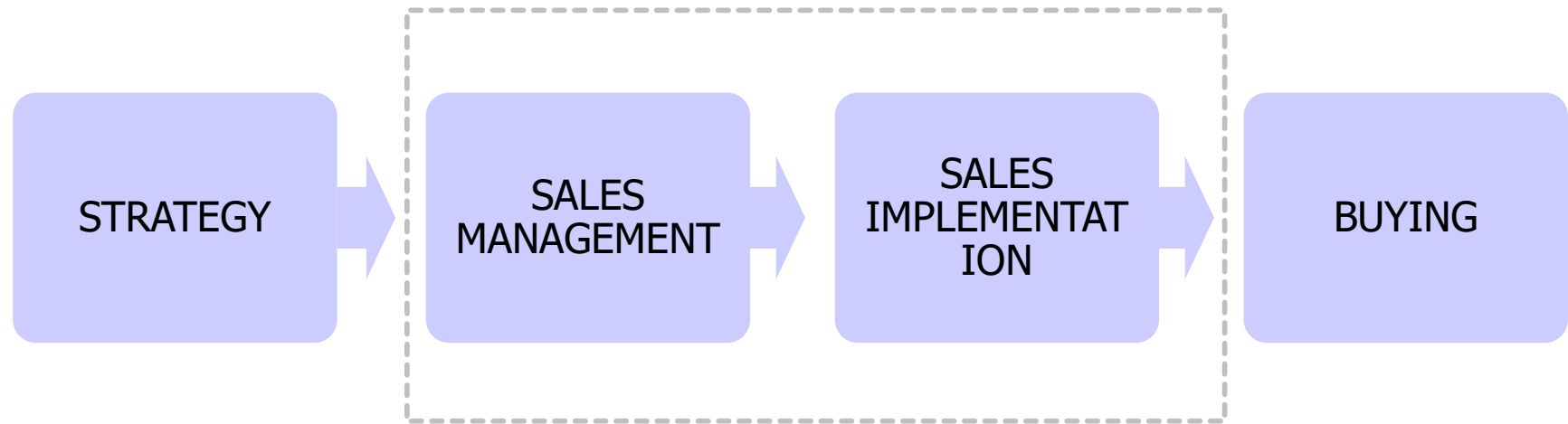


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# MANAGING VALUE-BASED SELLING

27.10.2020

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Aalto University School of Science & School of Business



Sales management is about managing the different sales resources (sales organization, tools, plans, and channels) in strategy implementation

# LEARNING OBJECTIVES

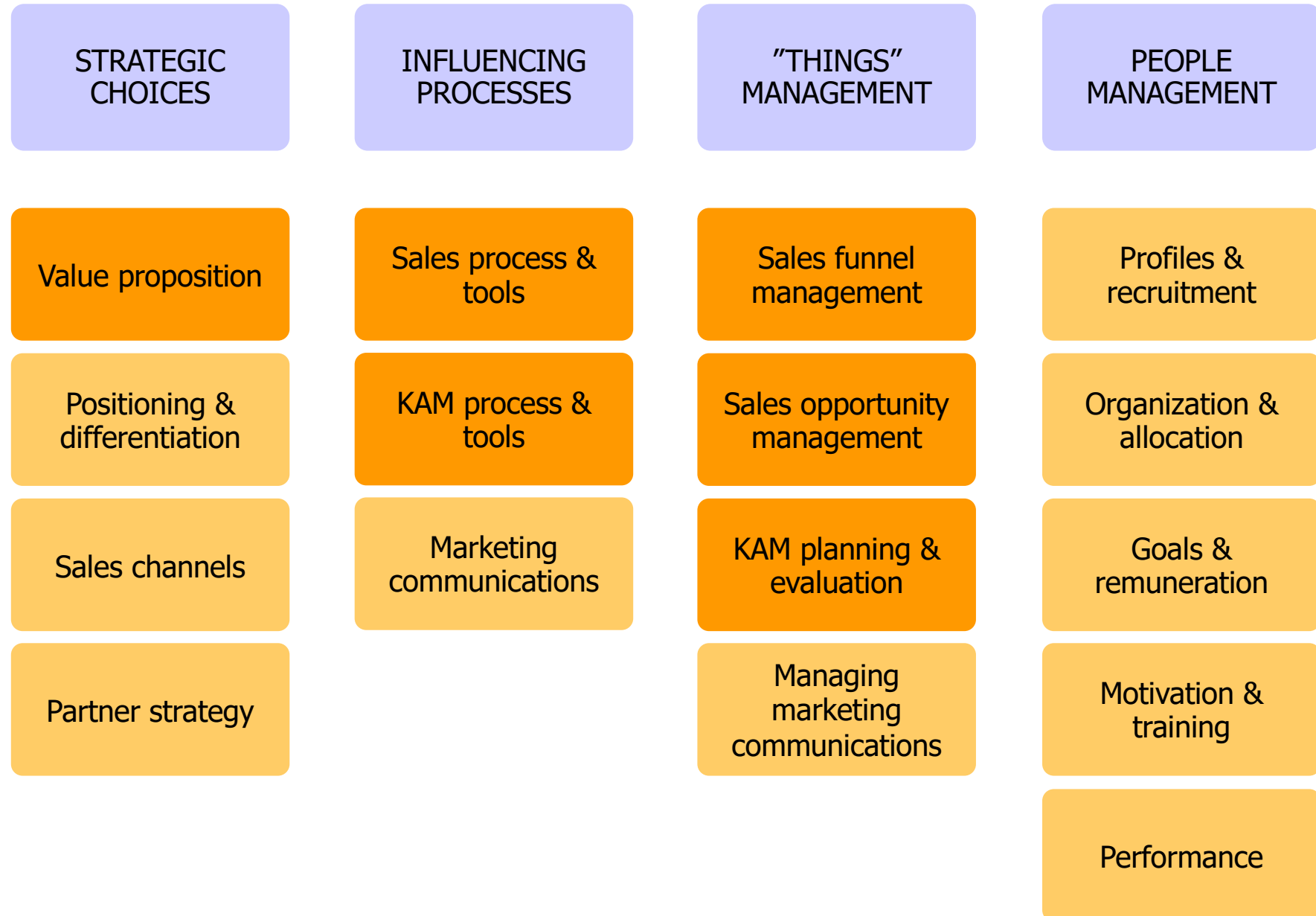
- Understand, how the role & skills of the sales function are changing as a result of the service transformation, digitalization, and networked value creation
- By focusing on **customer value** as the core concepts of B2B exchange, learn the content and use of customer value proposition
- Learn the **structure and process** of the key organizational implementation processes **buying**, proactive **selling**, and **key account management**, as well as the internal sales **opportunity** and sales **funnel** management processes
- Learn the individual **skills** to successfully implement the value selling process, tasks, and tools.

