

23E50010

FROM VALUE RESEARCH TO SALES PERFORMANCE MANAGEMENT

1.12.2020

"The only way to influence people is to understand what they want and show them how to get it" – Dale Carnegie

INSTITUTIONAL CHALLENGE:

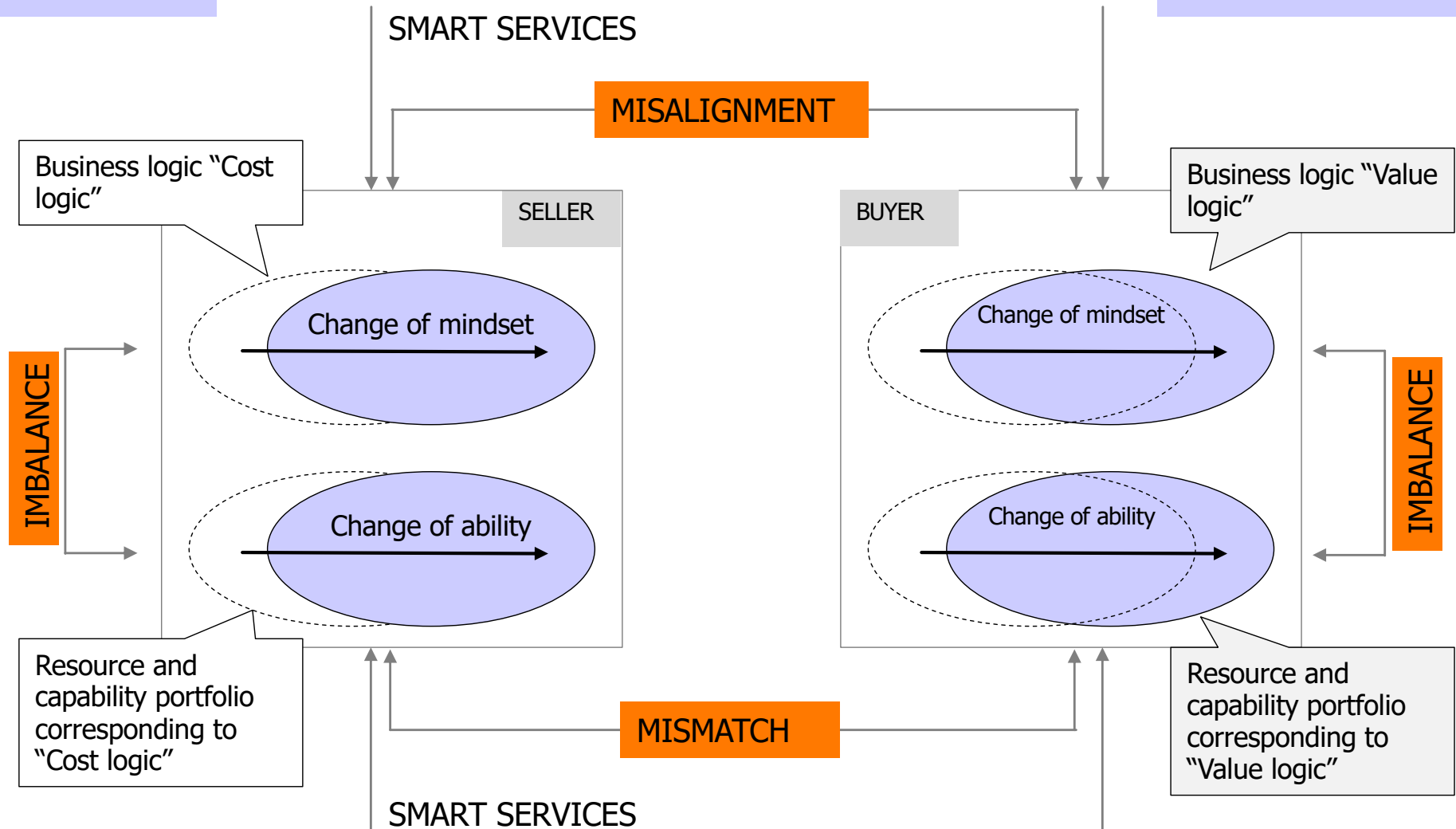
PRODUCT LOGIC VS. SERVICE LOGIC

KEY DIMENSION	PRODUCT LOGIC	SERVICE LOGIC
Exchange focus	Transaction	Lifecycle solution
Decision criteria	Few	All relevant
Optimization focus	Value-in-Exchange	Value-in-Use
Exchange scope	Product	Service solution
Temporal focus	Short-term	Long-term
Relationship logic	Arms-length / independence / Power	Partnership
Primary exchange goal	Value capture	"Value first, sharing then"
Offering market cycle	Commodity	Innovation
Solution vision	Buyer's	Jointly created
Value sharing reference	Supplier cost	Customer value

