

23E50010

INDIVIDUAL SELLING SKILLS

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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

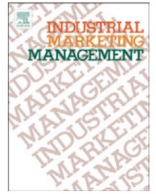
***The old playbook
no longer works.
Star salespeople now
seek to upend the
customer's current
approach to doing
business.*** by Brent
Adamson, Matthew Dixon,
and Nicholas Toman

ARTICLE PREREADING & PRESENTATION



Contents lists available at [ScienceDirect](#)

Industrial Marketing Management



Value-based selling: An organizational capability perspective



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Töytäri, P., Rajala, R. (2015)
“Value-Based Selling: An
organizational capability
perspective”. *Industrial Marketing
Management*.

- What did you learn by reading the article?
- What thoughts did the presentation create?

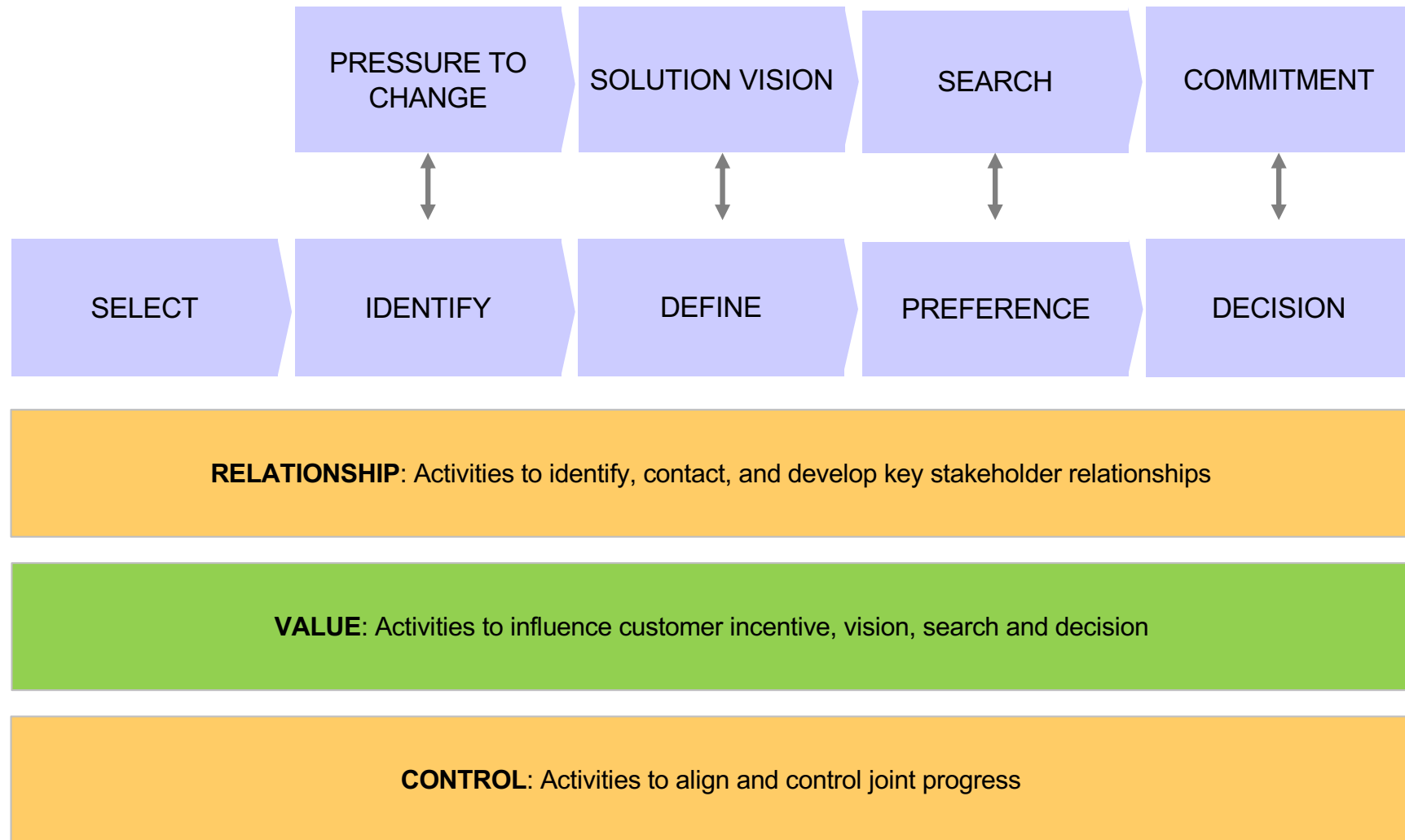
GROUPWORK

Discuss the following question in your groups for 10 mins:

