Aalto University

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INFLUENCING WITH SALES

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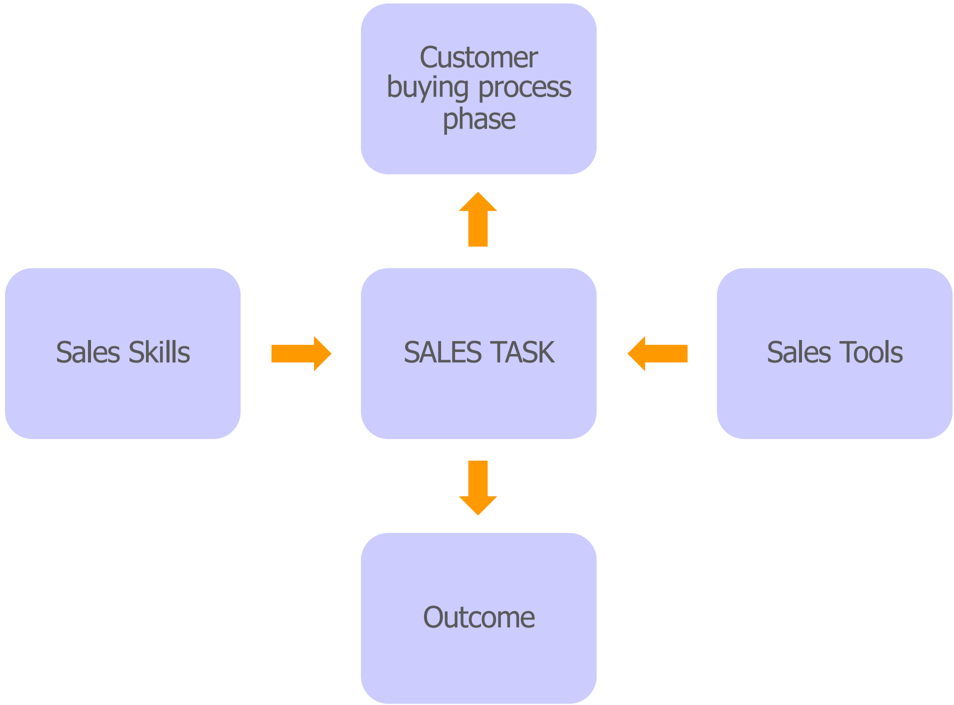
SALES TASKS, TOOLS, AND SKILLS



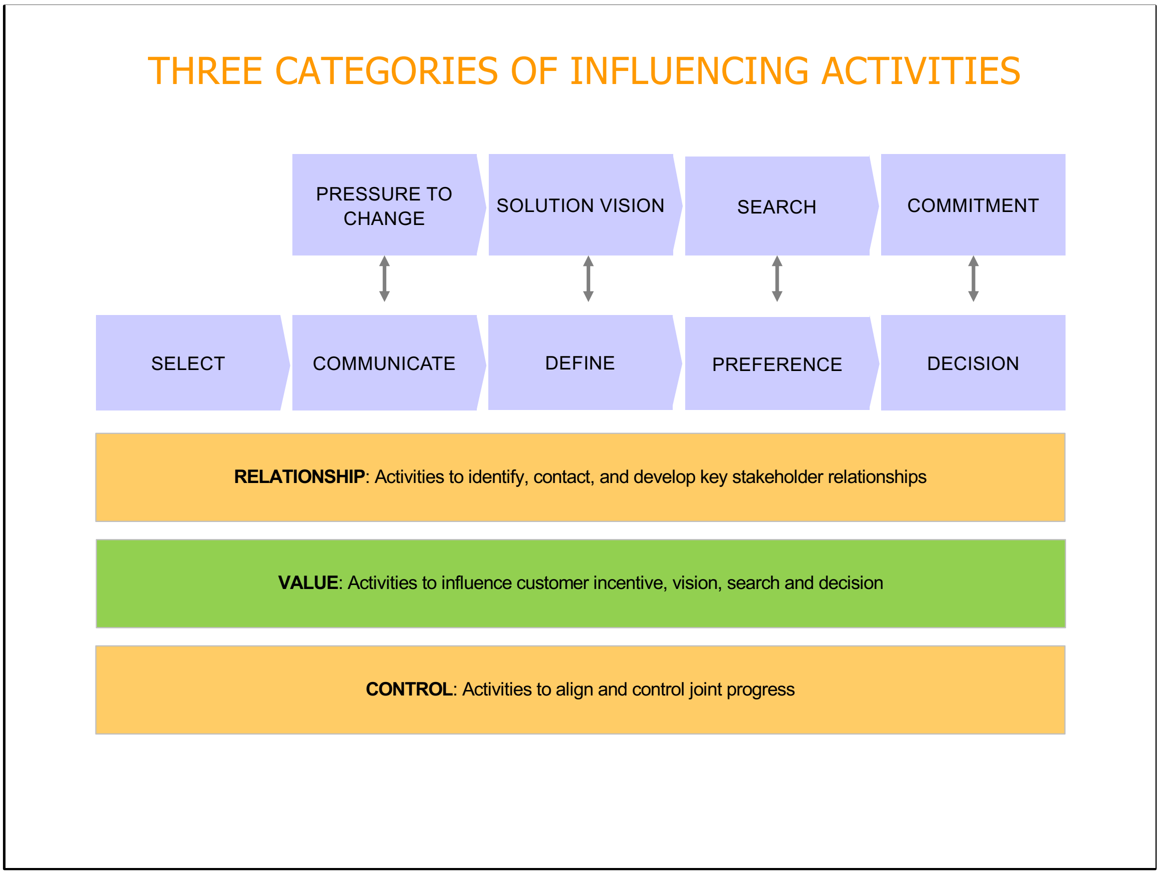
Selling is about performing sales tasks. Actually, the entire sales process from contact to closing a deal is a sequence of sales tasks that are designed to inform, influence, and commit the customer to proceed in the buying process (or to understand it is time to disengage). What sales tasks are relevant is determined by the customer buying process stage, when customers proceed from pressure to change to needs to solution vision to evaluation and to agreement. Sales tasks are grouped into sales process stages, in line with the customer buying process stages.

