

23E50010

INFLUENCING WITH SALES 2

5.11.2020

Pekka Töytäri

Professor of Practice

Management of Product-Service Systems Sales

Aalto University School of Science & School of Business

GROUP DISCUSSION

In our last meeting we reviewed a number of sales tools relating to relationship management, value communication, and control. Building on the group discussions on Tuesday, we will jointly discuss selected tools. For selected tools, please prepare to discuss:

- 1. What is the goal of the tool?
- 2. What problem does it solve?
- 3. What challenges do you identify relating to the use of the tool?

Prepare to discuss these questions

ARTICLE PREREADING & PRESENTATION

Adamson, B., Dixon, M., & Toman, N. (2012). "The End of Solution Sales". *Harvard Business Review*.

- What did you learn by reading the article?
- Discuss the article with the person next to you for a few minutes
- Prepare to share your thoughts

The End of Solution Sales

The old playbook no longer works. Star salespeople now seek to upend the customer's current approach to doing business. by Brent Adamson, Matthew Dixon, and Nicholas Toman

ENGAGE WITH VALUE:

Relationship process

HOW IMPORTANT ARE YOU?

ROUTINE

Supplier's product are critically important, but relatively easy to replace.

Customer target is process optimization.

STRATEGIC

Supplier's products and services are both critically important and difficult to replace.

Customer target is deep strategic relationship

COMMODITY

Supplier's products are nonimportant and easy to replace.

Customer target is to leverage buying power for best price

BOTTLENECK

Supplier's products are not critical, but difficult to replace.

Customer goal is to ensure availability and to seek alternatives

DISCUSSION

In which category would you like to be in, and how do you get there?

KEY PLAYER MAP

Key player profiles

The following roles are present in a sales opportunity. The different decision making roles are either assigned to different key players (large opportunities), or all the roles could be played by the same key player (small opportunities)

Key player profiles

Open the COACH profile description here >>
Open the CHAMPION profile description here >>
Open the DECISION MAKER profile description here >>
Open the IMPLEMENTATION OWNER profile description here
>>

Open the FINANCIAL APPROVER profile description <u>here >></u>
Open a USER profile description <u>here >></u>
Open the BENEFICIARY profile description <u>here >></u>
Open an ADVERSARY profile description here >>



KEY PLAYER MAP

NAME	ROLE	GOALS & CHALLENGES	PRIMARY CONTACT
		•	

CHAMPION LETTER

Letter elements	Content
Customer objective	You told me your primary goals are to 1) reduce machine downtime, and 2) reduce the energy cost of fiber-making
Current situation	You said the that the issues you face today include: 1) the number of shutdowns is too high and they last too long, 2) too many unplanned shut downs, 3) mainline grinders uses too much energy (due to outdated technology), 4) manual grinder sharpening is causing quality fluctuations that consume energy
Capabilities they need	You feel you could increase the machine up time by one percent that would bring 0,25 million euromore profit a year and reduce the energy expenditure spend in fiber making by 6 million euro annually, if you had the following capabilities: 1) Had access to high performance original parts all the time, 2) capability to execute predictive maintenance and avoid potential shut downs, 3) ability to utilize diamond surface grinding stone to save energy consumption, 4) automatic water jet sharpening system to also save energy in fiber
Value	We have examples of such capability request globally. Our customers have been able to gain quantifiable result s such as improved equipment TCO, Improved Mill Efficiency and reduced energy spend. As discussed during our meeting you expressed that the financial benefit can be up to several millions a year. And as indicated the potential value for yourorganization, 5% increase in the production efficiency, is around 8 million Euro per year
Next steps	Based on our agreement to further investigating our solutions. I'd like to propose the following next steps: 1. Confirm you are in agreement with the summary of our discussion; 2. Help us to arrange an interview with your mill manager and maintenance manager, who would all be involved in the development of production efficiency. I'll call you on Tuesday next week at 09.00 AM to review the above and to discuss next steps. I look forward to working with you. Best regards, John Waits
Save worksheet Print worksheet	Send worksheet

