

ChangeBEAT



## Customer Centricity = Sales Enablement

(= value focus = increased sales = reduced costs = improved margins)

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### Abstract

**Recent studies from IDC and Forrester show that technology companies waste huge sums of money on marketing communications and sales enablement initiatives that actually worsen sales productivity.**

**There are several reasons for this vastly expensive failure. The root cause is that people forget that the customer's experience of value must be at the heart of everything a company does.**

**To sell more, and sell more productively, technology companies must become truly customer centric. They must consistently identify, articulate, communicate and deliver what customers want:**

**value on a plate.**

## “It was all right when I hit the send key”

Technology companies want to sell more and increase their sales productivity. In practice, however, there is a wide gap between what HQ provides and what the sales teams need.

### The view from HQ



“Demand generation is our biggest issue.”  
 “The sales team should be more productive”.  
 “Value propositions have been defined and communicated, repeatedly.”  
 “Cost of sale needs to be reduced.”  
 “All necessary sales material is on [one of] the sales portals.”  
 “We need tougher performance management of poor performers.”  
 “It takes many months to get our new sales people productive.”

### The view in the field



“The challenge is to understand fully our capability and deliver it confidently.”  
 “Our value propositions are not well defined or consistent.”  
 “It’s hard to find the material we need.”  
 “We get endless emails; almost none are relevant, so we delete them.”  
 “We can’t go on the many Webinar requests we get; anyhow they are usually a waste of time.”  
 “Our challenge is to raise the conversation from technical to business issues.”

**Exhibit 1:** Sales enablement relevance according to developer and receiver

According to recent studies from IDC and Forrester

- **80%** of all sales tools and marketing collateral produced by HQ are never actually used by the sales team.
- **75%** of what sales professionals do use is redeveloped from materials shared informally with peers.
- Sales professionals spend **22 hours each week** looking for sales collateral and other information, or creating new presentations and documents.
- **80%** of sales support material produced internally is technology or product focused.

In addition to salary, commission and overheads, a further **\$135,000** is spent for each sales professional every year on dysfunctional and ineffective sales enablement activities!

Industry research shows massive inefficiencies



## It's all about the value, stupid

Meanwhile, customer decision-makers are just not interested in technology. They want **value**, and they want it “on a plate”.

Customers just want value on a plate



But here is the problem, because true **customer value** is often elusive to define, hard to capture, and difficult to articulate clearly.

The customer's perception of value can depend on

- their role
- where they are in the buying cycle
- financial benefits (if they can be quantified)
- intangible benefits (whatever they are)
- business pressures (and the resulting “pains”)
- personal benefits
- the price they expect to pay
- and crucially, the **risk** and **inconvenience** to themselves.

But value is not easy to capture

To make things more difficult, none of these factors is static. As markets mature, and they do so rapidly, yesterday's premium capability is today's commodity; so the perception of value is constantly evolving.

Sales tools and marketing collateral that don't appeal to customers by selling to their value perception are a hindrance to the sales teams, not a help.

## Customer centricity

Customer centricity = value focus

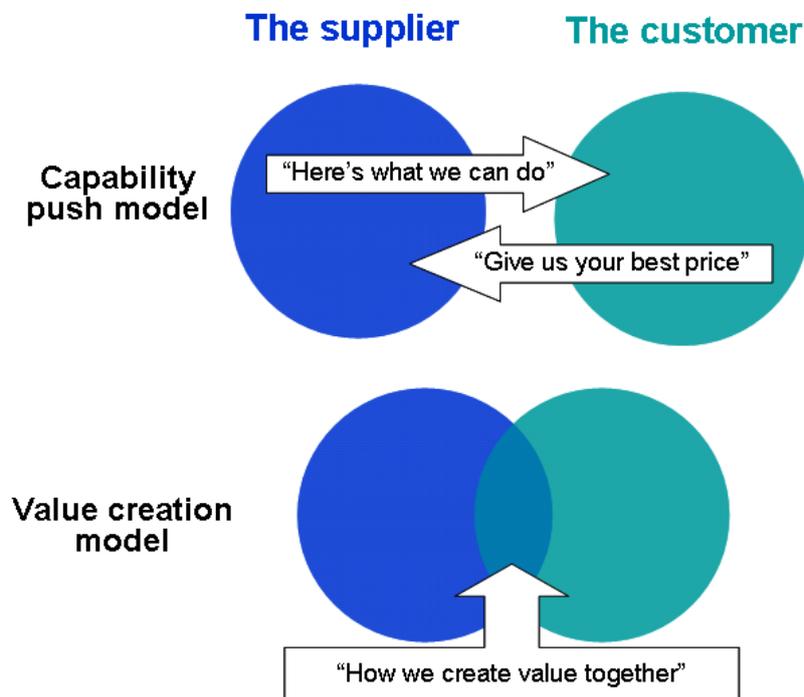
Customer centricity means orienting an organisation around the creation of true customer value.