Sales skills are needed for effectively performing the sales tasks. Sales skills include interpersonal trust and relationship building, dialog with questions, relevant customer and industry knowledge, product and service knowledge.

Sales tools support implementing the sales tasks, and include tools such as checklists, planning templates, calculators, marketing collaterals and brochures, and similar. The aim is to support effective, consistent, and high quality implementation of the sales tasks.

Sales tasks connect to sales management by delivering an outcome. Ideally, the outcome provides tangible evidence of progress, such as customer meeting, commitment, relevant information, and finally, and agreement. Usually the outcomes are explicitly defined for each sales process stage, so that the sales management process can evaluate the situation, progress, and likelihood of success on tangible evidence.

The sales tasks can be categorized into three groups: relationship development, value discovery, and control.



The sales tasks can be categorized into <u>three</u> groups:

1. Build and develop <u>relationships</u> as a channel to exchange information and influence

2. Give and get information and gain commitments about identifying and organizing opportunities for joint value creation. These tasks include identifying customer's business goals, situation, challenges and opportunities, and designing, organizing and agreeing upon a solution to create value.

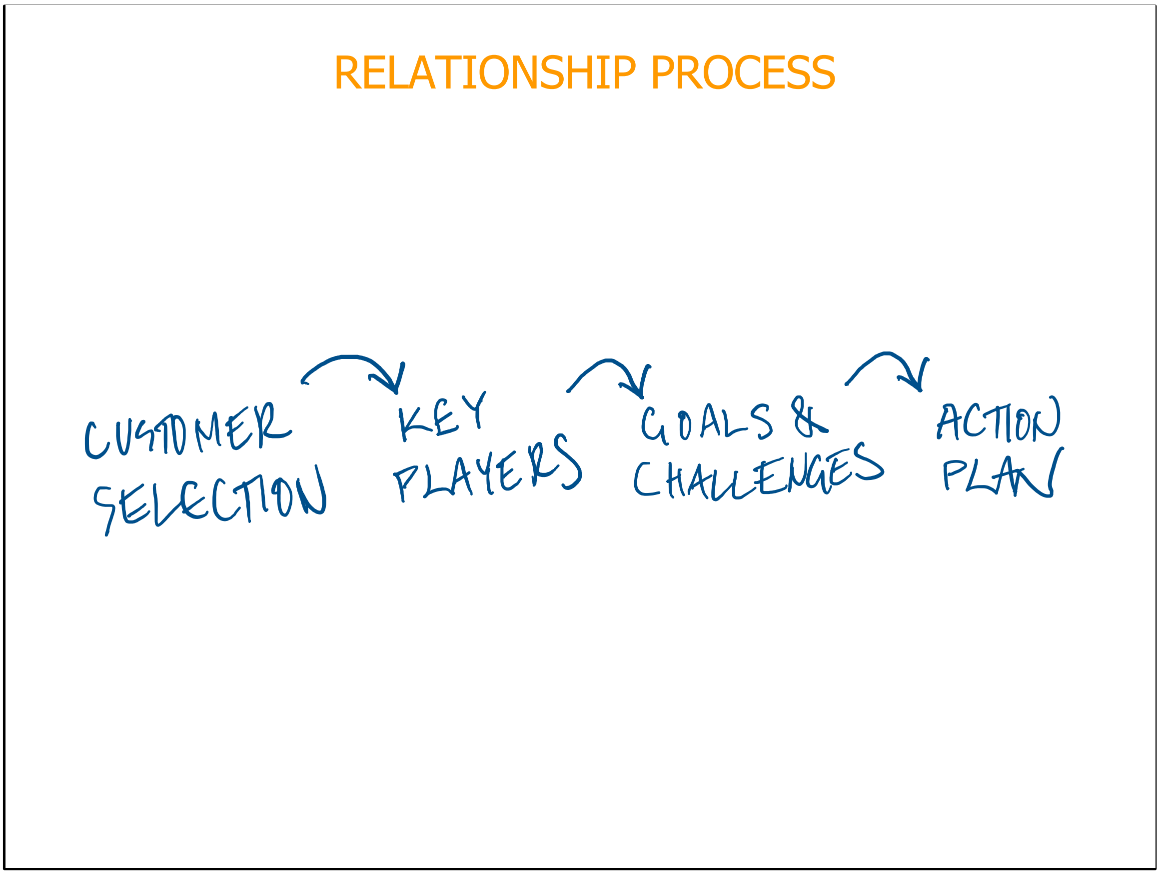
3. Control the joint process by evaluating the outcome of the relationship and value tasks, and deciding upon how to continue the process.