CHAMPION QUALIFICATION

CHECKLIST ITEM	DESCRIPTION	CHECK
What is the goal of the key player?	Change agent within the company. Has a compelling goal.	Y/N
How credible is the key player?	Knowledgeable about their company. Credibility in the organization. Willing and able to help you getting access to other key players.	Y/N
How is the solution vision of the key player?	Solution vision aligned with our solution offering.	Y/N
How is our relationship with the key player?	Positive, trusting relationship with us: willing to share their goals and challenges. Provides useful information.	Y/N
Drive?	Actively working on to achieve the Goal. Doing internal selling, pro-active on your behalf and keep promises	Y/N

ENGAGE WITH VALUE:

The "content" process

OPPORTUNITY PROFILE

Customer name and HQ location	Please input your customer's name and headquarters location here
Customer's critical business issues	Please enter your customer's critical business issues here'
Potential solution (what will be sold?)	Please provide a brief summary of the expected solution
Sales estimate (your sales budget)	What is your estimated sales value of the opportunity?
What is the value of the deal(s) for customer (estimate)?	In your opinion, how critical, how valuable, is this opportunity for the customer?
Customer Key Players	How much do you know of the customer's key people in this opportunity?
Save worksheet Print worksheet	Send worksheet

EXPLORE BUSINESS CHALLENGES

Menu of Challenges

The main objective of the menu of challenges is to prepare for a customer dialogue from their perspective. The idea is to treat each potential customer influencer individually, first understanding their personal goals and business problems and only after that proposing a matching idea from our capabilities. At this stage (first meetings) we can have the dialogue on common level without introducing the technical solution yet.

As we all know, business challenges repeat themselves from market to market and therefore we have gathered here some commonly recognized customer challenges for your use.

Please select target industry

Board & Paper mills

Please select key player profile

Production Manager

Search

Add a challenge



DEMONSTRATING VALUE WITH BENCHMARKING

CHALLENGE

The need for a systematic assessment framework for concretising value, benchmarking it and ultimately optimising the offered solutions has been the motivation behind this study. Due to the arbitrariness of value estimation and value definition in general, an additional target of the study has been to generate an argumentation tool serving as an aid to visualise the different sources of value.

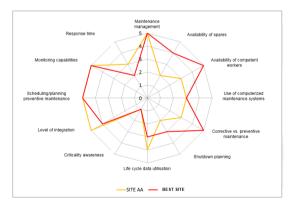
RESULT

The aim has been to develop a benchmarking method to compare different sites according to their operational environments. Benchmarking includes e.g. the assessment of maintenance work procedures, selection of relevant indicators, preliminary interviews for installed base units and tool development. The benchmarking aims to produce knowledge about the applicable asset management policies for different operational site typologies.

IMPACT

With the help of the benchmarking tool the case company can: (1) Demonstrate improvement potential in asset management and make recommendations of applicable asset management policies, (2) optimize customer specific product and service offering to facilitate sales, and (3) concretise customer value of Outotec's offering





SUCCESS STORIES

Success story repository

Success stories are very powerful tools at the different stages of a sales process.

We have selected a representative collection of success stories from different business lines and regions to help you show how we have been able to help our customers to achieve their business goals and overcome the business challenges.

Browse success stories by target industry:

All ≎

Browse success stories by business challenge:

All ≎

Search

You can also add success stories to our success story repository:

Add story

Success stories by your selection

- Additional Revenue from Bio-oil Production
- High energy cost and out dated IR dryers
- Production of Climate-friendly Bioethanol from Agricultural Waste
- Fuel Production Technology for Biogas Vehicles
- Efficient Board Making with OptiConcept M
- Replacing Fossil Fuels with Renewable Energy
- One of the World's Largest Pulp Mills Supplied by COMPANY Successfully Started up in Brazil
- Lime Kiln Technology
- Fulfilling Local Electricity Needs
- Utilization of a Wide Range of Locally Available Fuels
- Multi-Year Mill Maintenance Agreement
- New Revenue Streams Through Lignin Separation
- Printing & Writing Paper Machine Rebuild
- Top Shape Mechanical Paper Production Line
- Focus on Machine Performance and Productivity
- Increased production, improved quality
- New Technology Improves Productivity and Quality

SOLUTION PRESENTATION

Presentation elements	Objective
Review of the customer objectives	Summarize customer's business goals, challenges and needs. This is why the solution is required.
Customer outcomes	Provide a summary of the expected customer benefits.
Our solution	Summary of our solution.
Project delivery plan	Summary of our delivery plan and key project milestones.
Proof	Evidence of our capabilities to deliver the solution.
References	Conclude your presentation by showing few relevant success stories, where similar solution has been implemented.