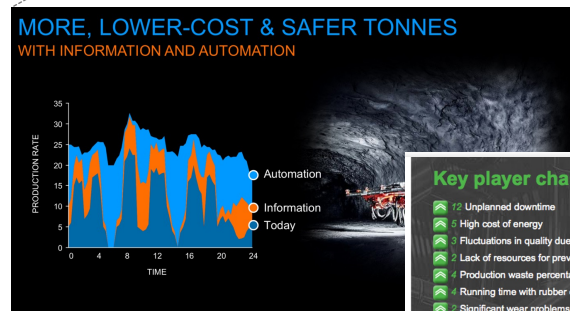
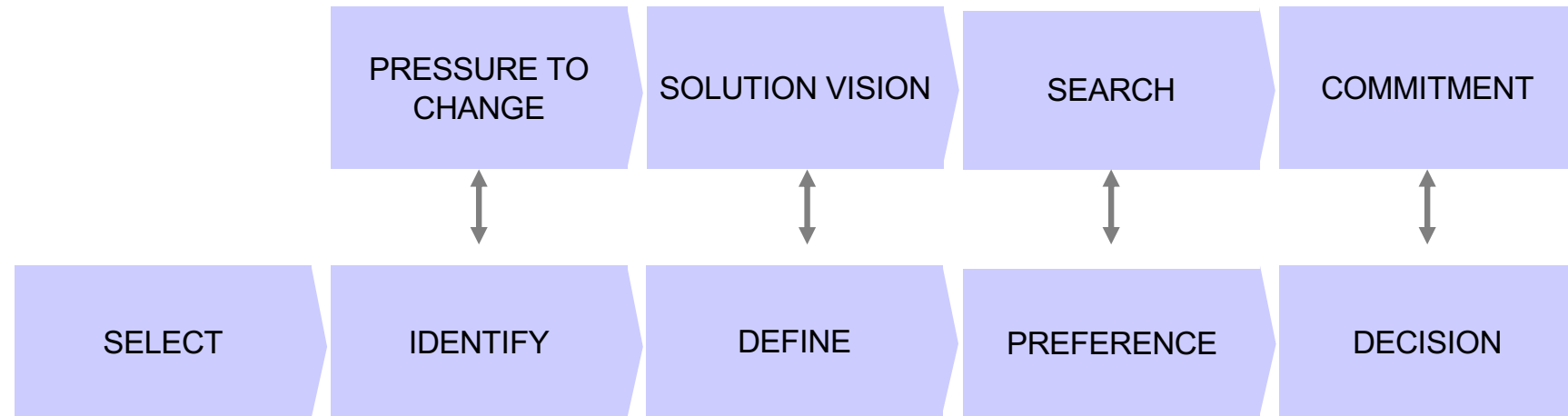
1. What are individual sales skills?

Prepare to share your findings with the rest of the group.