We have designed a collection of sales tool to support performing the relationship building, value development, and sales process control.

The next few pages illustrate and explain some of the tools.

ENGAGE WITH VALUE:

Relationship process



The relationship process proceeds through four stages:

1. Customer selection determines the relevant key person profiles to develop a relationship with

2. Key persons include those individuals in the customer organization that have influence, information, and interest to potentially work with us to create value. Key persons have different attributes that make them more or less good contacts. Ideally, we would like to work with people with influence, motivation, and receptivity for our ideas.

3. Once we have identified the key persons, we would like to deepen the relationship to make fruitful cooperation possible. We would like to understand (not surprisingly!) their business goals, their challenges and opportunties to improve to design our communication accordingly.

4. Finally, we need an action plan to progress the relationship

RELATIONSHIP DEVELOPMENT TOOLS The following pages illustrate a number of relationship building tools. These tools help the relationship development process at different stages, and illustrate what is considered important at the different stages of the relationship process.	
CUSTOMER RECEPTIVITY	The customer receptivity 2x2 matrix is a tool to assess how the potential customer would evaluate ourselves from two perspectives: how 1) critical the customer perceives we are for their success, and 2) how easy it would be to replace us. Clearly, our changes for success are much higher with customer's which treat us as strategic partners rather than commodity suppliers.
KEY PERSON PROFILE	Each key person in customer organization has different characteristics, "attributes", which make then more or less ideal "channels" into customer organization. One of the key attributes of a key person is her/his receptivity for change. The 2x2 receptivity matrix provides a tool to classify key persons. The purpose of the key player profile is to evaluate the key characteristics of a key person (with the champion qualification worksheet) to help us planning who and how to proceed with
CHAMPION QUALIFICATION WORKSHEET	The champion qualification worksheet evaluates a key person against the key player attributes.
CHAMPION LETTER	Once we have had a business conversation to explore and conclude about cooperation and value creation potential between our organizations, a powerful tool to document and engage the key person is the "champion letter", which is an email in a pre-specified format. The first hand purpose of the champion letter is to document essentials of the conversation to ensure mutual understanding, but the letter also supports a multiple other important functions.
RELATIONSHIP MAP	The relationship map is a summary sheet of all relevant key persons in a customer organizations.

CUSTOMER RECEPTIVITY

ROUTINE	STRATEGIC
Supplier's product are critically important, but relatively easy to replace. Customer target is process optimization.	Supplier's products and services are both critically important and difficult to replace. Customer target is deep strategic relationship
COMMODITY	**BOTTLENECK**
Supplier's products are non-important and easy to replace. Customer target is to leverage buying power for best price	Supplier's products are not critical, but difficult to replace. Customer goal is to ensure availability and to seek alternatives

In an attempt to structure and organize buying and procurement, customer firms have widely implemented what is called "category management".

Category management assigns suppliers (and their products) into categories based on their perceived criticality and replaceability. Each category has optimized processes and practices to manage the supplier relationship. Those routines and processes are designed to make supplier category management effective, but also limit what the supplier can realistically expect to do with the customer. A firm in the "commodity" category cannot expect too much time and effort devoted to them. Suppliers in the "commodity" category have very little influence on anything, while the suppliers in the "strategic" category usually enjoy very good access to the customer's key people.