TIME	TITLE	ONLINE LEARNING MODULE	Quiz	PRE-READING AND PRESENTATION ARTICLES	GUEST PRESENTATION	ONLINE LEARNING DIARY
Meeting 1: Tue 27.10.20	Introduction: Value creation in business & sales management big picture	Video "Introduction to value-based selling"		"What salespeople need to know about the new B2B landscape"	N/A	
Meeting 2: Thu 29.10.20	Organizational buying and selling connected	Video "Why and how customers buy?"	Quiz "Why and how customers buy?"	"Customer value propositions in business markets"		Goals & buying"
Meeting 3: Tue 3.11.20	Influencing by sales 1	Video "5 Steps of proactive selling"	Quiz "5 steps of proactive selling"	"Selling solutions by selling value"		
Meeting 4: Thu 5.11.20	Influencing by sales 2	Video: "3 Sales focus areas: People, value and control"	Quiz "3 Sales focus areas"	"The end of solution sales"		Structured & proactive influencing
Meeting 5: Tue 10.11.20 <b>13:15 – 15:00</b>	Individual sales skills	Video: "Individual sales skills"	Quiz "Individual sales skills"	Tiebreaker selling	Kalle Reunanen, Innomaatti Oy	Individual sales skills
Meeting 6: Thu 12.11.20	NO LECTURE			"Value-based selling: An organizational capability perspective"		Article review



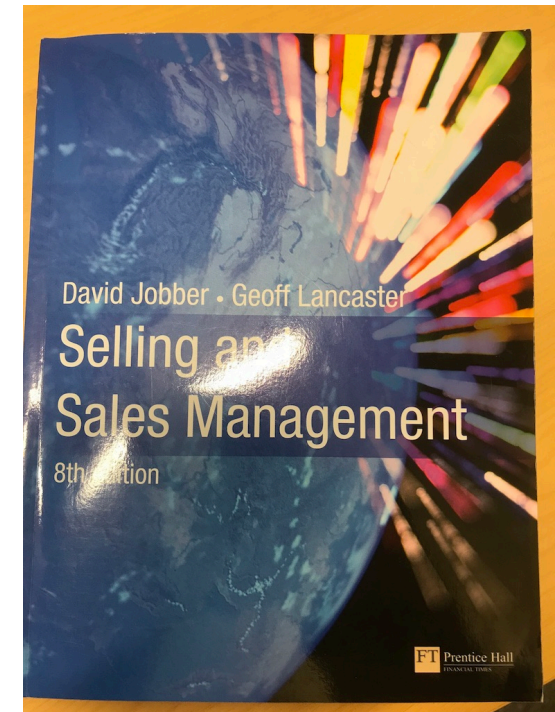
TIME	TITLE	ONLINE LEARNING MODULE	Quiz	PRE-READING AND PRESENTATION ARTICLES	GUEST PRESENTATION	ONLINE LEARNING DIARY
Meeting 7: Tue 17.11.20	Sales opportunity management		Quiz "Sales opportunity management"	Pre-learning: "Sales opportunity management"  Presentation: "Value-based selling: An organizational capability perspective"		
Meeting 8: Thu 19.11.20	Sales funnel management		Quiz "Sales funnel management"	Pre-learning: "Sales funnel management"  Presentation: "Assessing value co-creation and value capture potential in services: a management framework"	Pekka Moisio, Valmet Technologies	Sales funnel & opportunity management
Meeting 9: Tue 24.11.20	Customer portfolio & relationship management		Quiz "Key account management"	Pre-learning: "Key account management"  Presentation: "Managing the co-creation of value"		
Meeting 10: Thu 26.11.20	The changing role of sales			Presentation: "Aligning the mindset and capabilities within a business network ..."		
Meeting 11: Tue 1.12.20	Summary & instructions for the next steps			Presentation: "Transitioning from product to service-led growth in manufacturing firms: Emergent challenges in selecting and managing the industrial sales force"		
EXAM: Wed 9.12.20 at 09:00 – 12:00						

# WHAT ARE WE LEARNING?



# WHAT WE ARE NOT LEARNING?

*Jobber & Lancaster (2009) define sales management to include "recruitment & selection, motivation & training, organization & compensation, sales forecasting & budgeting, and sales force evaluation."*



# TEACHING METHODS & GRADING

METHOD	DESCRIPTION	GRADING
Preparation & Quizzes	Read the pre-reading article & watch the preparation video & take a quiz	10 %
Article reading & group presentations	In groups of 3-4 prepare a presentation on an article	10 %
Guest presentations	Business guest speaker presentations	
Interactive lectures		
Learning diary	Write a 1-page summary of the weekly theme in a pre-specified format	15 %
Course essay	In groups of 2-3, write a 10 page essay by reading & reviewing a book on sales methodology	15 %
Course exam	The exam will consist of 3 essay types of questions	50 %
		100 %

# PRE-READING

- What are your thoughts about the changes in the B2B selling?