THREE CATEGORIES OF INFLUENCING ACTIVITIES



THREE CATEGORIES OF INFLUENCING ACTIVITIES



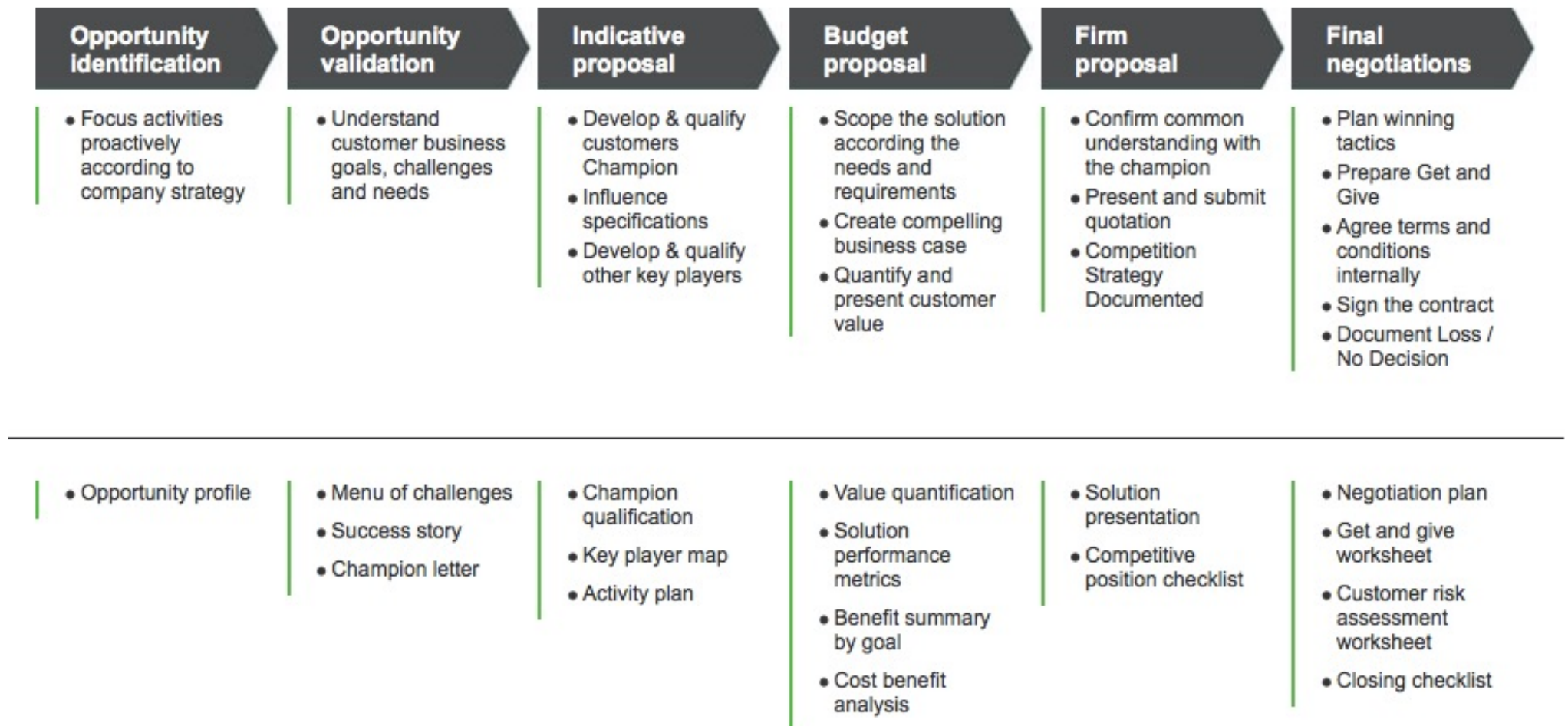
Key player challenges

- 🚩 Unplanned downtime
- 🚩 High cost of energy
- 🚩 Fluctuations in quality due to grinder sharp
- 🚩 Lack of resources for preventive maintenance
- 🚩 Production waste percentage too high
- 🚩 Running time with rubber covers only 2-3 weeks
- 🚩 Significant wear problems in the edge area
- 🚩 Uneven quality
- 🚩 Sticks cause web break

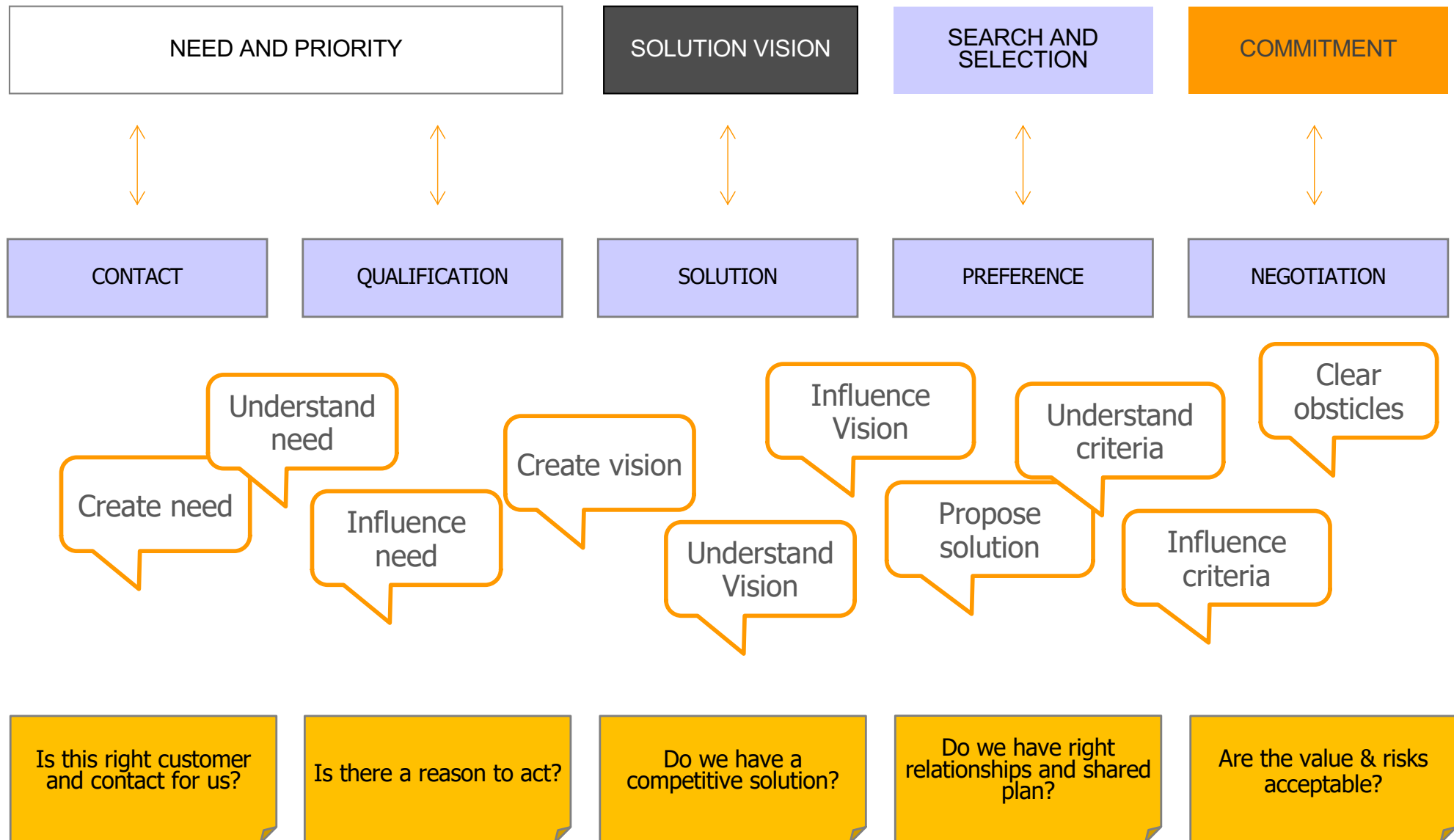
- Success stories by your selection**
- ◀ Additional Revenue from Bio-oil Production
 - ◀ High energy cost and out dated IR dryers
 - ◀ Production of Climate-friendly Bioethanol from Agricultural Waste
 - ◀ Fuel Production Technology for Biogas Vehicles
 - ◀ Efficient Board Making with OptiConcept M
 - ◀ 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 L...
 - ◀ Multi-Year Mill Maintenance Agre...
 - ◀ New Revenue Streams Through...
 - ◀ Printing & Writing Paper Machine
 - ◀ Top Shape Mechanical Paper P...
 - ◀ Focus on Machine Performance