The purpose of this tool is evaluate our supplier position within the customer category management to enable planning appropriate relationship management activities: It is clearly rather important to understand, where are we in the customer's categorization, when planning our relationship management approach.

In your opinion, what are the strengths and weaknesses of this tool?

KEY PERSON PROFILE

"Our goal is to identify the key people, their influence on decision making and build relationship to these people by helping them to achieve their goals".

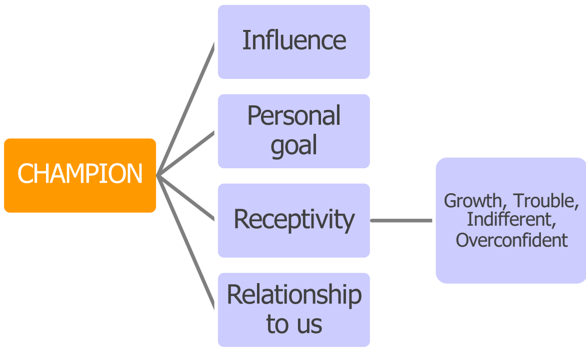
People buy, not companies. The single most important sales task is to build relationship to those people that matter. These attributes characterize key persons:

Influence
- Is anybody interested in this person's opinions?
- How is her career development?
- How is her treated in group situations?
- When was she appointed in her current position?

Personal goal
- What are this person's personal goals?
- How would buying help this person to achieve her goals?

Receptivity
- What is the mindset of the key person toward change?

Relationship to us?
- Why would she buy from us?
- Is her on our side or on the enemy's side?
- How do we know?



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"Our goal is to identify the key people, their influence on decision making and build relationship to these people by helping them to achieve their goals".

Influence

- Is anybody interested in this person's opinions?
- How is her career development?
- How is her treated in group situations?
- When was she appointed in her current position?

Personal win

- What are this person's personal goals?
- How would buying help this person to achieve her goals?

Relationship to us?

- Why would she buy from us?
- Is her on our side or on the enemy's side?
- How do we know?

Receptivity

- See next page

KEY PERSON RECEPTIVITY (IN KEY PERSON PROFILE)

GROWTH	TROUBLE
Personal goal is much higher than current performance, ambitious and open for improvement	Has identified problems in the current situation that require attention
INDIFFERENT	**OVERCONFIDENT**
Does not care, ”don’t rock the boat”	”Everything’s under control”

Adapted from Miller-Heiman ”Strategic Selling”

The people we meet assess the value we are offering based on their personal assessment of 1) how they would like things to be ”goal” and 2) how they assess the current state of things ”current”. We recognize four different responses:

1. ”Growth”
   - Finds the current state of things quite ok, but is anyway motivated to reach out for more, set higher goals, and to be ahead of competition
2. ”Trouble”
   - Is unhappy with how things are, sees problems and is motivated to solve those
3. ”Indifferent”
   - Is entirely happy with how things are now, not at all motivated to change anything
4. ”Overconfident”
   - Has a very rosy view on how things are, personal assessment on the current situation is even better than the they would need to be
   - Absolutely not interested in changing anything

QUESTIONS:

- How would you recognise the different responses?
- How would you treat the diffent responses?
- What is the value of knowing this?

In your opinion, what are the strengths and weaknesses of this tool?

CHAMPION QUALIFICATION WORKSHEET

CRITERIA	DESCRIPTION	YES/NO
Personal goal	Has compelling goal. Actively driving change	
Influence	Knowledgeable about the company, influential within the organization	
Receptivity	Is the key person in growth or trouble mode (to give us an opportunity to influence)	
Relationship	Positive, trusting relationship with us, willing to share their goals and challenges, provides valuable information. Helps us getting in contact with other key players	

ASSIGNMENT

The champion qualification worksheet **provides a tool to evaluate a key person** relationship by four criteria (in line with the key person profile)

1. ”Does the key player have a goal?”,
2. “Is the key player influential?”,
3. “Is the key player receptive to change?”
4. “Do we have a trusting relationship with the key player?”

What are the strengths and weaknesses of this tool?

CHAMPION LETTER

CRITERIA	EXAMPLE TEXT
	"Thank you for the meeting on 2nd of October. I 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	"A potential solution combines on-site spares for the critical consumables and organising predictive maintenance. 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."
NEXT STEPS	"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." Best regards Tom Waits

The champion letter is a structured email, sent soon after a joint evaluation meeting. The **purpose** of the champion letter is to document the conversation by stating

1) what the customer said about their goals, current situation & challenges,
2) their solution vision,
3) What proof could we provide of our ability to help ("value"), and,
4) importantly, what was agreed as a result of the meeting.