SYNCHRONIZED CHANGE

SUPPLIER

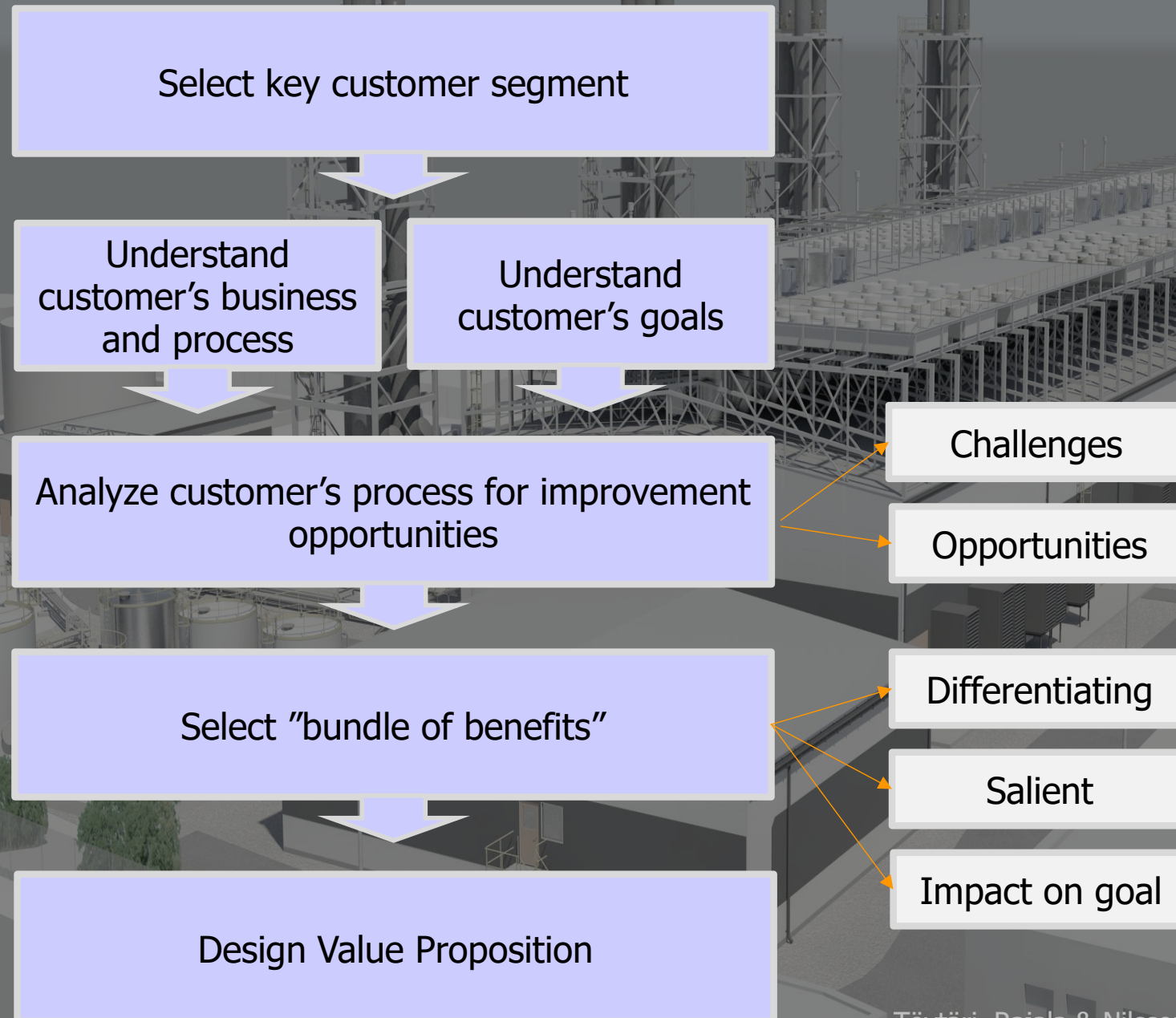
CUSTOMER



STEP 1:

UNDERSTAND CUSTOMER GOAL,
CHALLENGES, AND VISION

VALUE PROPOSITION DEVELOPMENT TEMPLATE



STEP 2:

DEVELOP DIFFERENTIATED VALUE
PROPOSITION

VALUE PROPOSITION TEMPLATE

This template gives a handy tool for describing a value proposition.

EXERCISE

Value proposition *template*

This tool summarizes elements of value communication: What goal do we believe the key person is striving for, what is our solution, and what benefits does the solution deliver?

_____, who wants
Key stakeholder

Stakeholder goal

Our solution

helps

Benefit 1

Benefit 2

Benefit 3

CASE SKF
BEARINGS

WHAT ARE THE RELEVANT DECISION CRITERIA?

