

23E50010

FROM VALUE RESEARCH TO SALES PERFORMANCE MANAGEMENT

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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.

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

STEP 1:

UNDERSTAND CUSTOMER GOAL,
CHALLENGES, AND VISION



From customer insight into partnership

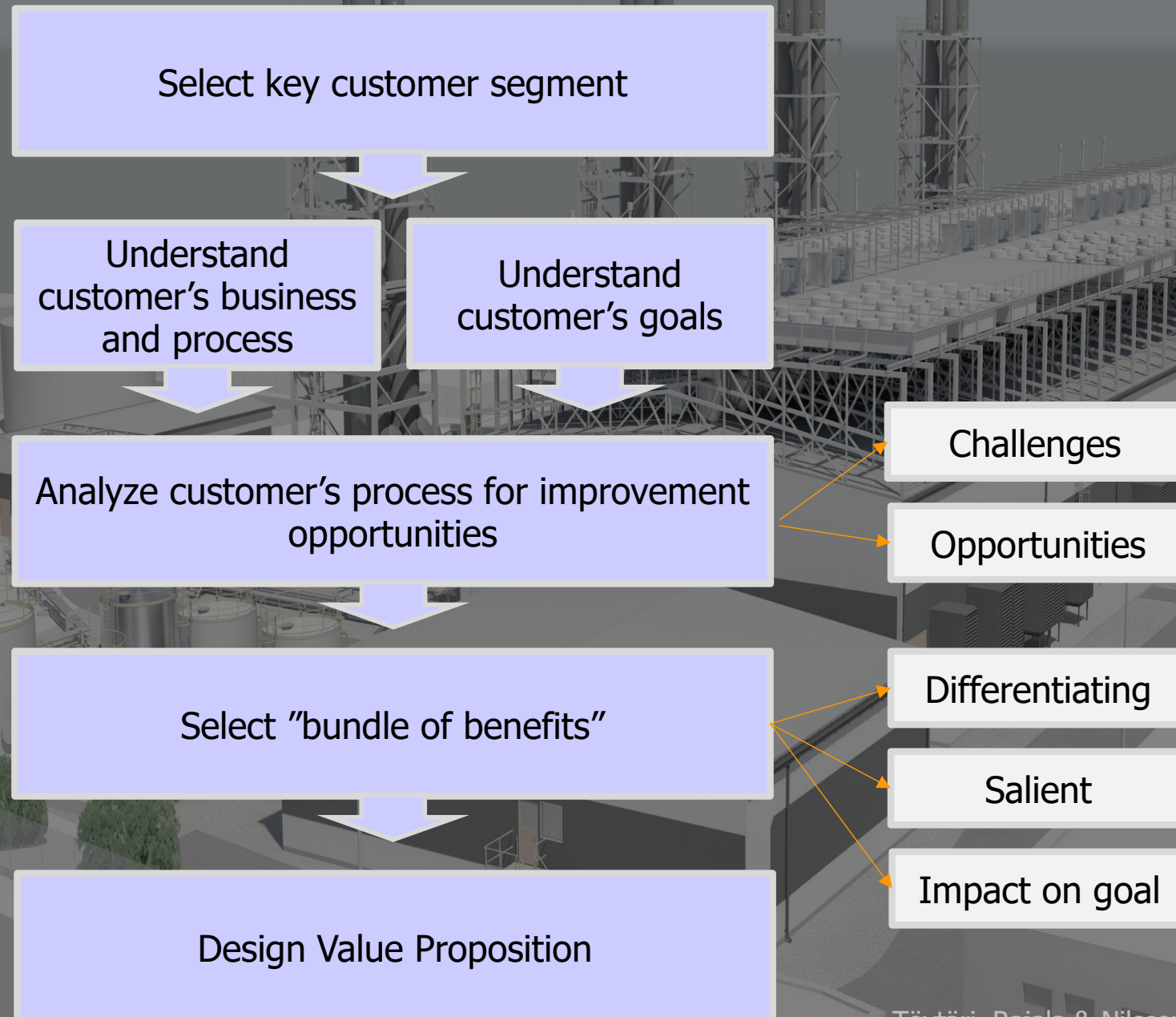
The relationship between a vendor and a customer can be quite remote, if the vendor's share of the customer's purchases is not very significant. Hilti (that provides assembly part for KONE) decided to invest in better understanding the elevator installation process and challenges, and to bring added value to KONE by innovating improvements into the process.