In your opinion, what is the value of sending the champion letter? (or should it be written at all?). What are the strengths and weaknesses of this tool?

RELATIONSHIP MAP (1)

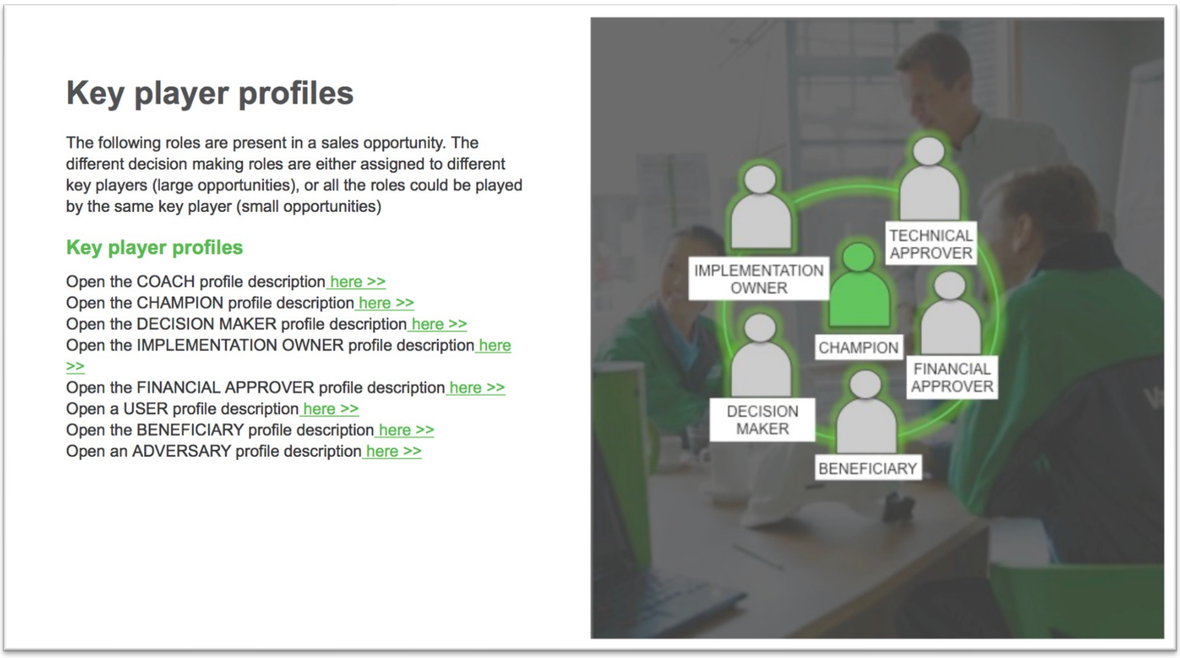
NAME	ROLE	GOALS & CHALLENGES	PRIMARY CONTACT

The "relationship map" is a listing and description of the key players in customer organization or in a specific business opportunity. The relationship map describes

1) the role of the key player,
2) the goals & challenges of the key player,
3) our primary contact to the key player,
4) … and other key player related information, if so needed (what could this be?)

What are the strengths and weaknesses of this tool?

RELATIONSHIP MAP (2)