Scenario 1	Current	Improvement Target	Production	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/t	0 %			0 kEur
Electricity consumption	19 MW	-200 kW			-100 kEur
TOTAL			+ 25 000 tons	+ 3 640 kEur	+ 60 kEur
ESTIMATED BENEFITS PER YEAR					3 700 kEur
INVESTMENT					4 000 kEur
DISCOUNTED PAYBACK TIME					14 Months
Production line data and calculation parameters	Operating days 355 per year	Average grammage 102 gm2	Trim width 6,1 m	Speed 695 m/min	Calculated current production 253 000 tons per year
	Unplanned shutdowns 4,0%	Planned shutdowns 2,0%	Breaks 5,1%	Broke 10,0%	
	Electricity cost 60 Eur / MWh	Steam cost 25 Eur / MWh	Cost of capital 10,0%	Gross margin 150 Eur/ton	

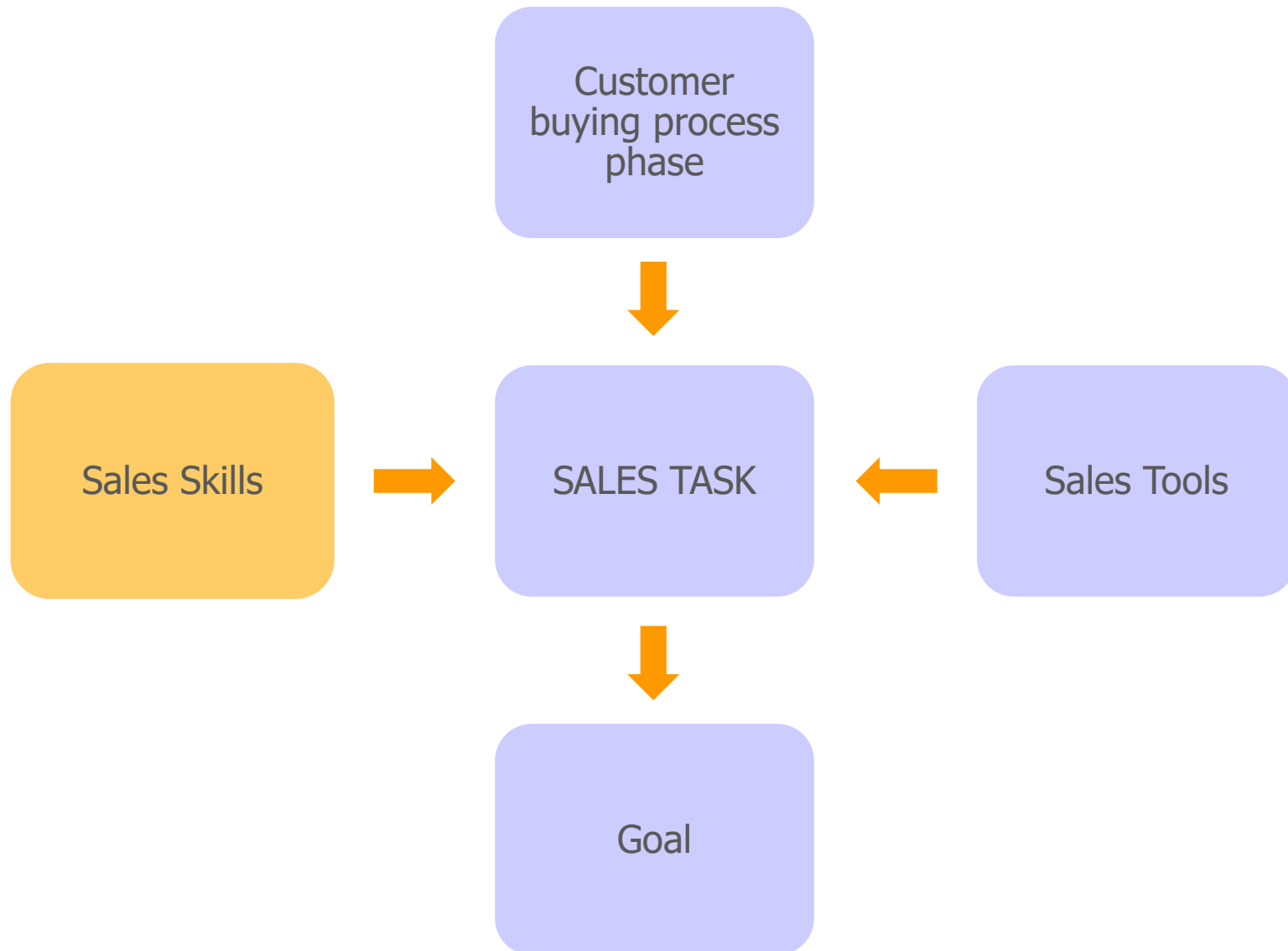
SALES PROCESS & ACTIVITIES & TOOLS



BUYING AND SELLING CONNECTED



INDIVIDUAL SELLING SKILLS





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TRUST

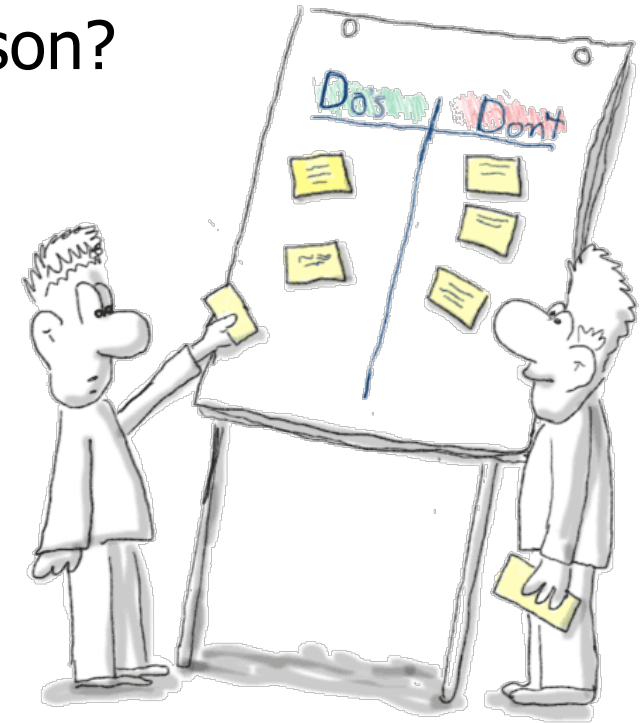
Understanding the elements of trust and building trust based on these is a corner stone of interactive communication. This is broadly understood but poorly mastered.

BUILDING TRUST

Discuss in teams...

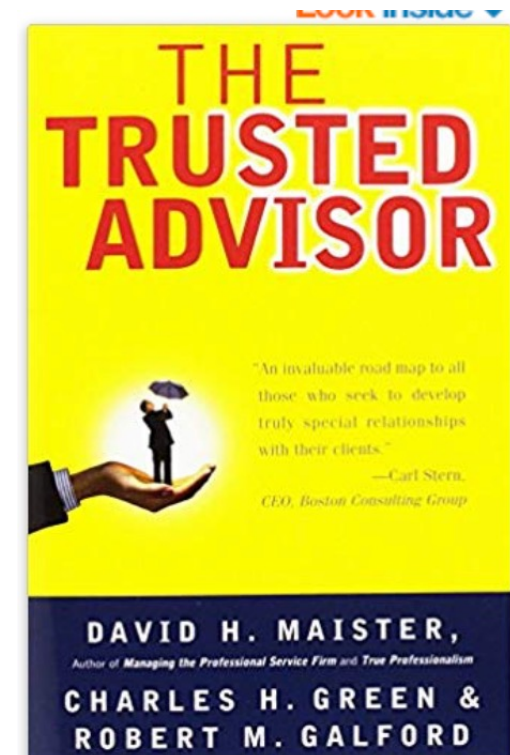
- What is trust?
- How can trust be created or lost?
- What makes you trust another person?

Prepare to share your observation with others.



THE EQUATION OF TRUST

$$\text{Trust} = \frac{\text{Credibility} * \text{Reliability} * \text{Rapport}}{\text{Selfishness}}$$





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INFLUENCING WITH QUESTIONS

Appreciative inquiry with well-planned questions is the
primary personal sales tool