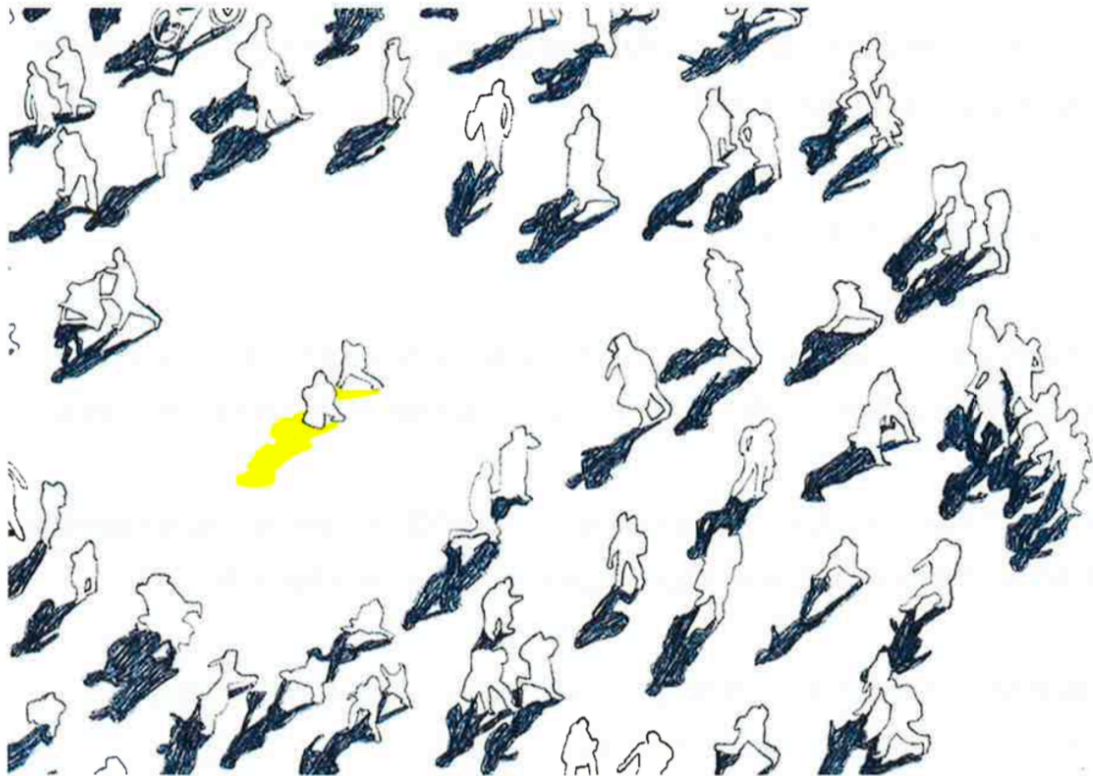
Harvard  
Business  
Review

SALES & MARKETING

## What Salespeople Need to Know About the New B2B Landscape

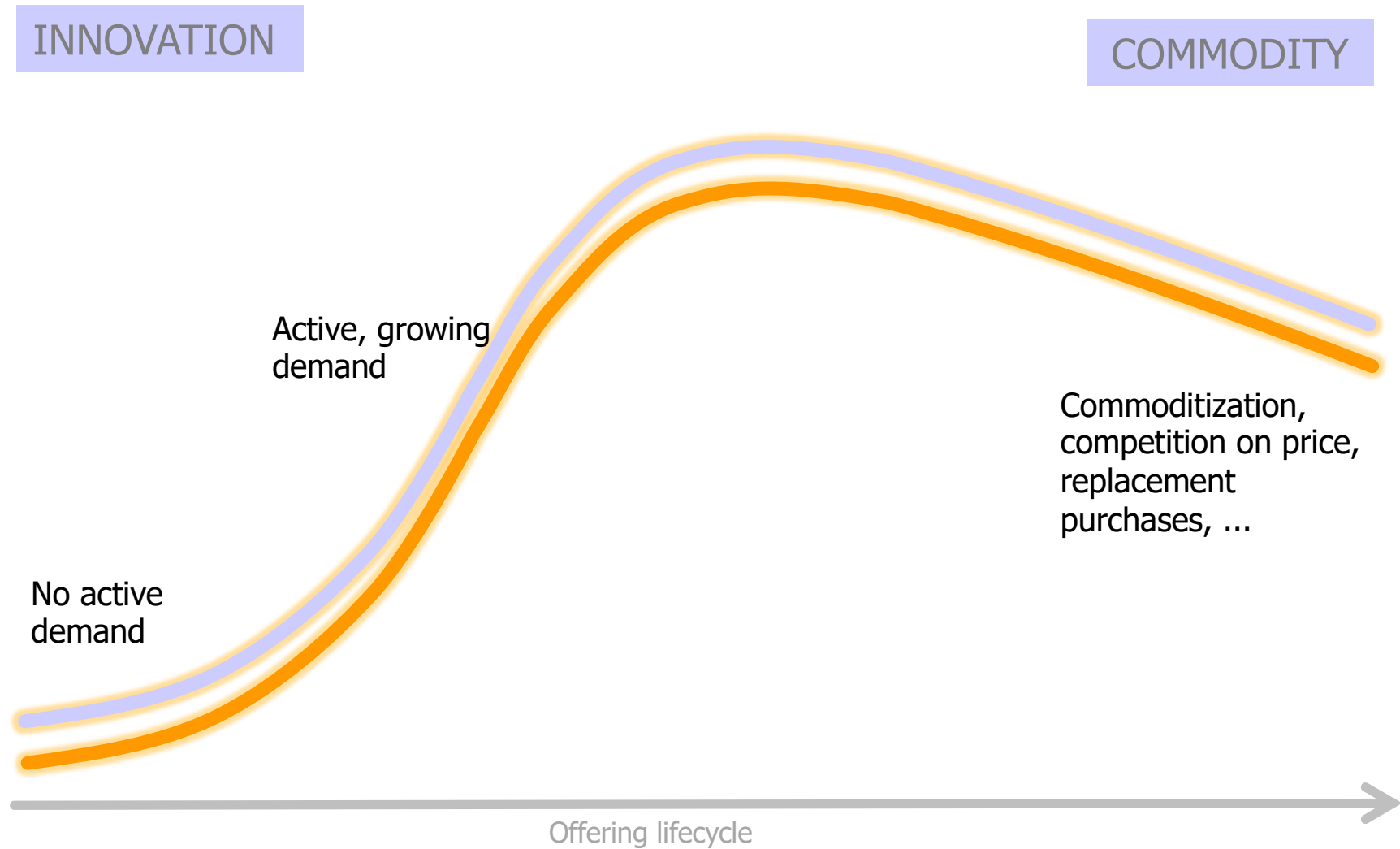
by Frank V. Cespedes and Tiffani Bova

AUGUST 05, 2015



# WHY VALUE?

# FROM BLUE OCEAN TO RED OCEAN



## EXERCISE

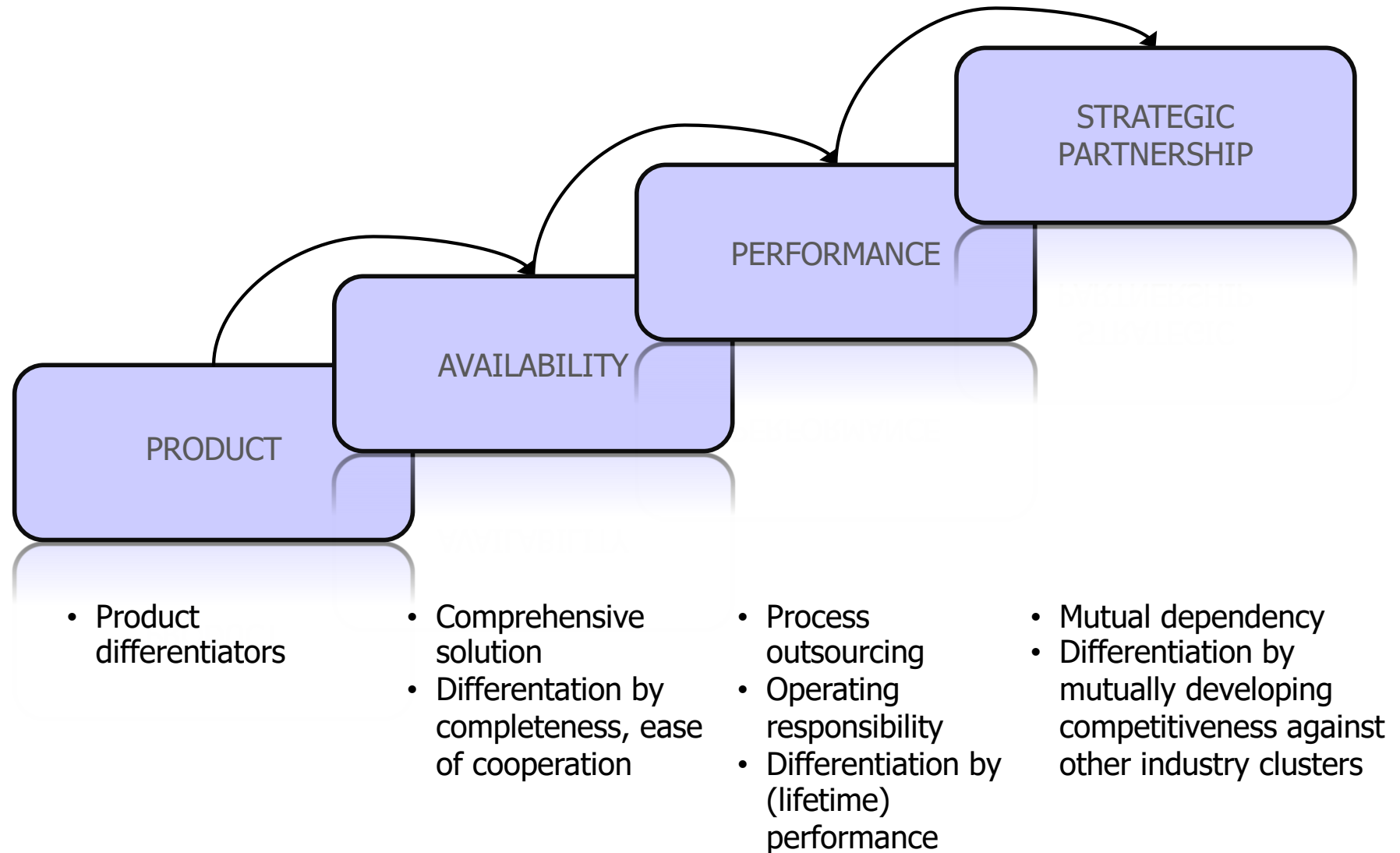
How are profitability, buyer/seller power positions changing over time?