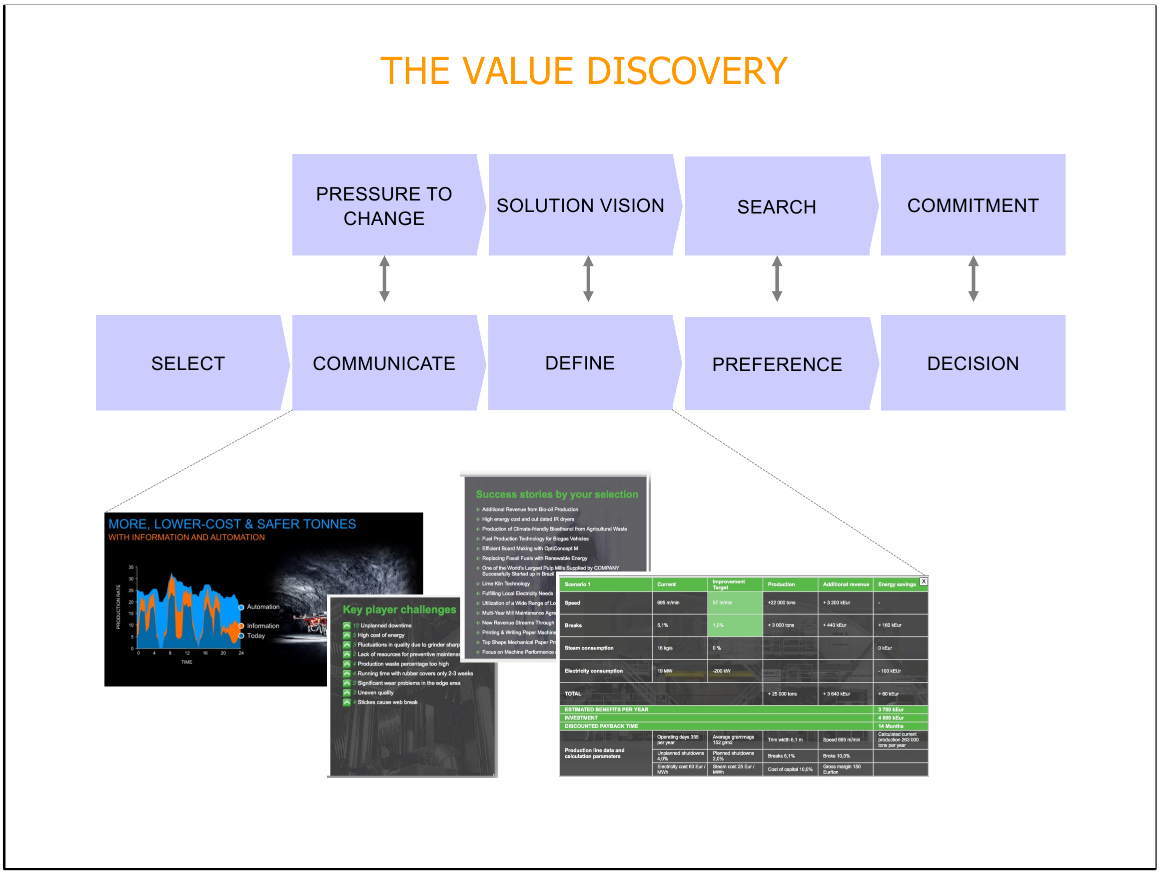


The relationhip map can also be illustrated visually. The relationship map of key players identifies all influential key persons in the customer organization and their connections to each other. The key player map identifies all the people with decision making influence in the sales project we are driving, and assumes there are predefined roles in each sales project, such as final (political) decision maker, financial approver, technical approver, project manager, champion, user(s) and organizational member that either benefit or loose in the change.

The key player map complements the relationship map by illustrating the connections between influential people. These two tools can be easily combined in a CRM system.

ENGAGE WITH VALUE:

The “value” process



The value discovery process is supported by a number of tools to implement a six step process.

1. Discover value creation opportunities by customer value research
2. Design value proposition and the value discovery tools.

Once the value research and value proposition design have been completed, the actual sales work can begin:

3. Create interest and energy by sharing a relevant **success story**
4. Explore opportunities and challenges by introducing relevant **customer challenges** and by relating those to the customer's situation by exchange of information and ideas
5. Link those opportunities and challenges that the customer finds most relevant to a **success story** that illustrates our capability to meet the opportunity/challenge
6. Finally, **quantify** the business value by using customer's own data by value calculators

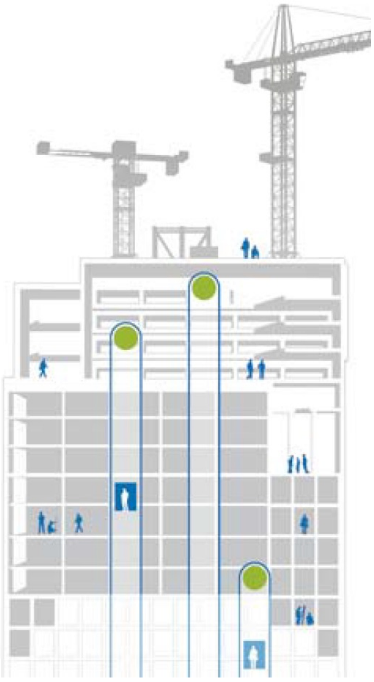
The picture above illustrates four different sales tasks and tools for initiating, exploring, influencing, and quantifying by value. We now explain those four tools on the next few pages.

