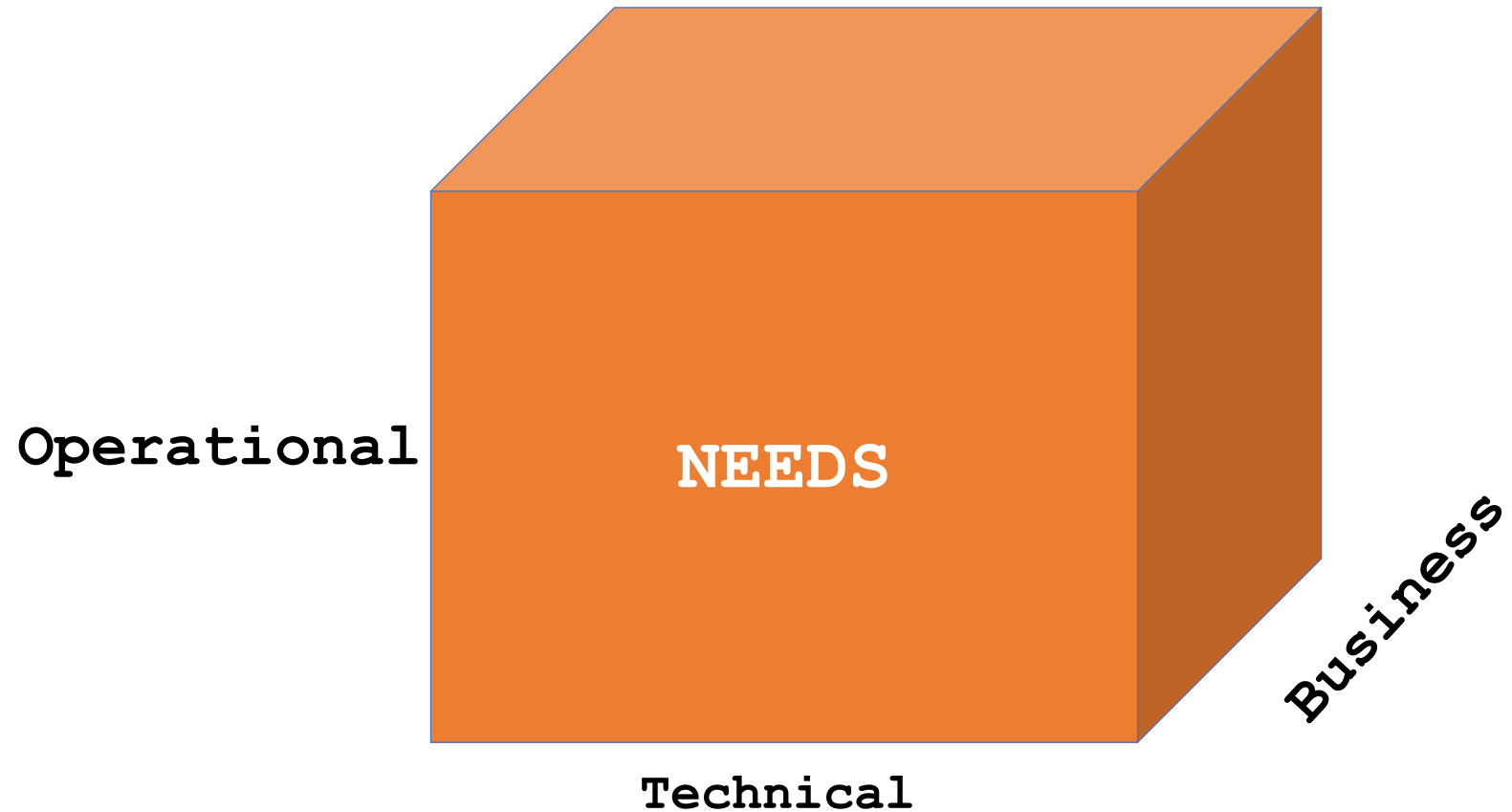
Elements of this step

- Your normal sales preparation
- Fact-gathering about the buying organisation
- Key issues in their marketplace
- Rehearsing the value argument
- Prepare insights
- Deciding what type of sales-process applies. ■
- Find out who you need to speak with.