## CHALLENGE:

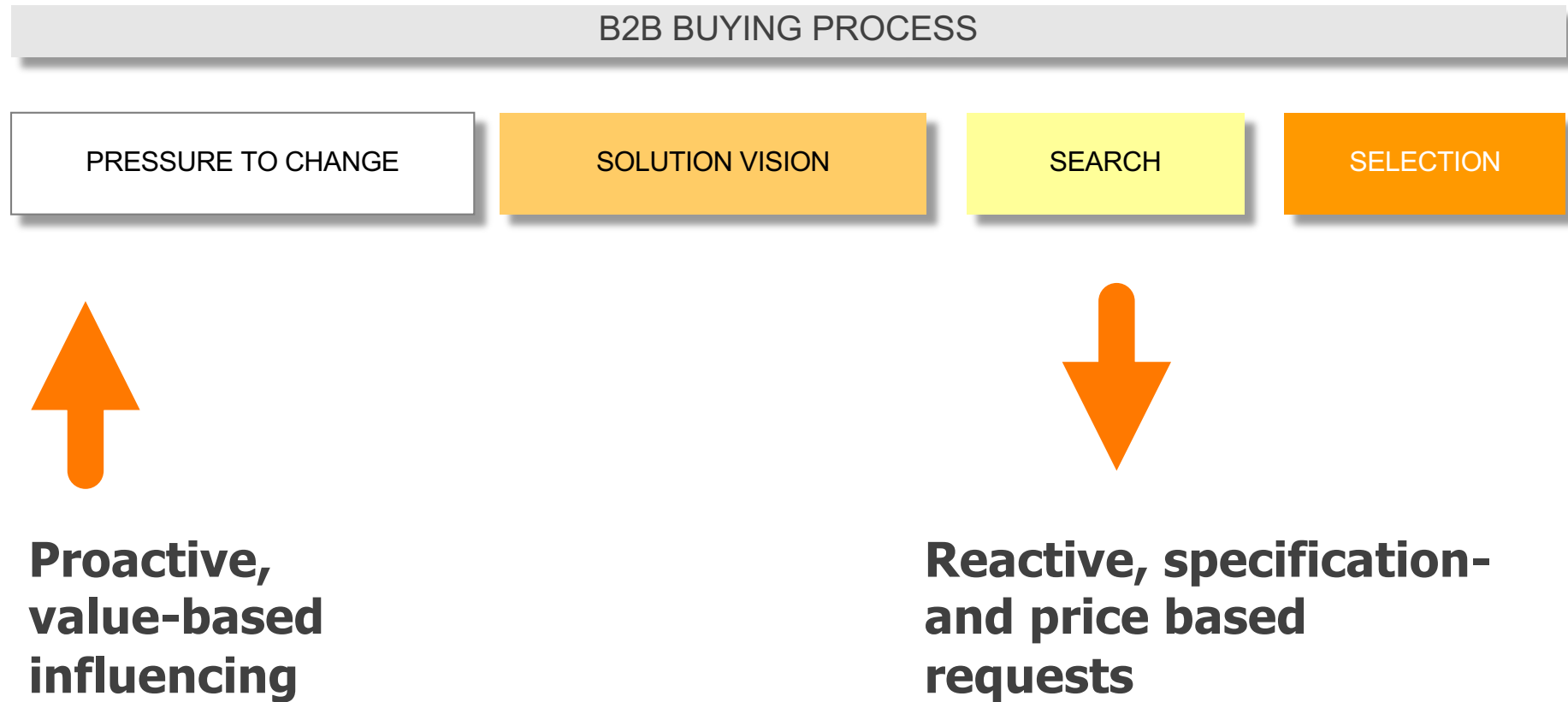
→ Need to differentiate by (service)  
innovation



# SYSTEMATIC DIFFERENTIATION



# NEED TO ENGAGE EARLY



## CHALLENGE:

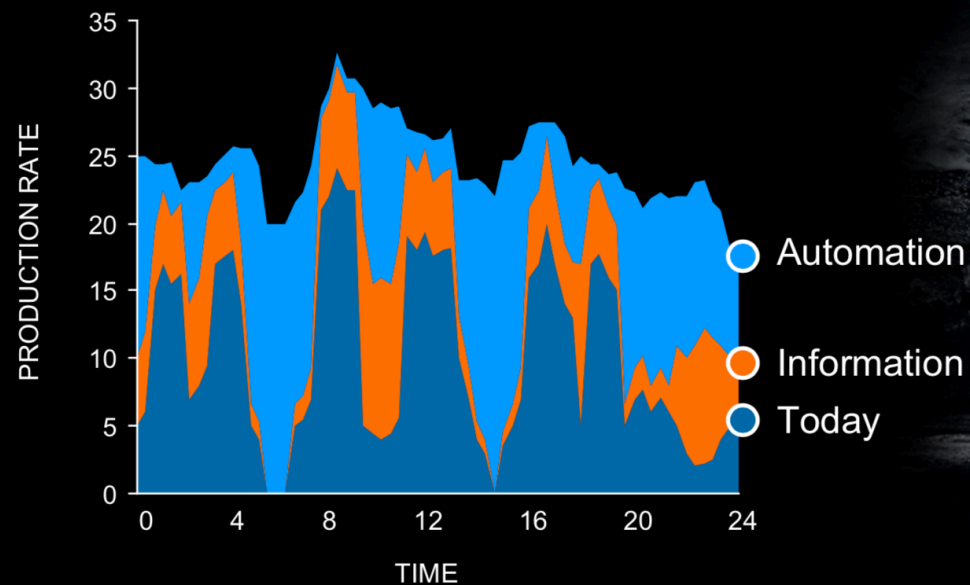
→ Need to provide evidence of the innovation's business value