Hilti arranges workshops to discuss the daily routines of the technicians. Hilti also visited jobsites to take photos of the different stages of the installation process, and interviewed quality managers about the installation training key points. Their findings were summarized and connected to the strategic business drivers and goals for KONE (found in their annual report). Hilti recognized the installation efficiency as one of the biggest obstacles, and was able to demonstrate solutions based on their earlier analysis.

The procurement function of KONE was involved already at the early stages of the process, but selling the idea was initially directed towards the country organizations. Hilti knew by experience that to get to the strategic agenda of the top management required local success stories, that can be replicated to other countries. Internal resistance was lowered by involving the procurement function already at the early stages of the process.

KONE was surprised by the level and impact of the analysis by an outsider. As an end-result, 7 of the 9 business units of Hilti were included in the elevator implementation processes.

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 **KONE**
CTU SOLUTIONS

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

BENEFITS:

LESS WAITING

Faster transportation than with exterior hoists

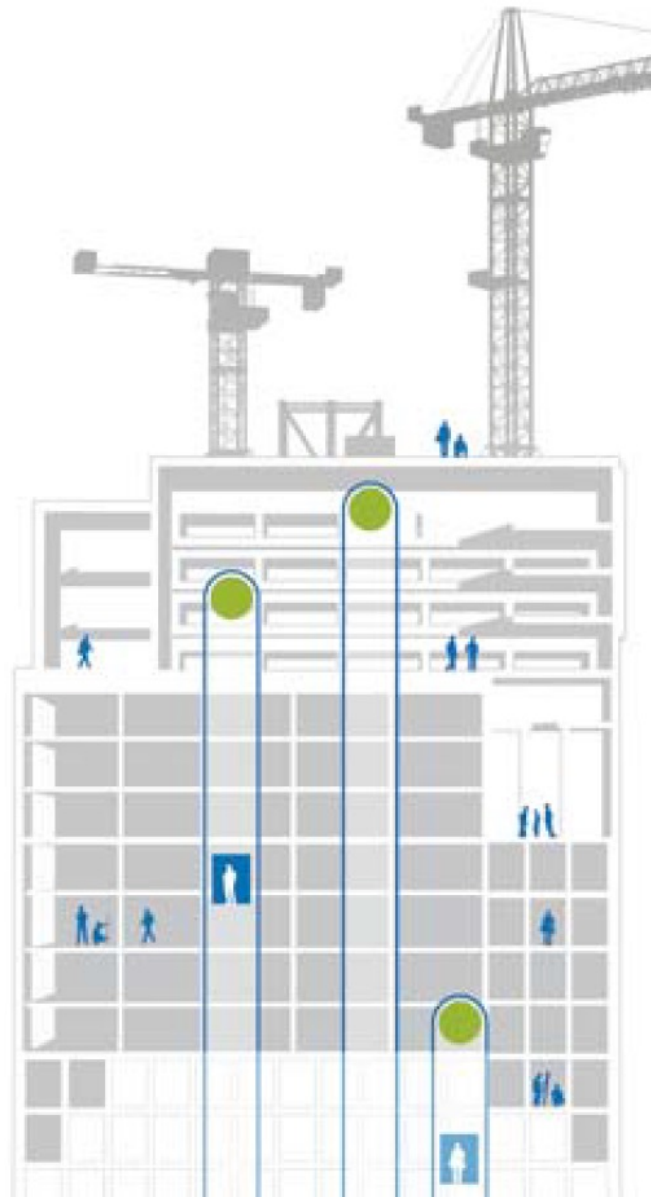
CUT ENERGY COSTS

Better energy efficiency than with exterior hoists

REDUCE DOWNTIME

Maximise availability

VALUE PROPOSITION



LESS CONSTRAINTS

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

VALUE:

SHORTER CONSTRUCTION TIME

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

STEP 3:

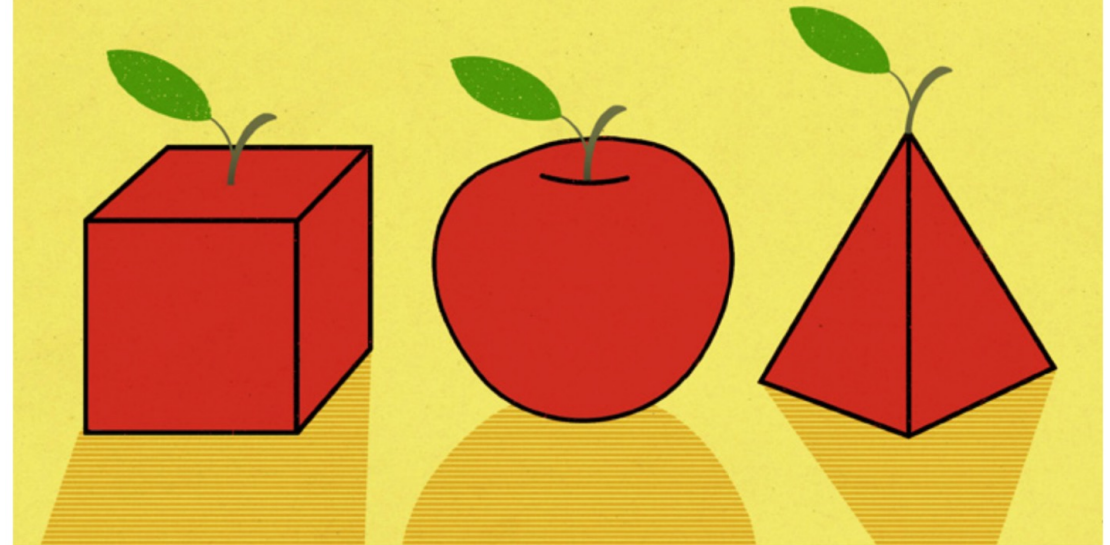
DEVELOP SALES MODEL(S) FOR
(PROACTIVE) INFLUENCING

VALUE SELLING APPROACHES

Dixon and Adamson,
"The Challenger Sale"



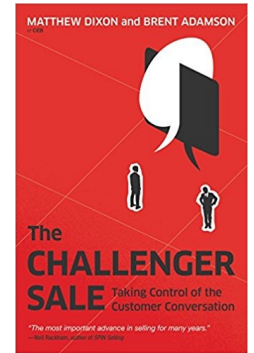
STRATEGY



Three Ways to Sell Value in B2B Markets

Keränen, J., Terho, H.,
Saurama, A. (2021). "Three
ways to sell value in B2B
markets". *MIT Sloan
Management Review*

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

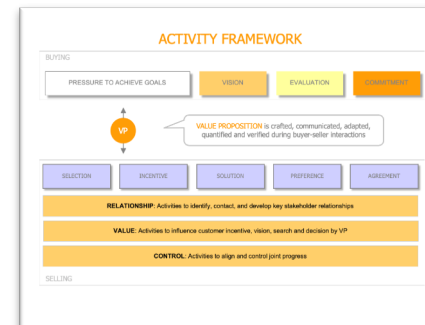
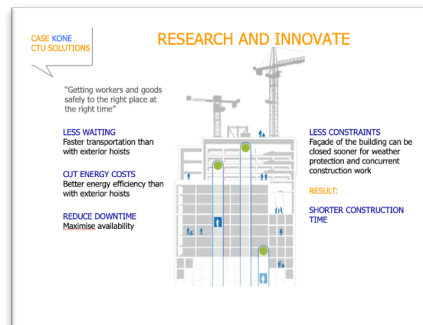
- Select goals and challenges to address
- Develop value propositions
- Mobilize value proposition (by digital tools)