Total
lifecycle
cost 87,25
Eur

Increased energy consumption
Increased lubrication need
Higher inventory cost
Lower usability
Lower reliability
Higher installation cost

Purchase price – 10 Eur

BEARING A

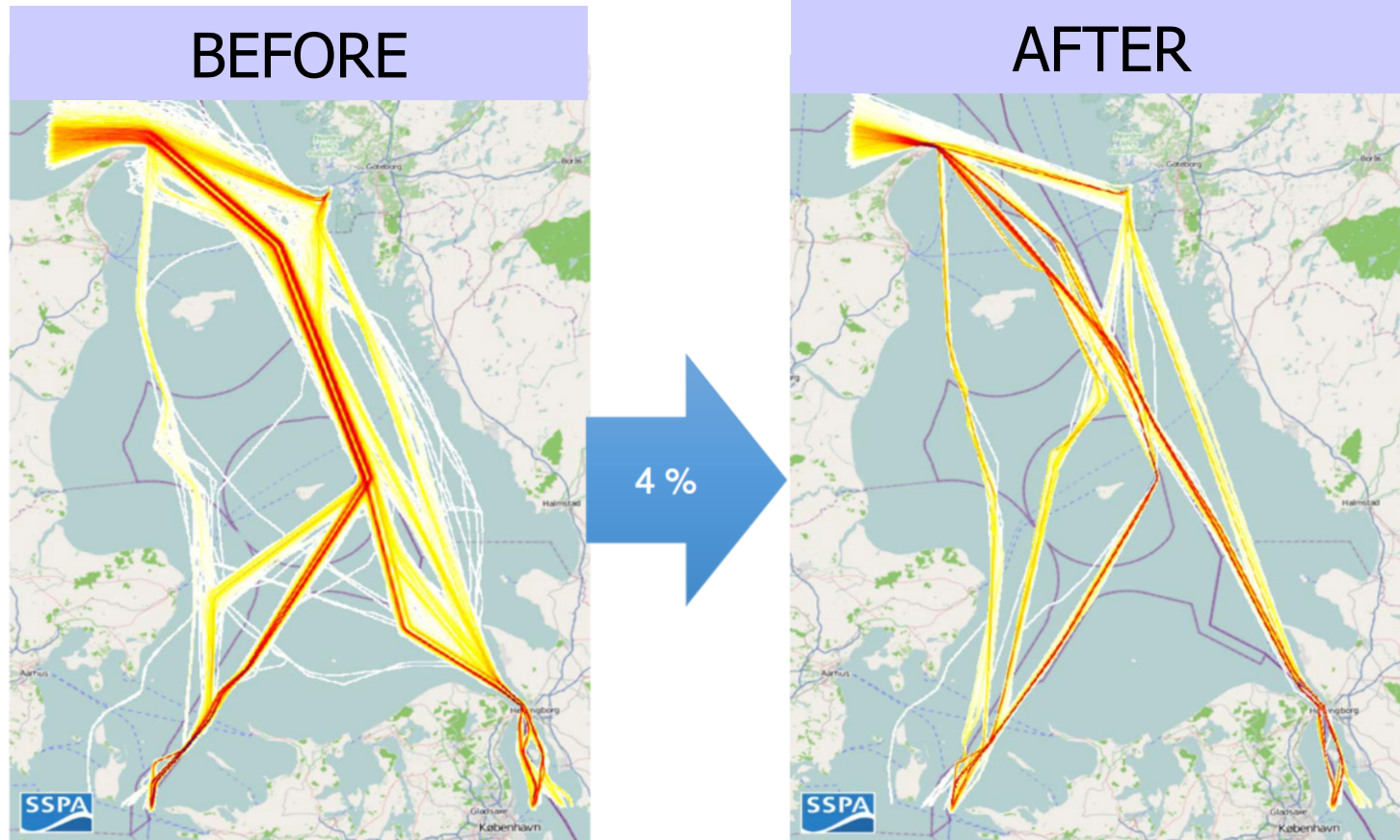
Decreased energy consumption
Decreased lubrication need
Lower inventory cost
Improved usability
Improved reliability
Lower installation cost