CASE
PAPER MACHINE
MODERNIZATION

VALUE OF MODERNIZATION

Scenario 1	Current	Improvement Target	2 roduction	Additional revenue	Energy savings
Speed	695 m/min	57 m/min	+22 000 tons	+ 3 200 kEur	
Breaks	5,1%	1,0%	+ 3 000 tons	+ 440 kEur	+ 160 kEur
Steam consumption	16 kg/s	0 %		Adversign Artisp	0 kEur
Electricity consumption	19 MW	-200 kW	Imet 💠 🗍 📆		- 100 kEUr
TOTAL			+ 25 000 tons	+ 3 640 kEur	+ 60 kEur
ESTIMATED BENEFITS PER YE	AR	7// 2			3 700 kEur
INVESTMENT					4 000 kEur
DISCOUNTED PAYBACK TIME					14 Months
LUCE LO	Operating days 355 per year	Average grammage 152 g/m2	Trim width 6,1 m	Speed 695 m/min	production 263 000 tons per year
Production line data and calculation parameters	Unplanned shutdowns 4,0%	Planned shutdowns 2,0%	Breaks 5,1%	Broke 10,0%	100000
	Electricity cost 60 Eur / MWh	Steam cost 25 Eur / MWh	Cost of capital 10,0%	Gross margin 150 Eur/ton	

ENGAGE WITH VALUE:

The "control" process

CHAMPION LETTER

Letter elements	Content
Customer objective	You told me your primary goals are to 1) reduce machine downtime, and 2) reduce the energy cost of fiber-making
Current situation	You said the that the issues you face today include: 1) the number of shutdowns is too high and they last too long, 2) too many unplanned shut downs, 3) mainline grinders uses too much energy (due to outdated technology), 4) manual grinder sharpening is causing quality fluctuations that consume energy
Capabilities they need	You feel you could increase the machine up time by one percent that would bring 0,25 million euromore profit a year and reduce the energy expenditure spend in fiber making by 6 million euro annually, if you had the following capabilities: 1) Had access to high performance original parts all the time, 2) capability to execute predictive maintenance and avoid potential shut downs, 3) ability to utilize diamond surface grinding stone to save energy consumption, 4) automatic water jet sharpening system to also save energy in fiber
Value	We have examples of such capability request globally. Our customers have been able to gain quantifiable result s such as improved equipment TCO, Improved Mill Efficiency and reduced energy spend. As discussed during our meeting you expressed that the financial benefit can be up to several millions a year. And as indicated the potential value for yourorganization, 5% increase in the production efficiency, is around 8 million Euro per year
Next steps	Based on our agreement to further investigating our solutions. I'd like to propose the following next steps: 1. Confirm you are in agreement with the summary of our discussion; 2. Help us to arrange an interview with your mill manager and maintenance manager, who would all be involved in the development of production efficiency. I'll call you on Tuesday next week at 09.00 AM to review the above and to discuss next steps. I look forward to working with you. Best regards, John Waits
Save worksheet Print worksheet	Send worksheet

ACTIVITY PLAN

Action	Time	Billable	Responsibility		Go / No Go
Determine solution performance metrics	September 14		Shared	*)	
Process audit and study	By End September	50 k€	Supplier	*	
Investment proposal including pricing	November 2014		Supplier	*)	
Approval of the investment proposal	13th December 2014		Customer	*)	
Detailed project plan and project organization	February 2015		Shared	*)	
Reference visit and executive meeting	March 2014		Shared	*)	
Review of the contract with legal	April 2014		Customer	*)	
Pre-proposal meeting and signing of the purchase agreement	Late April 2015		Shared	*	

CLOSING CHECKLIST

CHECKLIST ITEM	DESCRIPTION	CHECK
Goals/challenges/reasons identified		
Vision of solution		
Solution value		
Implementation plan		
Pricing		
Proof		
Legal		
Save worksheet Print worksheet	Send worksheet	