ENGAGE WITH VALUE

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

LEVERAGE VALUE

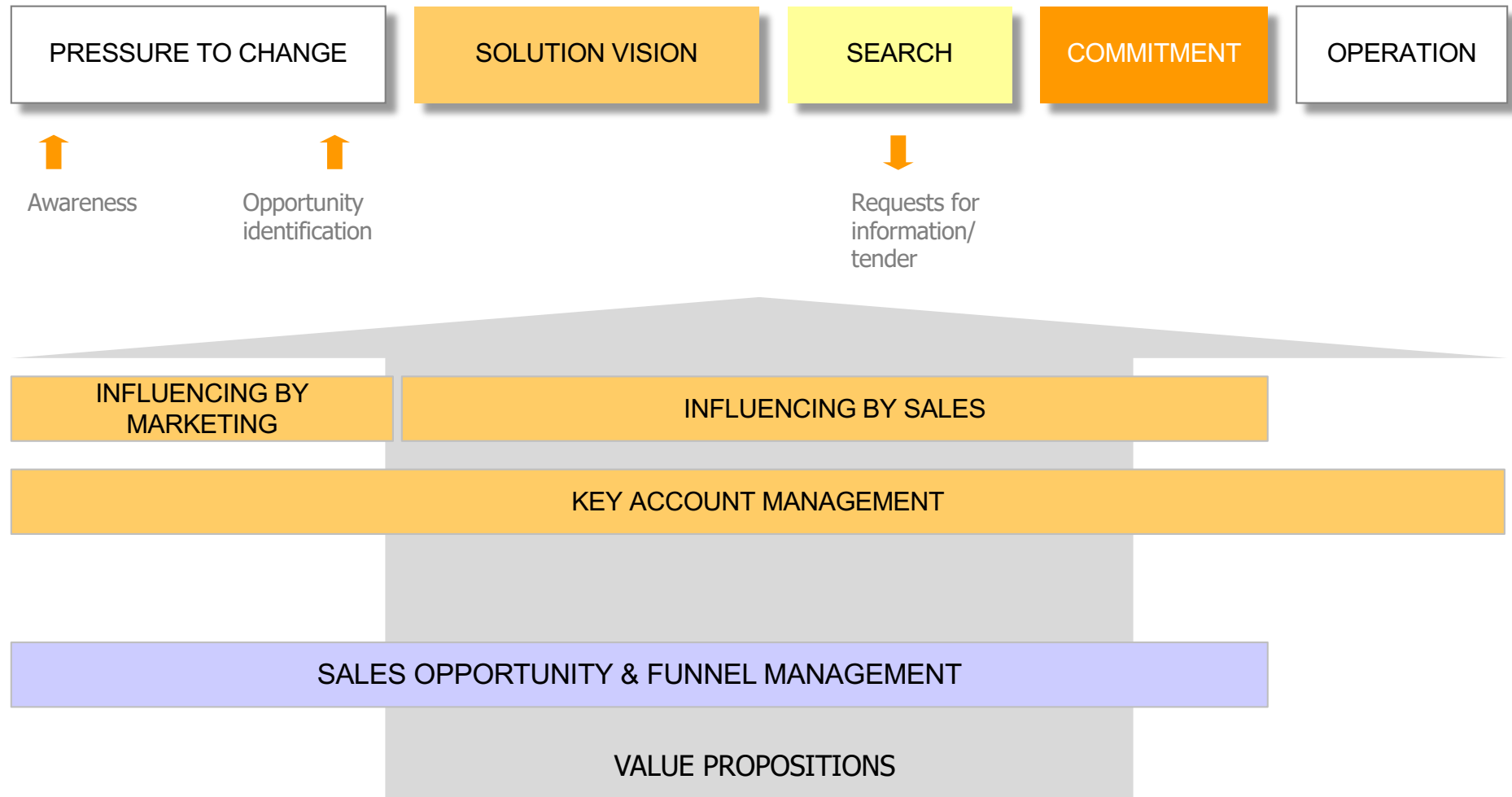
- Value verification
- Enhance value repository



STEP 4:

MANAGE THE PROACTIVE
INFLUENCING

STRUCTURED INFLUENCING



EVIDENCE-BASED SALES MANAGEMENT



Customer's buying process

Our sales process

Funnel management

Opportunity management

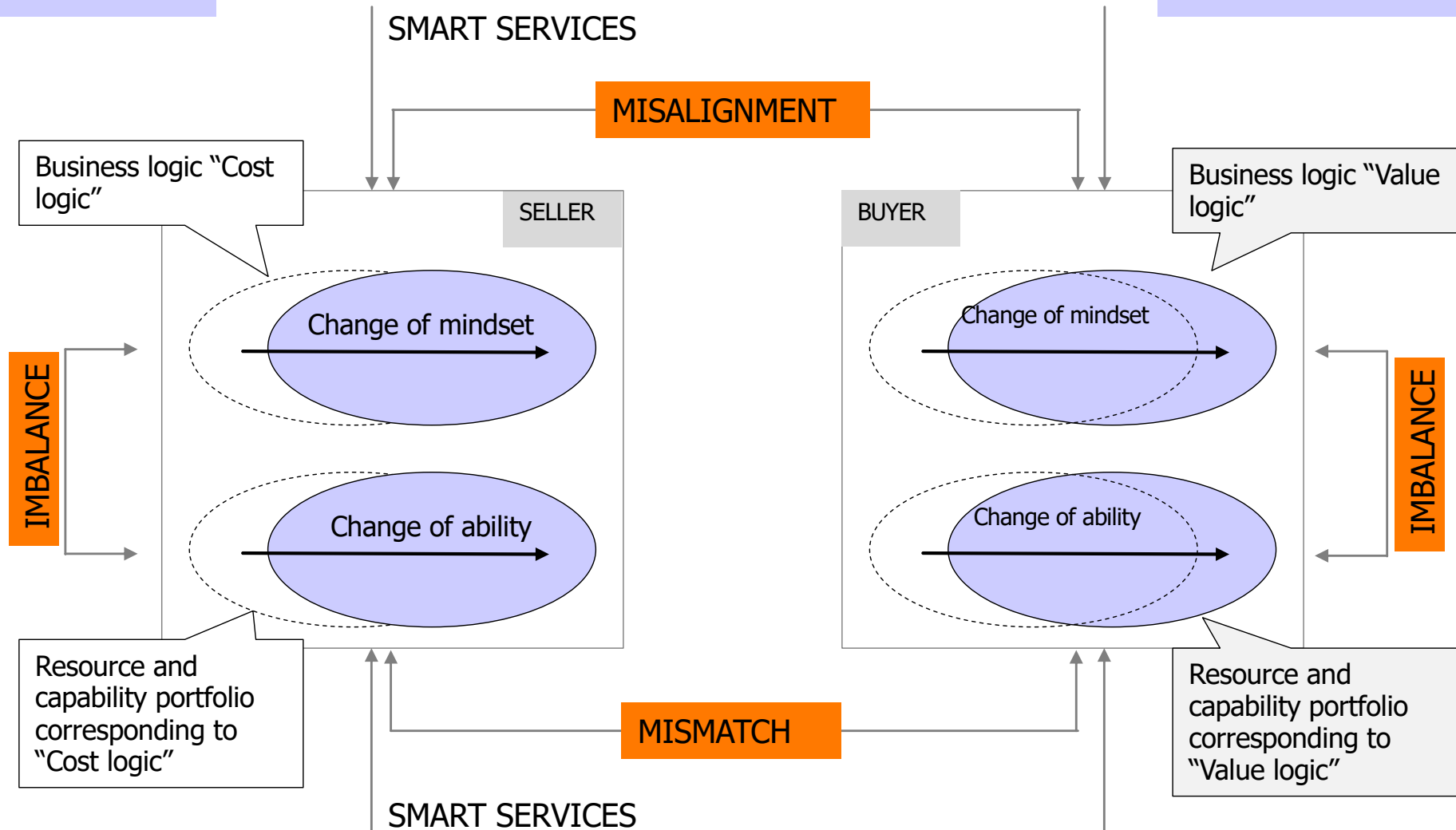
Sales management system



INTERNAL IMBALANCE, EXTERNAL MISMATCH AND MISALIGNMENT

SUPPLIER

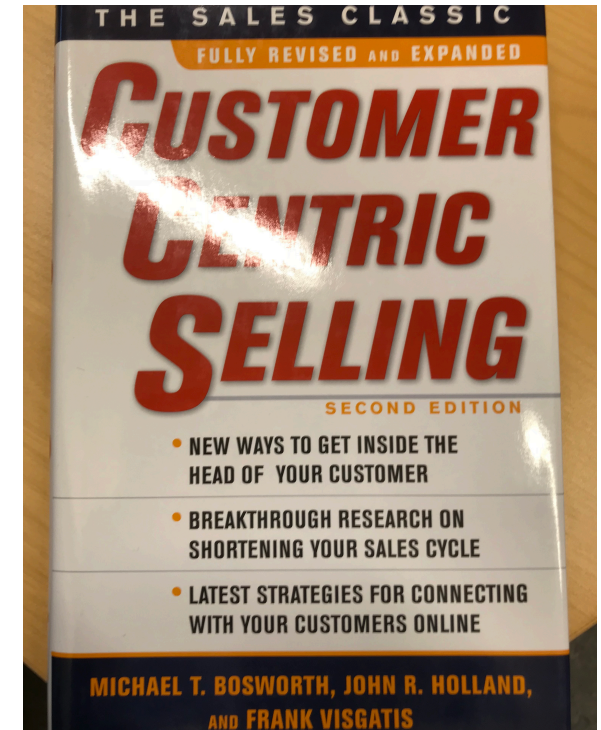
CUSTOMER



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 (lecture presentations + value-based selling article)
- 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 Sisu (14.12 09:00 – 12:00)

GRADING

TEACHING METHODS & GRADING

METHOD	DESCRIPTION	GRADING
Pre-reading, videos & Quizzes	Read the pre-reading article & watch the preparation video & take a quiz	10 %
Article reading & group presentations	In groups of 2-3 prepare a presentation on a pre-reading article	10 %
Guest presentations	Business guest speaker presentations	
Interactive lectures	Instead of extensive lecturing, the idea is to for you to prepare, for me to initiate the discussion by brief introductions	
Learning diary	Write a 1-page online 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. Each group member participates in the shared parts AND writes an individual contribution by focusing on selected topic of a book.	15 %
Course exam	The (online) exam will consist of 3 essay types of questions on key course topics	50 %
		100 %