Purchase price – 15 Eur

BEARING B

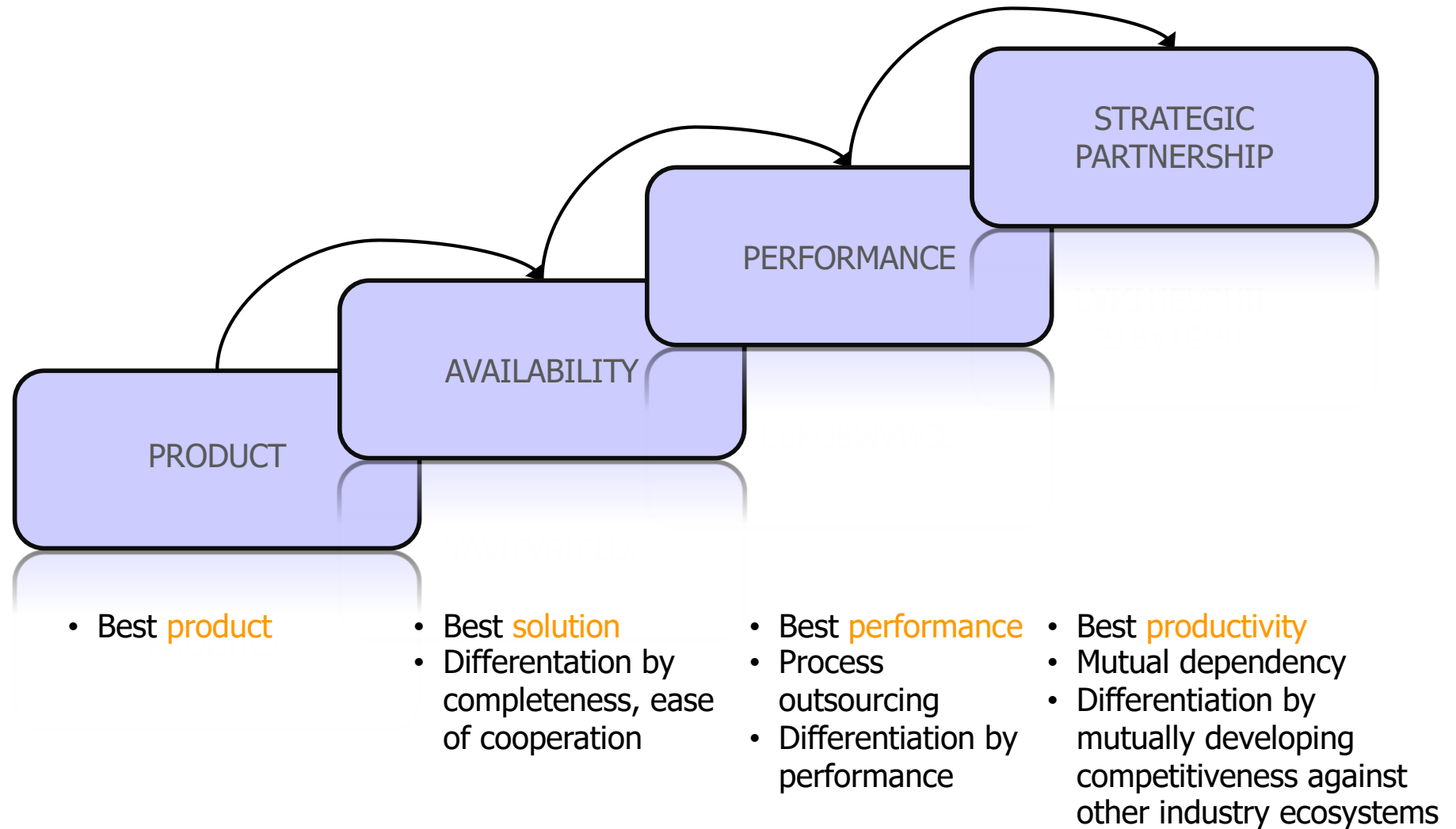
Total
lifecycle
cost 57,00
Eur

RE-ROUTING VESSELS FOR COST SAVINGS



Estimation of saving achievable by re-routing vessels in Denmark. Simulation revealed annual savings of 4% in fuel cost alone. 1% savings equal to 500M Eur annually.

SYSTEMATIC DIFFERENTIATION



CASE Siemens



Re-energise your kitchen with Kitchen Stories.

Introducing the new culinary partner of Siemens Home Appliances, Kitchen Stories. Experience Kitchen Stories recipes created with your Siemens home appliances.

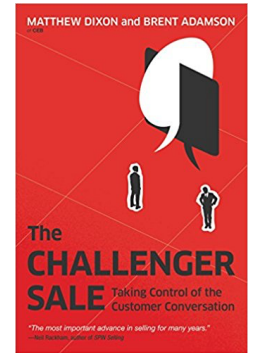
Creativity meets technology with Kitchen Stories and Siemens.

Founded by hobby chef Mengting Gao and cooking novice Verena Hubertz, Kitchen Stories inspires food lovers all over the world to cook and connect – via app or website. The Kitchen Stories platform is not only about great recipes but also offers practical kitchen tips and informative food articles. Combined with Siemens' innovative home appliance features including varioSpeed and coolStart, Kitchen Stories will boost your passion for fabulous food.