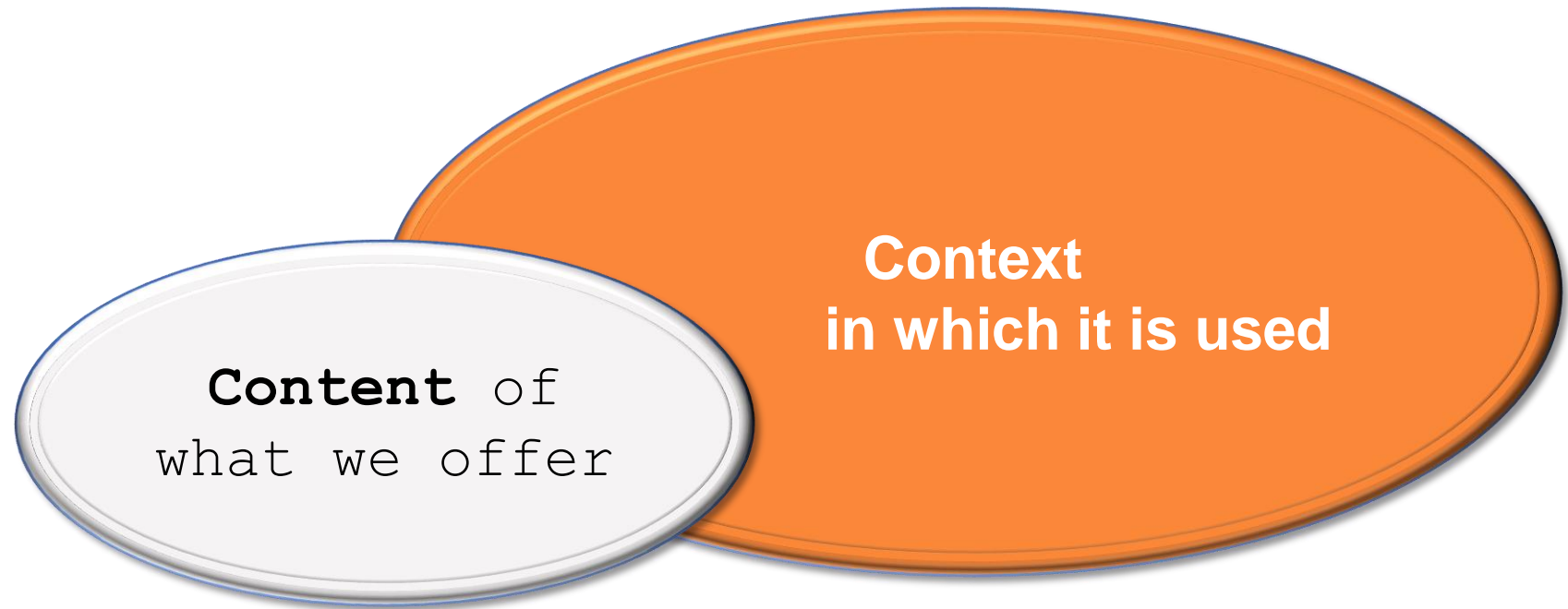


Value Centred
Approach

Preparation: What's going on?



Where the value lies



Do you have the right to educate the customer?



- Your broad experience of the marketplace: globally and locally
- Your reputation for guiding purchasers to make the best decision
- Horror stories - rescuing customers in crisis
- Technology: your long experience with this technology/service.
- Future orientation: equipping customers to play to where the ball is going - not just where it is today
- Systematic reduction of operational and/or business risk

What is an insight?

- A fresh **perspective** that gets the customer thinking in new and different ways
- Enhances the potential **value** of whatever we do together
- **Differentiates** you from others
- Establishes credibility and **trust**



Golden rule (1): Share insights that demonstrate understanding of needs

EXAMPLE:

- *"From our work with other customers, we see the same three recurring issues... X, Y, Z... (needs)"*
- *"Through experience, we've learned to evaluate any solution in terms of P (fresh perspective)"*
- *"So that we don't end up with R (risks)"*
- *"What do you think? (Reframe WITH the customer)"*