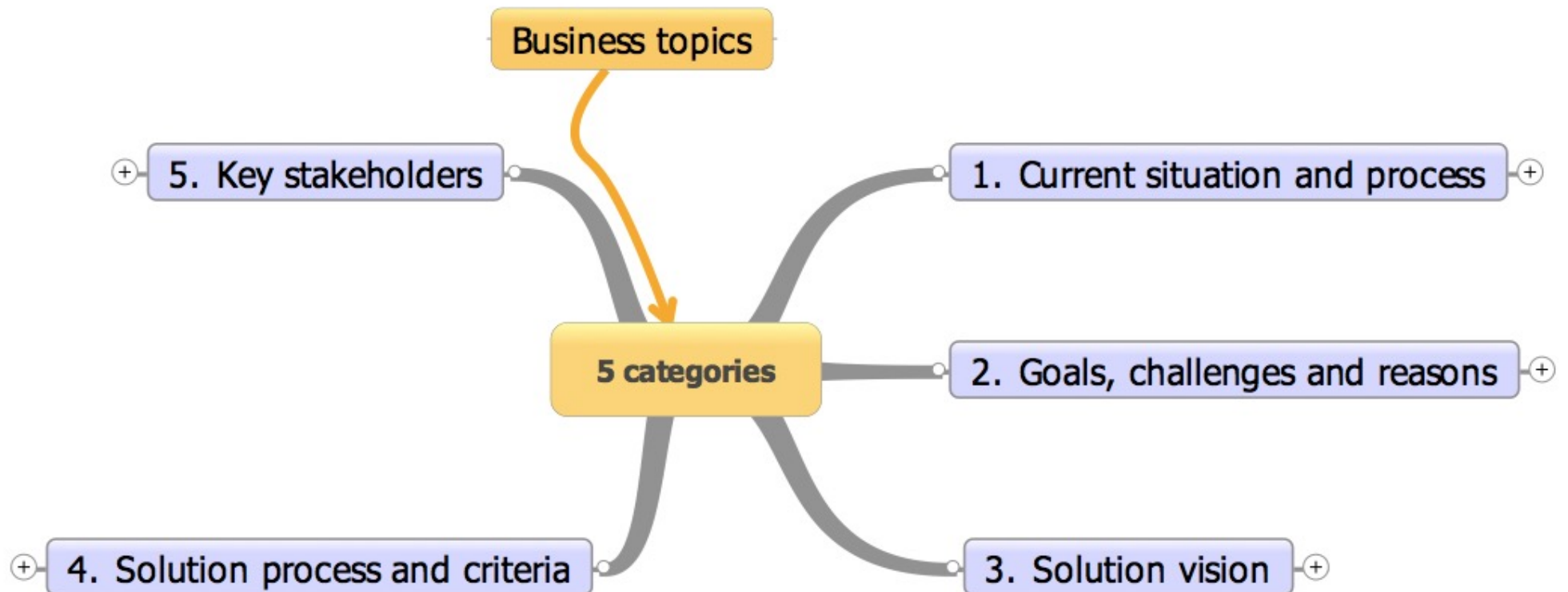
DISCUSSION

Discuss the following question in your groups for 5 mins:

- 1. You are a sales person about to meet a customer for the first time.
How do you prepare for the meeting?*

Prepare to share your findings with the rest of the group.

QUESTION CATEGORIES



BUSINESS ISSUES EXPLORATION

Seller: "Thank you for meeting me today. As discussed, we have been working with a large number of refinery modernization projects in your area, and would like understand your situation and plans."

Seller: "May I ask what are your reasons to implement this project, what is your main objective for the project?"

Buyer: "We would like to achieve savings in energy cost"

Seller: "May I ask what issues have you identified that prevent you from achieving your goal? What obstacles have you detected?"

Buyer: "The planned shutdowns last too long"

Seller: "I would like to understand that issue better. How many shutdowns so you have per month? How long do they last? What parts of consumables determine the planned shutdown interval? What impact could the quality of the parts have on the planned shutdowns? What is your target level of planned shutdowns?"

<Buyer - Seller dialog continues for a while>

Seller: "May I share some thoughts relating to a previous similar project? in that project to achieve the energy efficiency goal, they wanted to reduce the production line downtime, as re-starts were really energy-consuming"

Buyer: "I understand. It would be interesting to explore the impact of downtime on energy consumption."

Seller: "What do you think, what are the likely reasons behind the unplanned shutdowns in your case?"

<Buyer - Seller dialog continues for a while>

Seller: "So, based on what you just said, it could it be possible to reduce the number of planned shutdowns, if you could extend the lifespan of the critical components?"

Buyer: "Most likely, yes"

Seller: "Could I ask how have you planned to fix the problems?"

<Buyer-Seller dialog continues for a while>

Seller: "I also recall a solution from an earlier project: We implemented a solution to monitor the condition of the critical components remotely, and succeeded in reducing the number of unplanned shutdowns by 40% in that case. What do you think?"

<Buyer-Seller dialog continues for a while>

Seller: "Just to confirm my understanding: If I understand you correctly, based on your estimation you are losing about two million euros a year because of the production line downtime"

Seller: "My understanding of our conversation is that a solution to address the issues we have identified here could be to implement a remote monitoring solution, or what do you think?"

Buyer: "I agree. I think this conversation has given me some useful thoughts."

Seller: "Then, would you be interested in continuing to explore the issues? I would like to suggest we arrange a short audit project to better understand the opportunity here?"

Buyer: "We have not really decided on a project yet, but I am willing to commit for further discussions"

Seller: "I'd like to confirm my understanding of your situation in an email and suggest some steps for your further evaluation of our company and offerings. I'll forward it to you in a day or so."

This industrial business issues exploration dialog example illustrates a model to connect customer goals to our solutions. How would you modify the example to suit your needs?

DISCOVERY

The questions you ask during a sales conversation generally fall into five main categories:

1. Questions probing key players incentive to act: goals, challenges and reasons. Current situation and current operation, how are things now?
2. Questions probing key players solution vision
3. Questions probing plans: actions taken and planned, process & criteria, fundings, etc
4. Other key players?

DISCORY AT THREE LEVELS



A stylized illustration of a human ear, showing the outer ear (pinna) and the ear canal. The ear is depicted in shades of brown and tan, with a soft shadow behind it.

- ## IMPORTANCE SKILLS

[illegible]