This means moving from an “arm's length” model where technology capabilities may be “pushed” at the customer, to a closer relationship, where value creation, articulation and delivery are paramount.



## Changing the focus to value

Moving from a “technology capability push” approach to a consistent, clear and effective focus on “value creation”, as defined by the customer, means changing the way people work.



**Exhibit 2:** The “capability push” and “value creation” models \*

This model has many implications. It means

- finding ways to understand more profoundly what the customer values today and might value tomorrow
- implementing systematic ways of gathering and analysing feedback
- using the knowledge gained throughout the value creation process.

## Value creation

Of course, a value creation process operates in all solvent companies, but to varying degrees of efficiency and effectiveness. Whether explicitly expressed or not, done effectively or not, the process consists of the following steps

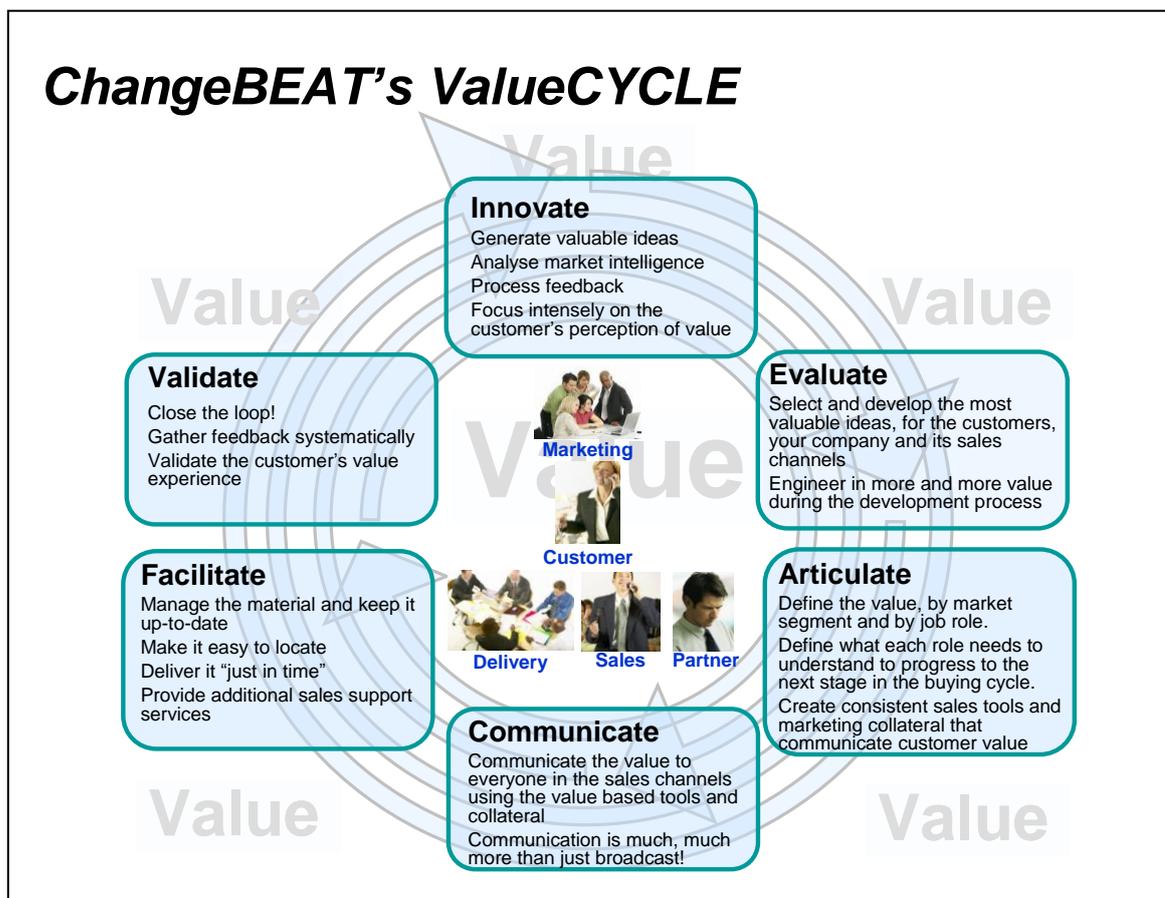
Every company operates a value cycle...

\* Acknowledgements: Barnes, Blake and Pinder: Creating and Delivering your Value Proposition



- Identifying offerings. This process of innovation may be done based on meticulous market surveys; or on the intuition of a single individual; or in some other ad hoc way. Most dangerously, someone may become enthused by a technical possibility without verifying its market relevance
- Articulating the value (resulting, among other things, in sales tools and marketing collateral)
- Communicating the value to sales teams, partners (if appropriate), delivery teams and, of course, the customer
- Facilitating sales channel efficiency
- Gathering customer and prospect feedback to validate that value has been delivered. This may be done proactively and efficiently; or informally and anecdotally; or not at all.