# INFLUENCING BY VALUE

CASE SANDVIK

# THE IMPACT OF DIGITALIZATION AND AUTOMATION ON PRODUCTIVITY

## MORE, LOWER-COST & SAFER TONNES WITH INFORMATION AND AUTOMATION



Sandvik DD422iE



CASE KONE  
CTU SOLUTIONS

"Getting workers and goods safely to the right place at the right time"

**LESS WAITING**

Faster transportation than with exterior hoists

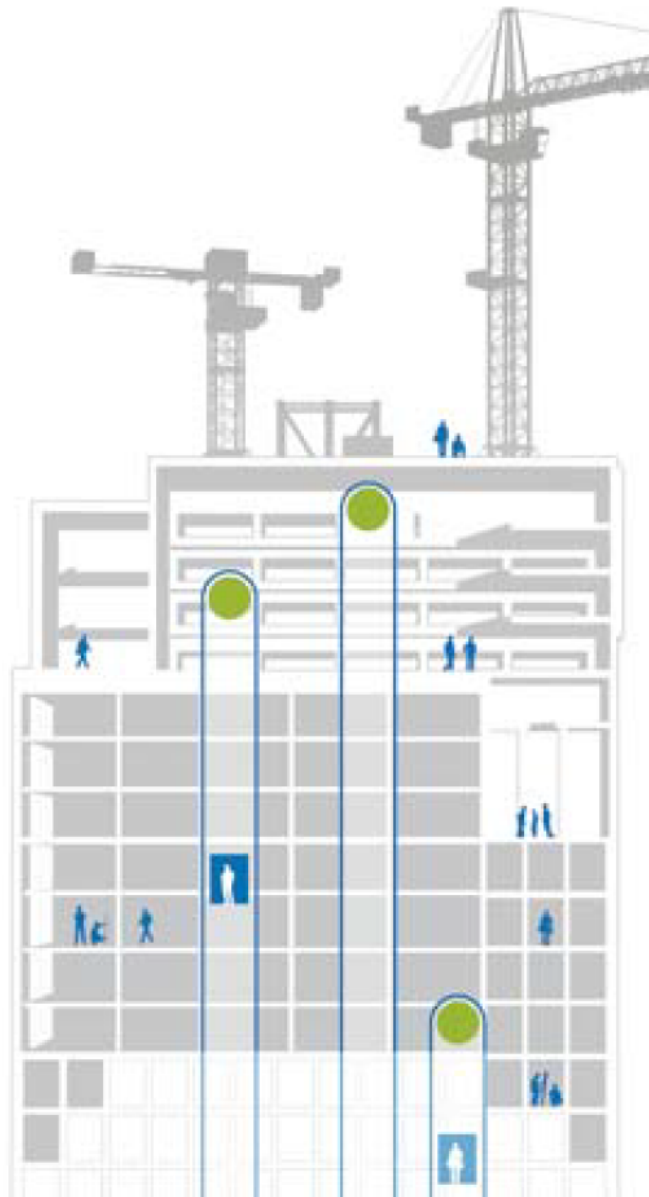
**CUT ENERGY COSTS**

Better energy efficiency than with exterior hoists

**REDUCE DOWNTIME**

Maximise availability

## RESEARCH AND INNOVATE



**LESS CONSTRAINTS**

Façade of the building can be closed sooner for weather protection and concurrent construction work

**RESULT:**

**SHORTER CONSTRUCTION TIME**

CASE POWER  
PLANTS

## INVESTMENT ALTERNATIVE COMPARISON

The cost of  
producing  
electricity over  
the lifecycle of a  
power plant

COST OF FUEL

COST OF FUEL

COST OF OPERATING AND  
MAINTAINING

COST OF OPERATING AND  
MAINTAINING

INVESTMENT COST

INVESTMENT COST

ALTERNATIVE **A**

ALTERNATIVE **B**





Kipchoge, Desisa and Tadese wore customized lightweight shoes with a carbon-fiber plate that some scientists believed gave the runners an unfair advantage because it effectively acted as a spring.

But the rules about shoe design set forward by the I.A.A.F. are extremely vague, and Nike says its shoes are in compliance. The customized shoe worn on Saturday reduces by 4 percent the energy needed to run at a given speed and helps to reduce fatigue, the company said.