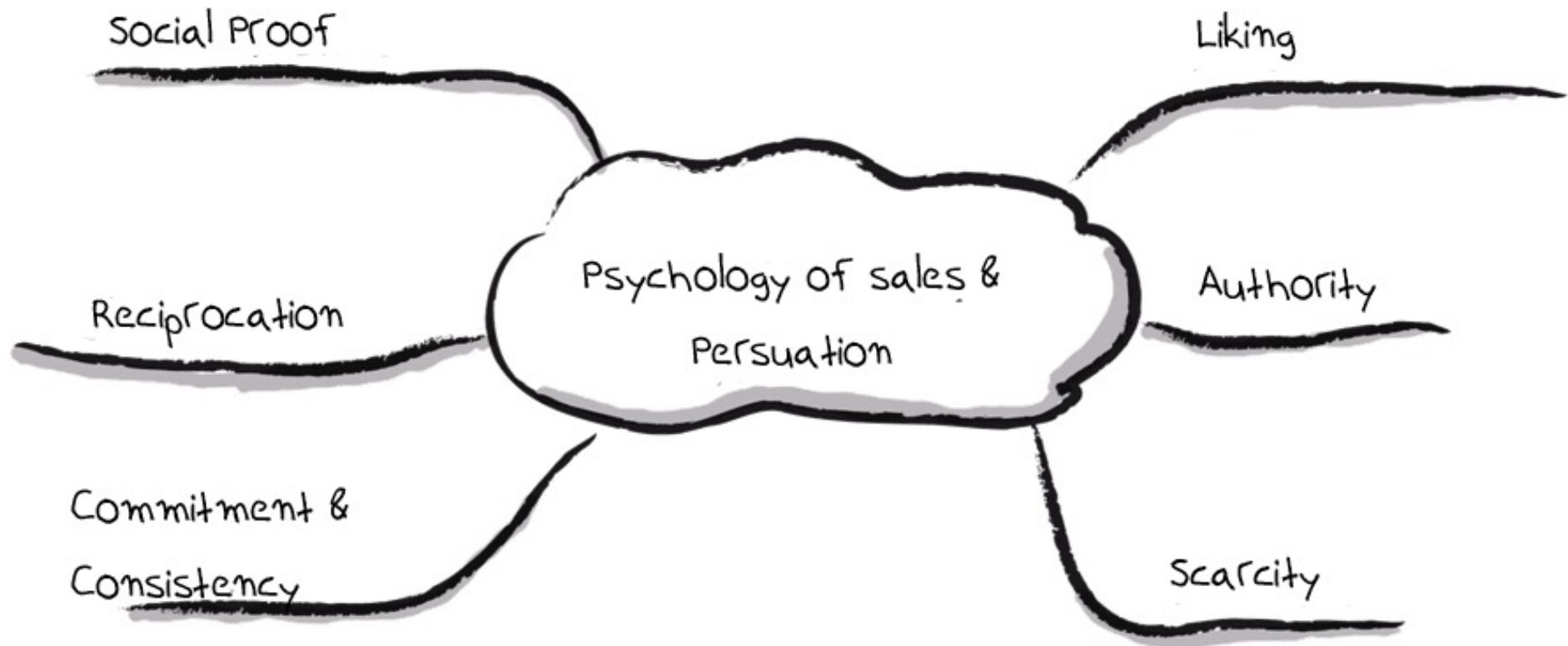


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THE PSYCHOLOGY OF INFLUENCE

There a large number of different cognitive biases
affecting decision making

Psychology of Persuasion





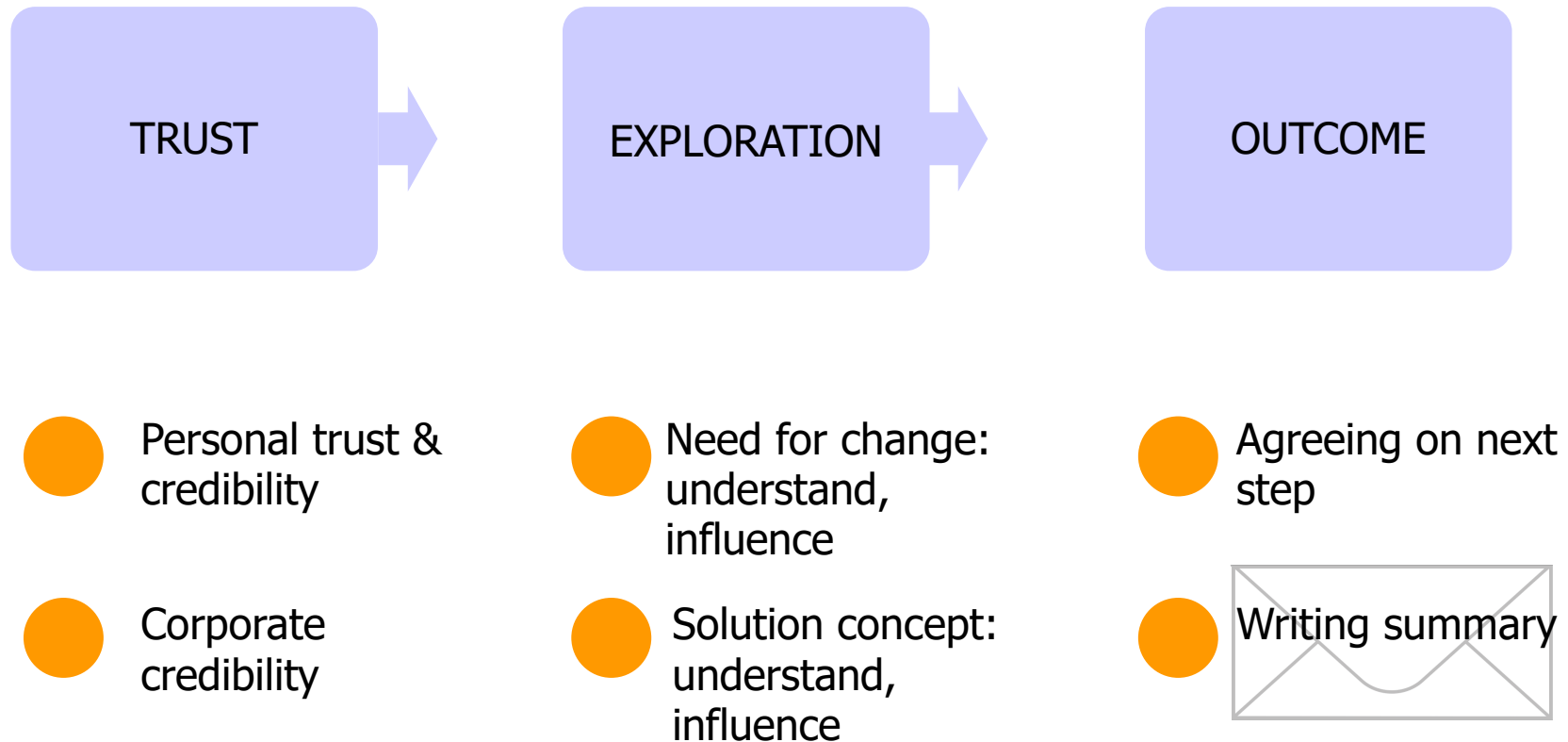
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ORGANIZING SALES CONVERSATION