The following pages illustrate a number of value exploration and communication tools. These tools support the sales process at different stages.	
EXPLORE GOALS & CHALLENGES	Instead of directly asking about customer goals and challenges, it helps to show a list of relevant business challenges, and explore the importance of those in the customer situation
SUCCESS STORIES DATABASE	Success stories are a great way to demonstrate the impact of solving a problem or engaging in an opportunity
SUCCESS STORY	Individual success stories are all built the same way: 1) what was the challenge, 2) how did we solve it?, and 3) what was the impact
VALUE QUANTIFICATION	Value quantification is about producing a concrete assessment of the value proposition impact. The value quantification seeks to express the “bundle of benefits” in terms of an important customer goal, such as increased revenue, decreased cost, reduced risk, improved safety, or similar

CASE KONE
CTU SOLUTIONS

3 – CREATE INTEREST WITH SUCCESS STORY

"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

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

RESULT:

SHORTER CONSTRUCTION TIME

This value communication example identifies four benefits that differentiate the KONE CTU solution from the traditional alternative of using an externally installed hoist. The overall value (matching customer goal) is to speed up the construction time and ultimately delivering the building for commercial use early.

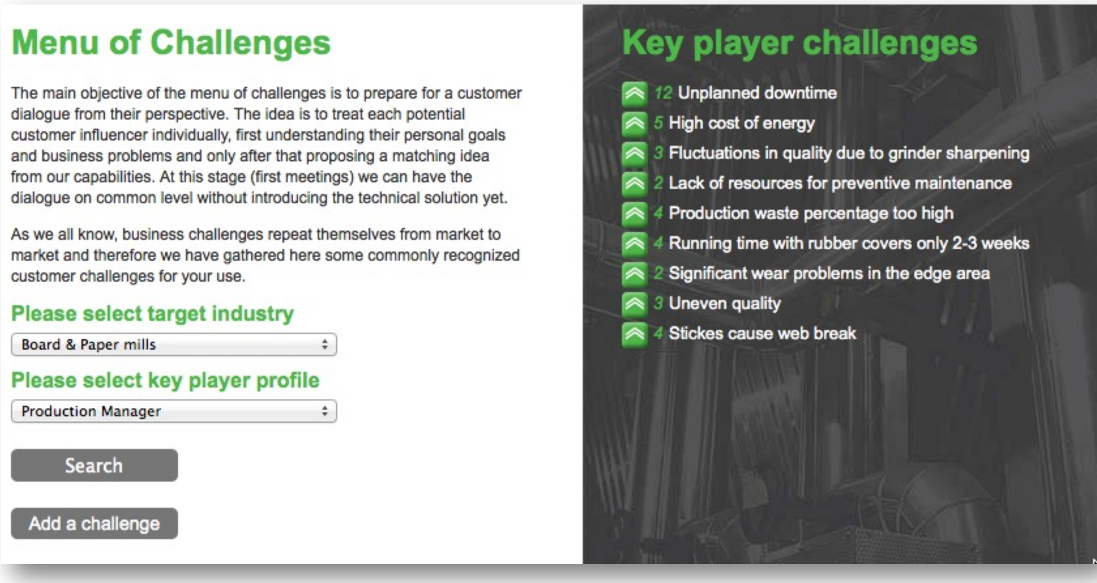
Value (matching customer goal) = shorter construction time

Bundle of benefits = less waiting, less energy consumption, less downtime, less construction constraints.

Solution = to use the final elevators during the construction time

The "Bundle of benefits" (which includes less waiting, lower energy consumption, less downtime, and less planning and building constraints) compares the CTU solution to the established alternative to perform the same task.

4 – EXPLORE OPPORTUNITIES AND CHALLENGES



The "Menu of Challenges" tool helps identifying the "bundle of benefits" that the customer may find interesting interesting.

The tool displays a prioritized list of commonly identifies business challenges, such as "unplanned downtime" of industrial production, and supports seller/buyer dialog about the challenges. The challenges then connect to the benefits that our solutions can address (i.e. we may have a preventive maintenance service that monitors production for early identification of potential problems).

The purpose of the tool is to facilitate the conversation about and identification of customer needs. It is much easier to show what other people find important, and ask for an opinion, instead of probing for problems.

5 – LINK OPPORTUNITY TO A SUCCESS STORY

The "Success story repository" tool provides an interface to a database of success stories. Each success story is associated with a number of attributes, such as customer's industry, key person profile, business challenge solved, and the solution that overcomes the challenge.

Ideally, for each business challenge discussed with the "menu of challenges", there is one or more success stories in the databased that convincingly show how we can help overcoming the challenge. Hence, the tool supports seller in bringing relevant success stories into the sales conversation.