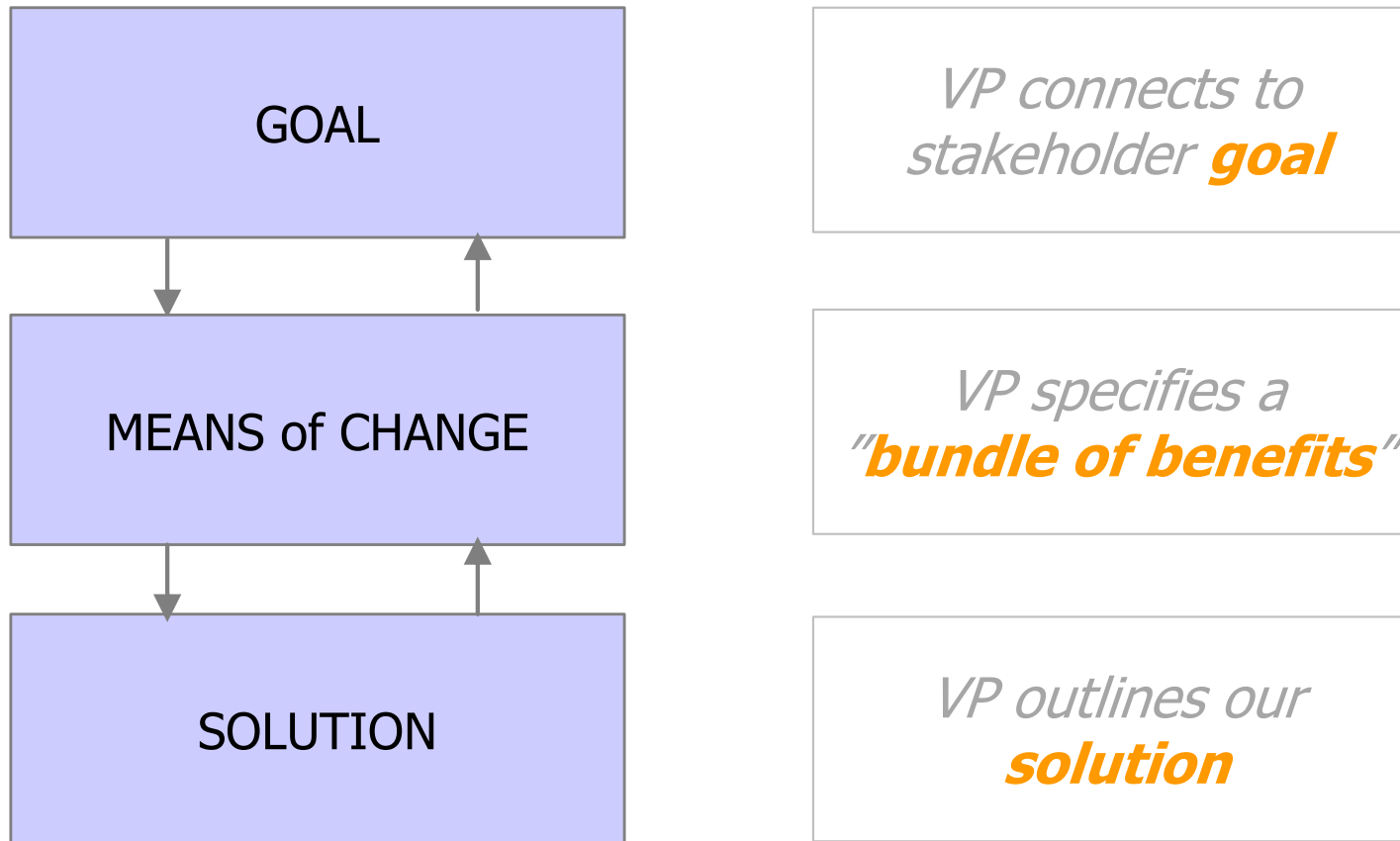
# DISCUSSION IN GROUPS

Discuss your thoughts about these value communication examples in your groups for few minutes

- *What different elements of value communication can you identify in these examples?*

Please be prepared to share your thoughts with the rest of the group.

# VALUE PROPOSITION ELEMENTS



## *READING FOR THE NEXT MEETING*

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# Customer Value Propositions in Business Markets

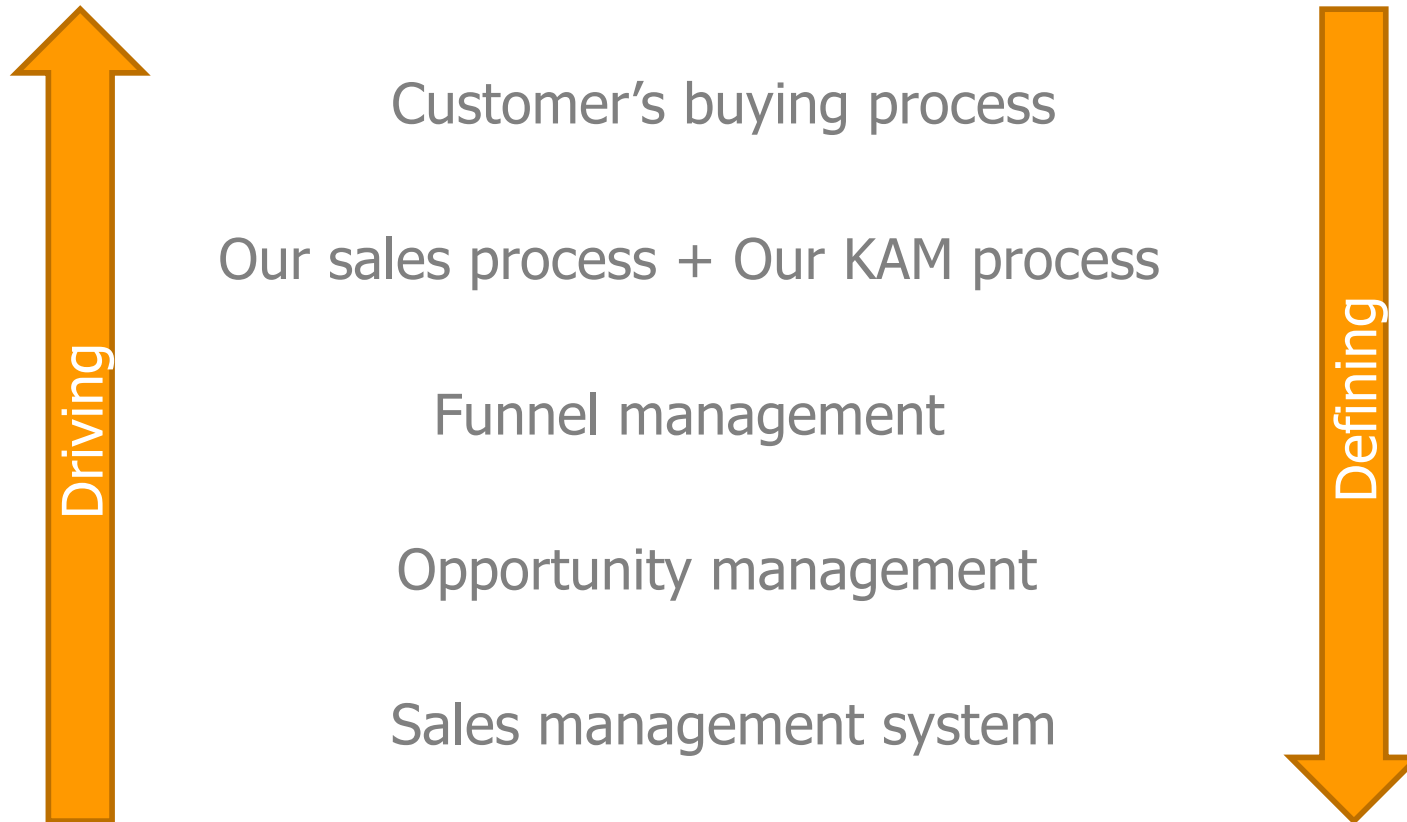
by James C. Anderson, James A. Narus, and  
Wouter van Rossum

Anderson, J. C., Narus, J. a, & van  
Rossum, W. (2006). "Customer  
value propositions in business  
markets". *Harvard Business  
Review*, 84(3), 1–10.