STEP 3:

DEVELOP SALES MODEL FOR
PROACTIVE INFLUENCING

INFLUENCE EARLY



PROACTIVE,
VALUE-BASED
INFLUENCING



REACTIVE, SPECIFICATION-
AND PRICE BASED REQUESTS

VBS CAPABILITY FRAMEWORK

GAIN CUSTOMER INSIGHT

- Map customer process
- Understand customer business goals and challenges
- Analyze process for improvement opportunities

BUILD VALUE PROPOSITION

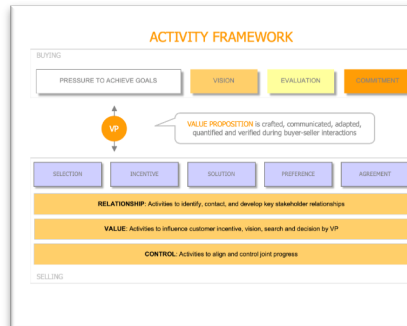
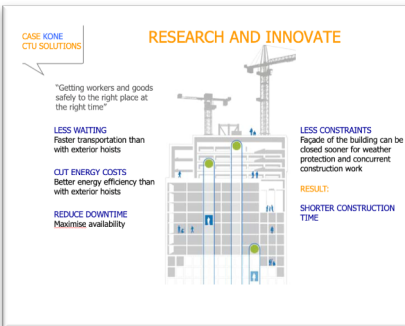
- Select goals and challenges to address
- Develop value propositions
- Mobilize value proposition (by digital tools)

ENGAGE WITH VALUE

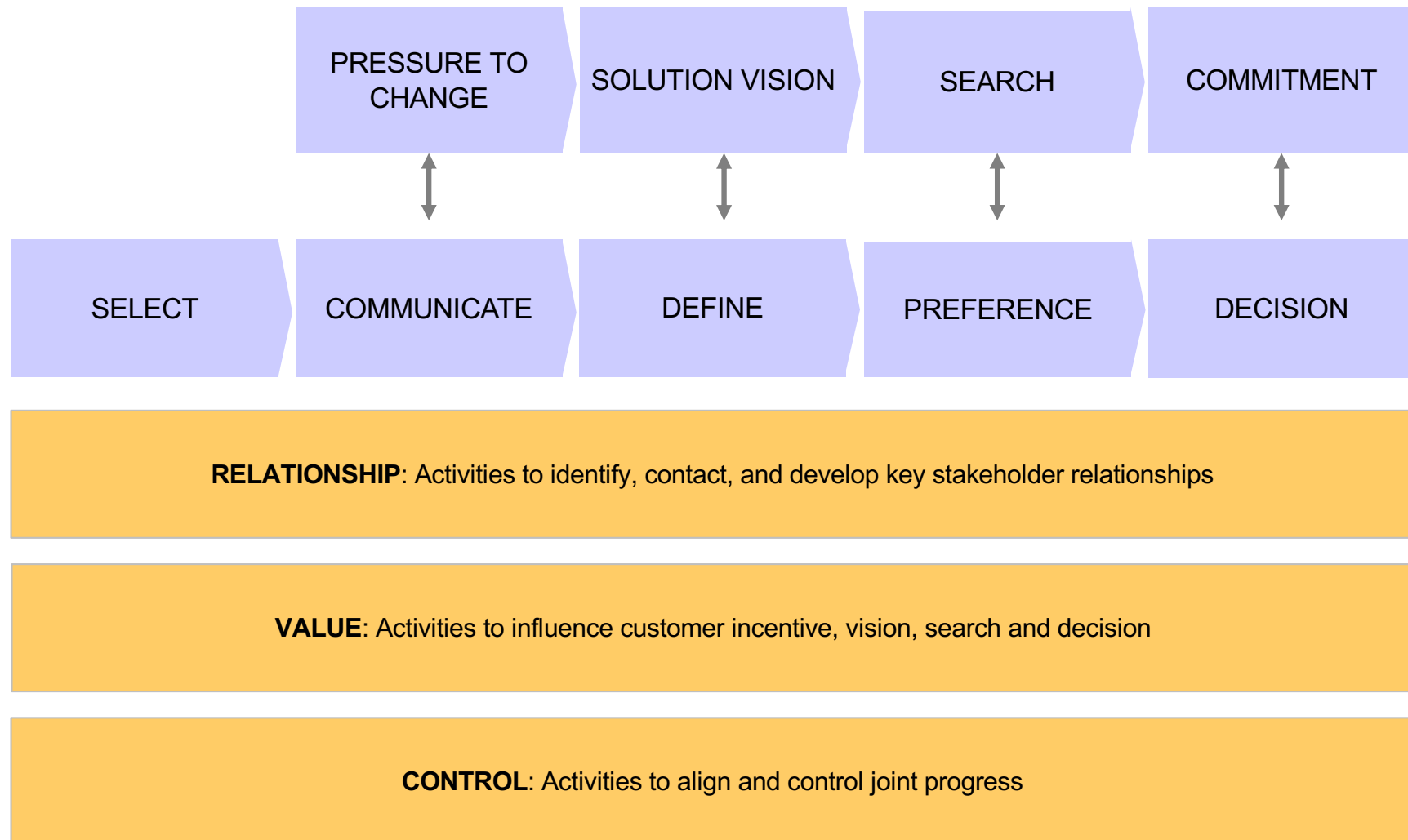
- Select customer
- Communicate & adapt value proposition
- Define solution
- Quantify value
- Agree on value constellation
- Agree on value sharing