KEY PERSON CONTACT

Phase	Description
Introduction	
Relationship notice	<i>"We have not met before, but ... / we met last week in the... conference and ... / Last week I met your colleague, who recommended me to contact you"</i>
Industry expertise	"We have worked on <industry process etc.> projects related to efficiency improvements ..."
Key person's (expected) business challenge	"One of the key areas we are working on is <key person's challenge>
Interest	"Is this of any interest to you?"
Qualification	<what do we need to know before committing to proceed?>
Next step	<suggest a next step, which continues naturally the discussion described above moving the process ahead>

EXPLORE BUSINESS IMPACT MEETING MODEL



TRUST IN YOUR ORGANIZATION

ELEVATOR SPEECH

- What do we do?
- Who are our customers? (industries we serve)
- What value do we create for our customers?
- How do we differentiate from others? (in a way that's relevant to the customer)

CUSTOMER RELATIONSHIPS

- Selected customer references

REFERENCE STORY

- Situation before
- Business issue
- Solution
- Business benefits

SOLUTION CONCEPT

- Conceptualizing the customer case
- Our differentiated value
- Framing the value development discussion

ELEVATOR SPEECH

The elevator speech is a concise corporate presentation for new contacts and sales situations.

Here is a template for the elevator speech, focusing on four key elements:

- What do we do? What business challenges do we help solving?
- What kind of companies do we serve?
- How do we differentiate from others?

Create elevator speeches in teams and prepare to share the results.

REFERENCE STORY FORMAT

How to motivate key person to get interested and impressed of the benefit of your offering?

Reference story illustrates benefit created for another customer according to the following model:

1. **CHALLENGE**: What was the customer situation at the beginning, what were the challenges that required action?
2. **SOLUTION**: What was our solution? How did we improve the process?
3. **RESULTS**: What was achieved? What were the KPI's that quantify the change?

Create an example reference story of recent customer case.

Be prepared to share your case.

EXERCISE

BECHMARKING: A SUCCESS STORY

CHALLENGE

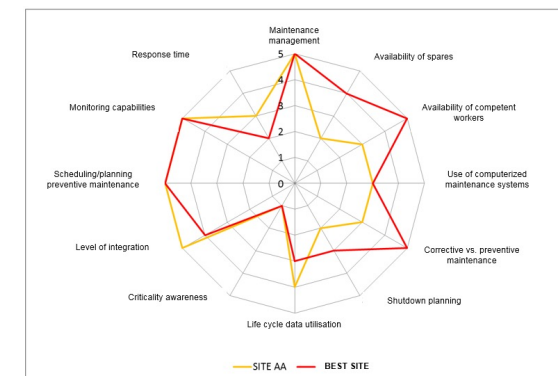
The need for a systematic assessment framework for concretising value, benchmarking it and ultimately optimising the offered solutions has been the motivation behind this study. Due to the arbitrariness of value estimation and value definition in general, an additional target of the study has been to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



CHAMPION LETTER: THE MEETING SUMMARY TEMPLATE

Write a short summary memo summarizing key points of your discussion. Focus on the following points:

1. What is buyer's goal and what is the value of achieving it?
2. What business challenges were discussed? What needs were identified?
3. What was the customer's solution vision (if any)
4. What was agreed? What happens next?

CHAMPION LETTER

CRITERIA	EXAMPLE TEXT
	"Thank you for the meeting on 2nd of October. In this message I summarise my understanding your objectives, business concerns, plans, and our agreed next steps."
CUSTOMER GOAL	"I understood that your two short-term goals are to reduce machine downtime and reduce energy consumption"
CUSTOMER CHALLENGES	"I understood that the key reasons for downtime and excessive energy cost are too frequent and too long process shutdowns and the energy consuming quality fluctuations caused by outdated technology"
SOLUTION VISION & VALUE	<p>"A potential solution combines on-site spares for the critical consumables and organising predictive maintenance.</p> <p>As discussed, a recent analysis indicates that the machine uptime could be increased by 1% by having quick access to critical spare parts on-site. We estimate that this solution could improve profit by approximately 0,25 million euros a year. Additionally, predictive maintenance is anticipated to reduce the energy cost by six million euros annually. As discussed, our recent modernisation projects have successfully addressed these issues."</p>
NEXT STEPS	<p>"If you agree that I have correctly understood your situation and that the suggested solution warrants further investigation, I would like to suggest as the next step that our specialists interview your mill manager and maintenance manager to refine the analysis and agree on a proof-of-concept study."</p> <p>Best regards Tom Waits</p>