# THE BIG PICTURE

Structured influencing by marketing,  
sales, and customer relationship  
management

# SALES MANAGEMENT KEY PROCESSES



## BUYING

PRESSURE

VISION

EVALUATION

COMMITMENT



**VALUE PROPOSITION** is crafted, communicated, adapted, quantified and verified during buyer-seller interactions

MARKETING

SALES

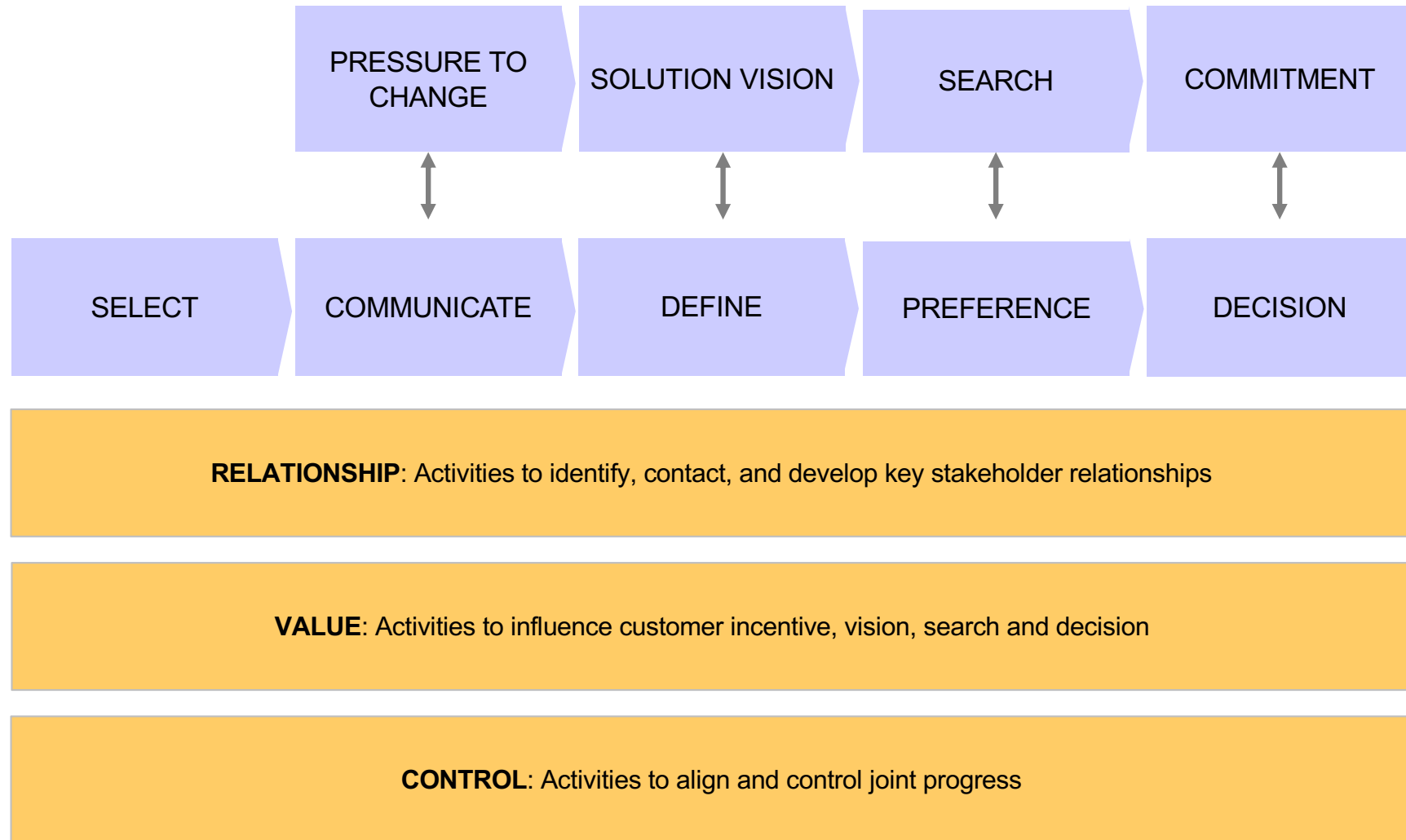
MARKETING, SELLING, AND ACCOUNT MANAGEMENT FUNCTIONS

SALES OPPORTUNITY MANAGEMENT

SALES FUNNEL MANAGEMENT

SALES MANAGEMENT SYSTEM

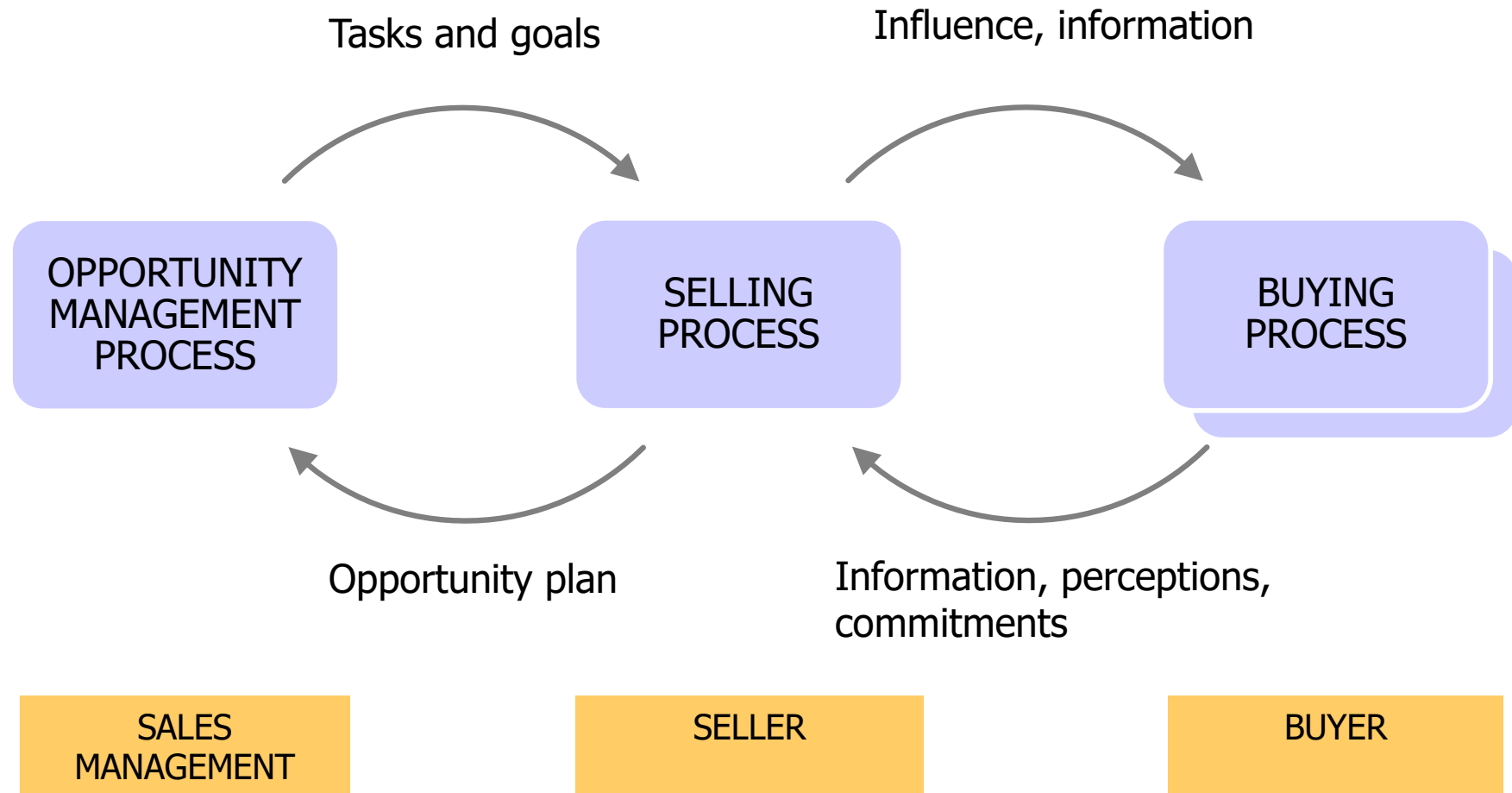
# THREE CATEGORIES OF INFLUENCING ACTIVITIES