LEVERAGE VALUE

- Value verification
- Enhance value repository



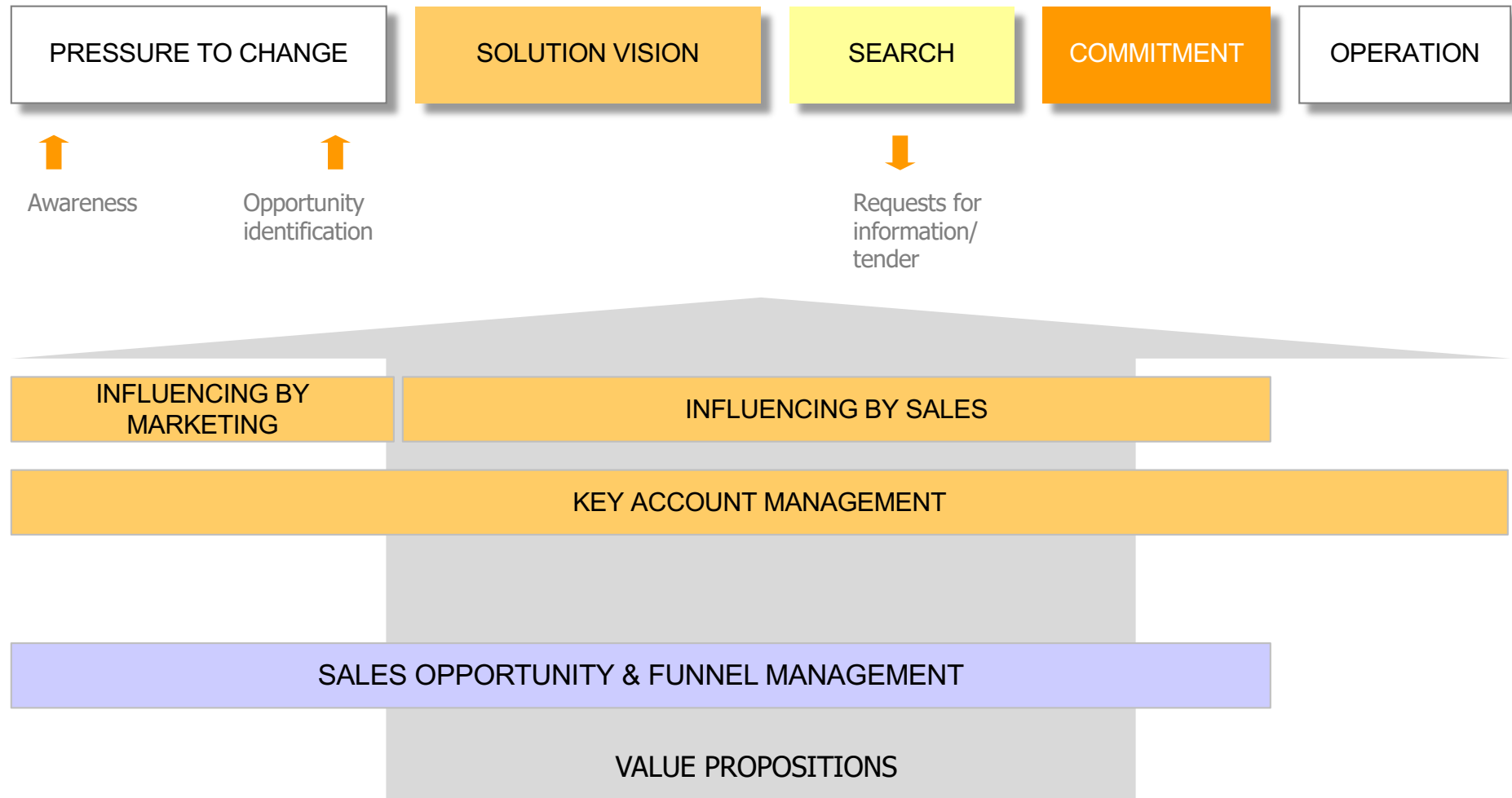
THREE CATEGORIES OF INFLUENCING ACTIVITIES