Golden rule (2): Share insights that demonstrate understanding of needs

ALTERNATIVE: The Horror Story

- *"Before we go much further, can I illustrate a risk that I'm sure we want to avoid?"*
- *(Horror story)*
- *"Can we just make sure that we are not leaving out a vital dimension here?"*
- *What do you think? (Engage with the customer)*
- *NB: Still no solutions, yet!*



How to broaden an
interview into a
wider needs-
discovery

Reveal questions

- *"Where would you like to begin?"*
- *"Why is that important?"*
- *"Is there anything else we need to consider?"*
- *"If you could (achieve x), what difference would that make?"*
- We listen to the TENSE and FACT/PEOPLE content of the response

Useful questions

- How is their marketplace evolving? Effect on their prices / costs / positioning?
- What's prompting this investment... really?
- Who are the key stakeholders? Where are the decisions made?
- What happens to those who don't make this investment?
- What other opportunities can be realised e.g. customer quality, market access?
- If they remark "you are the most expensive", what is our answer?
- When they ask "just tell me the price", how do we respond?



Reframing

Taking control
of the agenda

Re-framing requirements – What is this?

Shifting the customer's thinking: changing perspective by, for example...



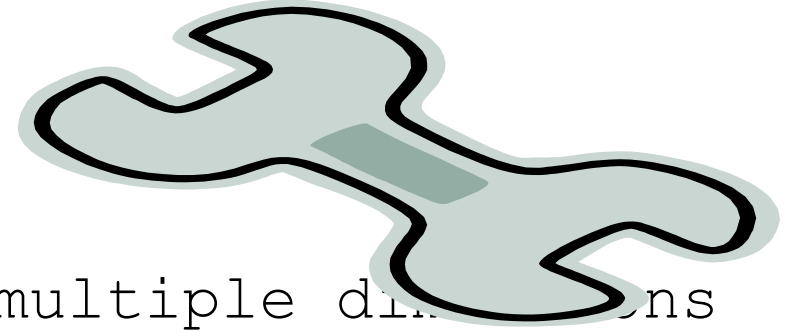
- Adding a new option
- Re-prioritising
- Magnifying the potential (or risk)
- Connecting two unconnected projects
- Anticipating an unforeseen barrier

Re-framing requirements – Why?



- Adds value up-front
- Establishes credibility
- Gets the customer thinking in new and different ways
- Builds trust – not just “yes men”
- Leads to a better approach for everyone
- Partner vs. Servant

How is reframing useful?



- Offering unique perspectives – seeing multiple dimensions
- Helping the client navigate alternatives
- Identifying potential landmines
- Educating clients on new developments
- Time lining imperatives and milestones, to create momentum
- Providing new means to tackle tough problems

Some real examples of Reframing that swung B2B sales

- (Utilities) "It won't be enough to change the **system** / **strategy**; it will also be necessary to change **behaviour**"
- (Retail) "This project is not just about **cost-reduction and infrastructure**; it's about **agility** in the marketplace"
- (Professional firm) "How about we split the requirements, focusing on some **early wins** that protect existing business?"





Checklist

Before you do that quotation

Have we...

- ✓ In which way **Value** may be **Hidden**.
- ✓ Examined the difference between a **Master Servant** and a **Client/Partner** relationship and WHY this is important.
- ✓ Explored **WHY** the customer is buying your product/service (not just What they want to buy)?
- ✓ Understood how this might effect, **Operational**-, and **Business** requirements?
- ✓ Spoken about **Insights** and how these can shape a relationship
- ✓ Looked at the Power of **Reframing** the customer's requirements?

Recap:

Key Distinctions in Value-Centred Selling

Focus attention on **choice of APPROACH** v. **choice of supplier**

CHANGE requirements v. meet requirements (reframing)

Create an approach **WITH** the client v. **for** the client

Aim for **new insight** v. enthusiastic agreement

John Ruskin on Value

- "It's unwise to pay too much, but it's worse to pay too little. When you pay too much, you lose a little money - that's all...
- "When you pay too little, you sometimes lose everything, because the thing you bought was incapable of doing the thing it was bought to do...
- "The common law of **business balance** prohibits paying a little and getting a lot - it can't be done. If you deal with the lowest bidder, it is well to add something for the risk you run, and if you do that you will have enough to pay for something better."