# SALES OPPORTUNITY MANAGEMENT



# OPPORTUNITY MANAGEMENT FRAMEWORK



# SALES OPPORTUNITY MANAGEMENT

WHAT?	<ul style="list-style-type: none"><li>• Opportunity management is the planning and doing the right things with right opportunities the right time with right people</li><li>• Manage the processes with facts, not opinions</li></ul>
WHY?	<ul style="list-style-type: none"><li>• Apply corporate best practices</li><li>• Work with right opportunities</li><li>• Analyse, plan, act efficiently</li><li>• Involve others, share experience</li></ul>
HOW?	<ul style="list-style-type: none"><li>• Understand how customers buy</li><li>• Design sales process to influence buying</li><li>• Coach by questions to understand how the opportunity is progressing against expectations</li></ul>

# SALES OPPORTUNITY KEY QUESTIONS



# DISCUSSION IN GROUPS

Discuss your thoughts about sales opportunity management in your groups for few minutes

- *When is sales opportunity management important?*
- *When is it not?*

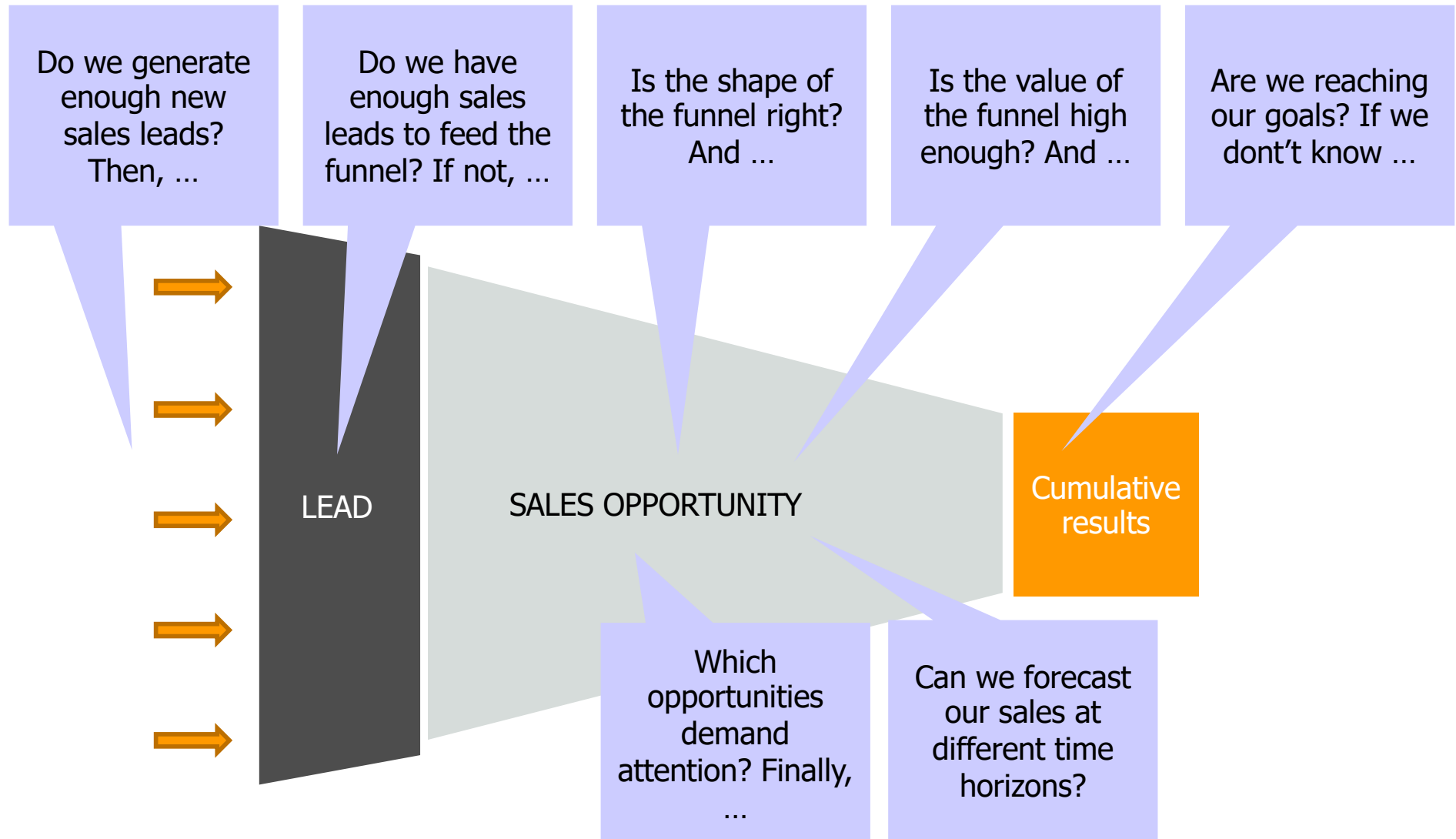
Please be prepared to share your thoughts with the rest of the group.

# SALES FUNNEL MANAGEMENT

# FUNNEL MANAGEMENT HIGHLIGHTS

<b>WHAT?</b>	<ul style="list-style-type: none"><li>• Plan and predict</li><li>• Identify opportunities needing attention</li><li>• Analyze sales efficiency (with conversion rates)</li><li>• Plan marketing and lead generation actions</li><li>• Forecast sales</li></ul>
<b>WHY?</b>	<ul style="list-style-type: none"><li>• Generate enough leads to feed the funnel</li><li>• Direct sales and marketing activity to accelerate the funnel</li><li>• Understand reasons for win/loss at different stages of the funnel</li><li>• Improve overall sales efficiency</li></ul>
<b>HOW?</b>	<ul style="list-style-type: none"><li>• Compare actual sales funnel to target (SHAPE, VALUE, SPEED)</li><li>• Forecast sales results</li><li>• Decide on actions</li></ul>

# SALES FUNNEL MANAGEMENT



# DISCUSSION IN GROUPS

Discuss your thoughts about sales funnel management in your groups for few minutes

- *When is sales funnel management important?*
- *When is it not?*

Please be prepared to share your thoughts with the rest of the group.