...to varying degrees of efficiency



**Exhibit 3:** *ChangeBEAT's ValueCYCLE* defines the key characteristics of an optimised value creation process.

There is clearly huge potential for technology companies to gain a competitive edge with a more effective customer centric approach. *ChangeBEAT's ValueCYCLE* offers a proven framework to realise that potential.



There is an opportunity for technology company leaders to:

- establish explicitly your own Value Cycle and use it to structure how your teams work
- build a cross-functional approach that puts the customer's value perception at the heart of everything your company does
- create an **integrated** set of pragmatic tools and processes and materials that embody this philosophy
- build in measurement and management checkpoints to make sure your Value Cycle is operating increasingly effectively
- use and improve the tools continually to drive further improvement.

At every step in the Value Cycle the customer's value experience must be "front and centre" in the way people think, work and are organised.

To create the right mindset, people require the knowledge, tools, materials, skills and methods to discover and articulate what the customer truly values.

Unless this approach is vigorously pursued, people will keep producing offerings, sales tools and marketing collateral and giving training courses, web conferences and even executive presentations about what they are used to and comfortable with: technology and technical capabilities.

### Why customer centricity = sales enablement

When technology organisations provide and articulate their value, as the customer sees it, the sales team's job becomes much, much easier. This leads to:

1. Increased sales productivity
  - \* Less time is wasted wading through useless collateral and repurposing the work of others.
  - \* higher customer impact. The customer more clearly sees the value you offer.
  - \* improved traction with your sales channels. When your sales teams can themselves see the customer value, their job is much easier.
  - \* accelerated channel development. With a clearer value proposition, new channel partners (and new hires) become productive faster
  - \* more leads from marketing programmes. Strong, clearly articulated value propositions grab customers' attention.

The big opportunity is to focus explicitly on this process and to improve it...

...and without the right leadership tools, mindset and skills, people keep doing what they know



- \* bigger deal sizes. Customers focus on value, and maximising value, rather than minimising cost.
  - \* increased win rates. Your proposals are more relevant to the customer than those of your competitors who are still pushing technology.
  - \* longer term customers. The customer that experiences better value will be more satisfied and less costly to support.
2. Shorter time to revenue with new offerings
    - \* more systematic production of value based sales enablement tools and marketing collateral.
    - \* more successful roll-outs of new offerings, as the sales teams are more willing and engaged.
  3. Reduced SG&A costs. Money will be focused on effective sales tools and marketing materials.
  4. Reduced sales attrition. Productive sales people feel more successful, earn more and stay longer.

If leaders make it clear that the customer's value experience is the standard by which all endeavour is measured, it provides a way to ensure teams do the right things and do them right.

### **Driving the change to customer centricity**

There are seven steps to customer centricity

1. Understand what customer centricity means for your organisation. To drive this, build your own business case for improving sales enablement.
2. Build and communicate your vision: how you will set the agenda for customer centricity and what customer value really means.
3. Show people "how". Define a common language and a framework for your Value Cycle. Populate the framework with a set of integrated tools and processes. Define checkpoints, and use them to guide progress.
4. Gradually increase the focus on value throughout the value creation process.
5. Close the loop by gathering and acting on customer feedback.
6. Launch programmes to improve your own Value Cycle process and give people the skills to use it.
7. Continuously measure, improve and reinforce this way of working.

This is **how** you drive the change



## In conclusion

Using an explicit focus on customer value to guide sales, marketing and product development offers the potential for substantial savings in sales enablement costs. It also provides a natural approach to drive sales productivity by selling to customers who are more eager to invest.

By defining and refining your own Value Cycle you can implement a structured approach to delivering what the customer wants. The Value Cycle enables you to manage and deliver cost reductions and productivity gains.

Once your own Value Cycle is defined, rapid progress can be made by focusing first on the elements most in need of improvement.

While the principles are clear, structured execution is critical. The Value Cycle provides value to you, just like you want it, on a plate!

Now you need  
to make it  
happen

### Case Study

A global technology supplier wanted to increase deal size and win rate by demonstrating more clearly its business value to its customers.

*ChangeBEAT* worked with the company to *evaluate* the most valuable offerings and *articulate* the value to customers in specific buying roles. New sales tools and marketing collateral were created including a business case development tool and sophisticated solution proposal template.

To *communicate* the value to the sales teams, *ChangeBEAT* devised a training workshop and then coached the sales teams to use the new approach.

*Validation* of the new approach was rapid. The pipeline immediately increased nearly fourfold, and subsequent wins amounted to millions of additional dollars.

For full details see <http://www.changebeat.com/value.htm>

## In conclusion

If you would like to spend less money and sell more business, contact *ChangeBEAT* on +44 208 446 6946 or at [info@changebeat.com](mailto:info@changebeat.com).



*ChangeBEAT – The Sales Enablement Company* works with technology companies to enable their sales teams to sell more for less investment. We provide a flexible, highly skilled team equipped with our *ValueCYCLE* model and *ValueENABLER ToolSET* which enables you to put customer value at the heart of everything you do.