STEP 4:

MANAGE THE PROACTIVE
INFLUENCING

STRUCTURED INFLUENCING



SALES MANAGEMENT BUILDING BLOCKS



Customer's buying process

Our sales process

Funnel management

Opportunity management

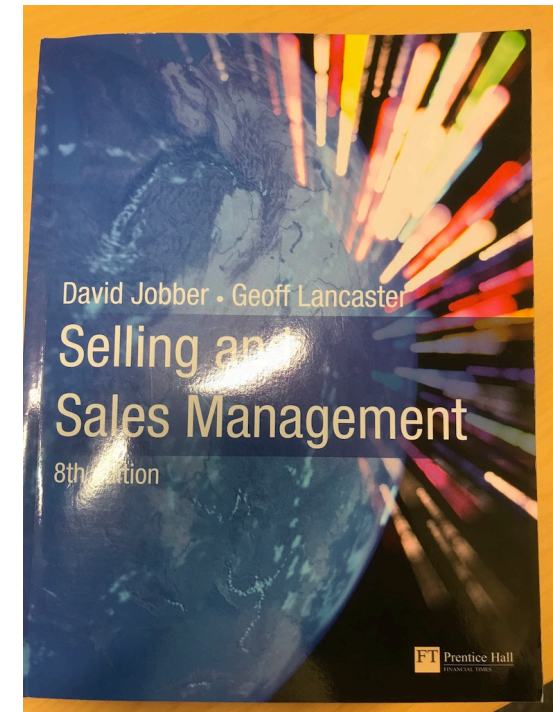
Sales management system



COURSE FOCUS

SALES MANAGEMENT

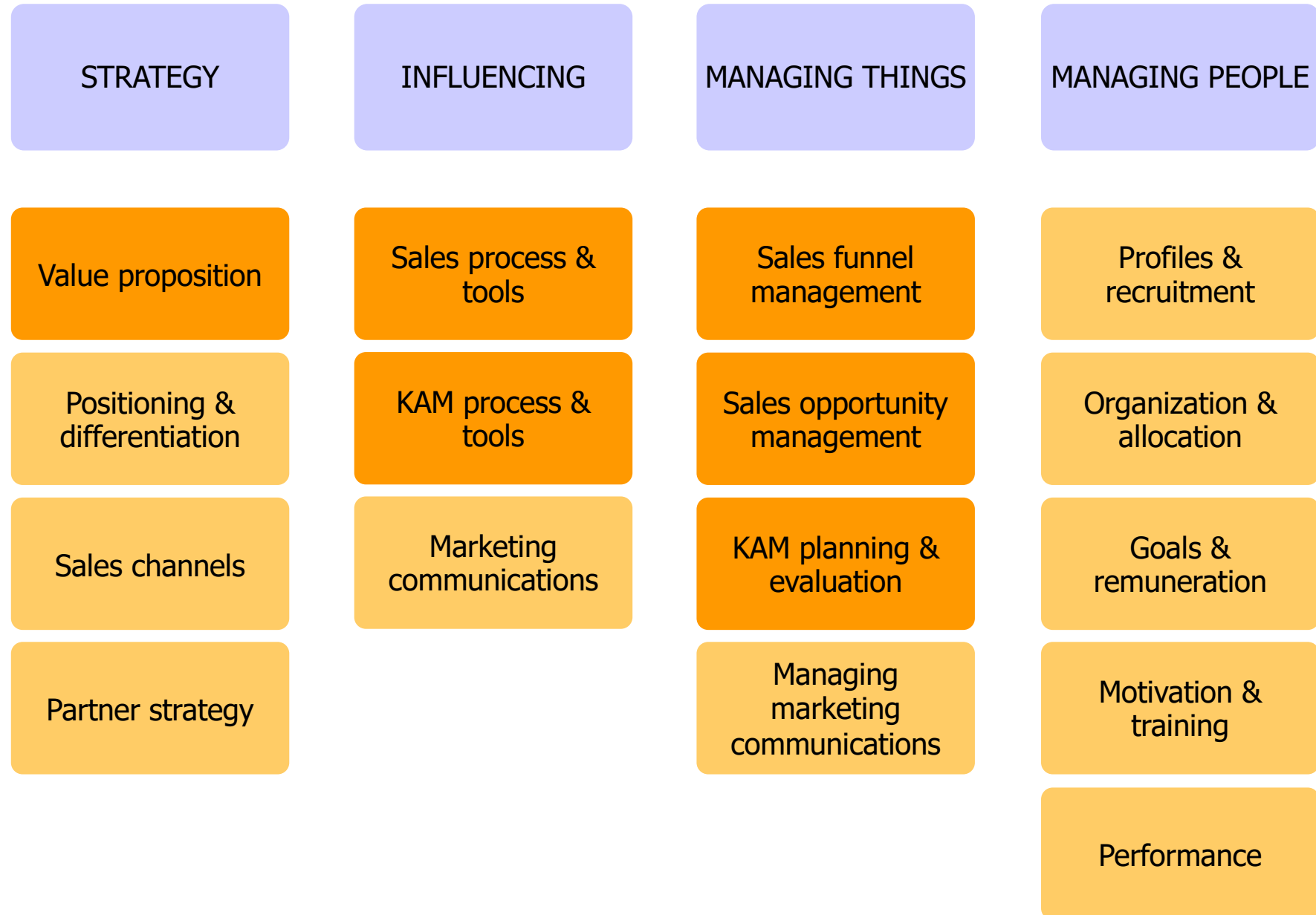
Jobber & Lancaster (2009) define sales management to include recruitment & selection, motivation & training, organization & compensation, sales forecasting & budgeting, and sales force evaluation.



EXERCISE

Discuss this definition of sales management with the person next to you. In your opinion, is there **anything missing** from the definition?

SALES MANAGEMENT BIG PICTURE



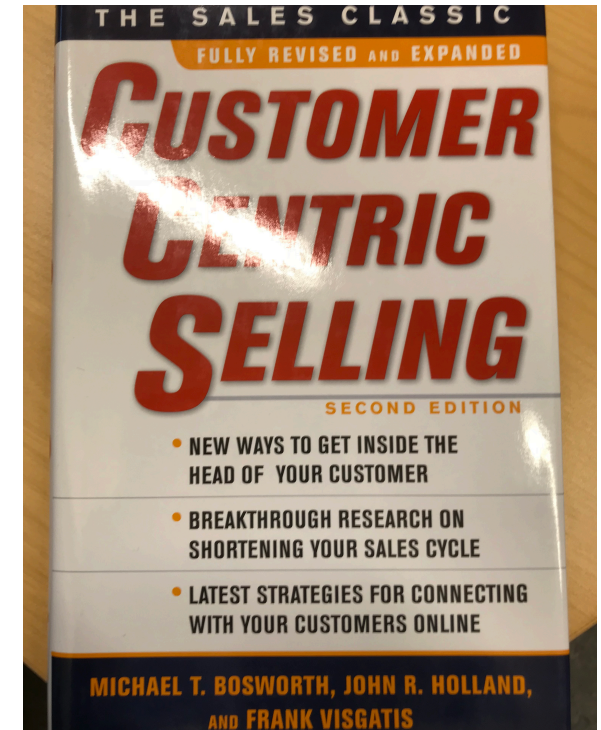
S4FLEET: IN THE MIDDLE OF THE TRANSFORMATION



COURSE ESSAY

COURSE ESSAY

- The final project for this course is an opportunity to perform an in-depth analysis of sales management related issues that are of interest to you.
- We would like you to review a book on contemporary sales methodology. You may choose your own book. I have a large number of copies of “Customer Centric Selling”.
- You may do this in a team of **three people**.
- The length of the essay is about 4500 – 5500 words.
- More information and detailed instructions can be found in the *Course Essay* section of the MyCourses workspace.



ESSAY STRUCTURE

- Introduction
 - *What are the topics you review and why?*
 - Main content (one chapter for each topic reviewed)
 - *Explain the topic: Key concepts, frameworks, and models*
 - *Discuss the topic: How relevant, how practical, how easy to learn and implement, ...*
 - Discussion and conclusions
 - *How would you like to summarize the book against what you have learned during the course*
 - *How would you compare the book against your previous experience?*
 - *What important elements of modern selling the book is not discussing (if any)?*
 - List of references (if any)
-

ESSAY ASSESSMENT CRITERIA

- Structure

- *Organization of the content*
- *Focus and integration of the paragraphs*

- Presentation

- *Text flow & language,*
- *Clarity and maturity of expression: don't just say something is important but explain why; if you claim something, give proof (references or other evidence)*
- *Relevance of content: (everything you say should support your argument, do not copy & paste just to create content, ...)*
- *Referencing (the way the authors use sources, for example, smart quotation)*

- Originality

- *Independent, reflective, and critical thought*
-

THE EXAM

COURSE EXAM

- The course exam consists of six essay type of questions on the key themes: 1) value, buying & selling, 2) the sales process, 3) individual selling skills, 4) funnel and opportunity management, 5) key account management, and 6) sales management system.
- You answer **4 of the 6 questions** by writing a short essay (half a page)
- The questions will be based on the lecture materials
- The exam is implemented as a questionnaire in MyCourses, exactly the same way as the learning diaries
- I will activate the exam link to the main page (next to the Zoom link) when the exam starts
- The exam dates & times are announced in Oodi (9.12)

GRADING

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 4 essay types of questions	50 %
		100 %