5 – LINK OPPORTUNITY TO A SUCCESS STORY

CHALLENGE

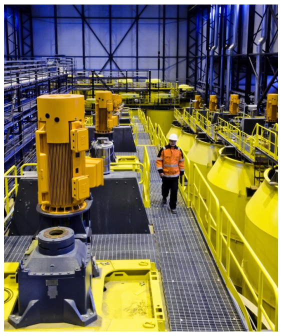
The need for a systematic assessment framework for concretising value, benchmarking it and ultimately optimising the offered solutions has been the motivation behind this study. Due to the arbitrariness of value estimation and value definition in general, an additional target of the study has been to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

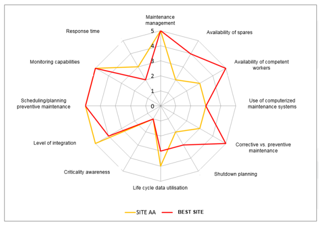
RESULT

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

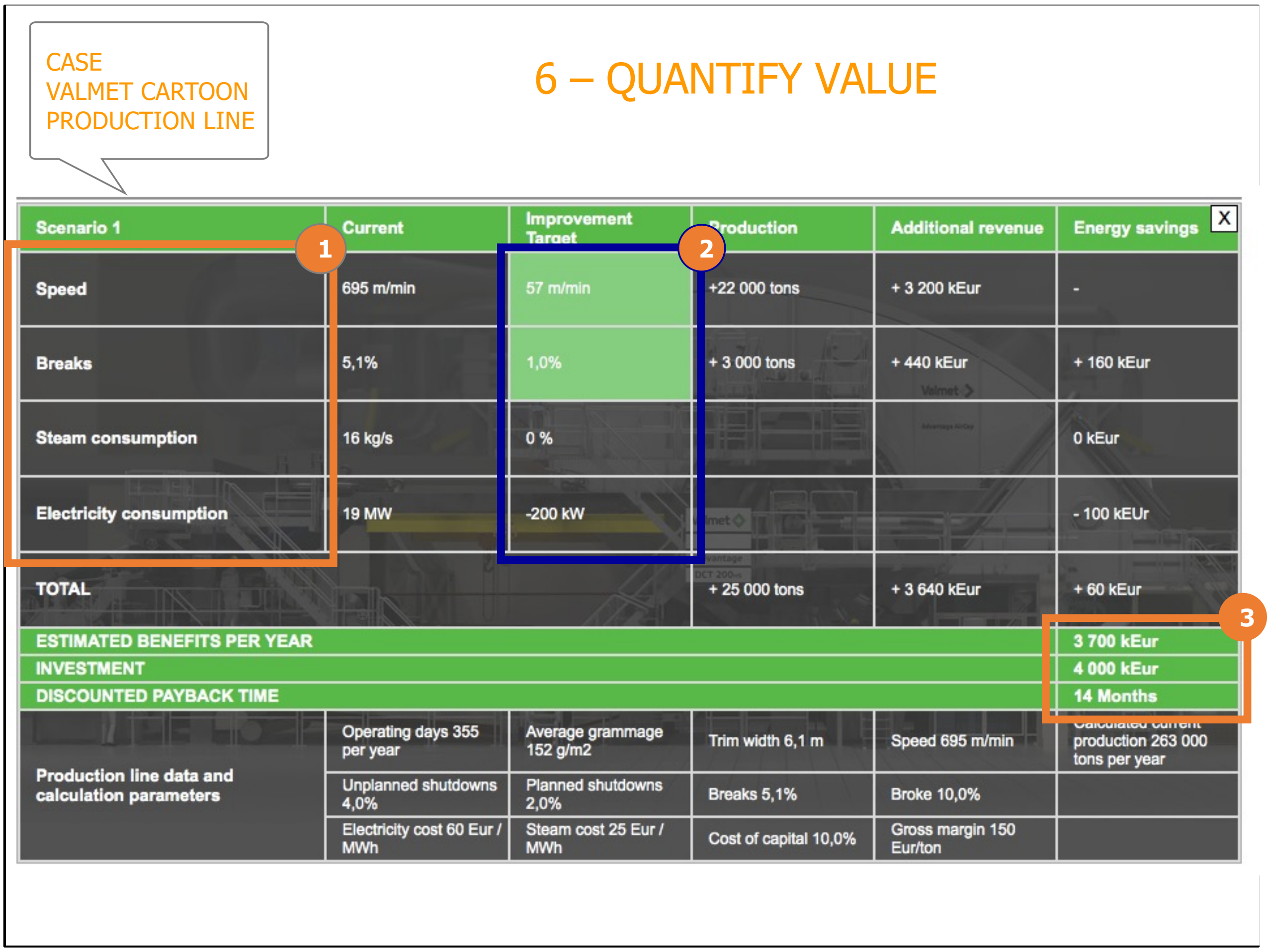




The "Demonstrating value with benchmarking" is an example of a **success story.** Success stories are always described the same way, incluing three key elements:

1. the challenge a customer had,
2. the solution implemented to solve the challenge, and
3. what was the outcome (value) of implementing the solution.

When, and for what purpose can a seller use this type of a success story? What are the potential benefits?



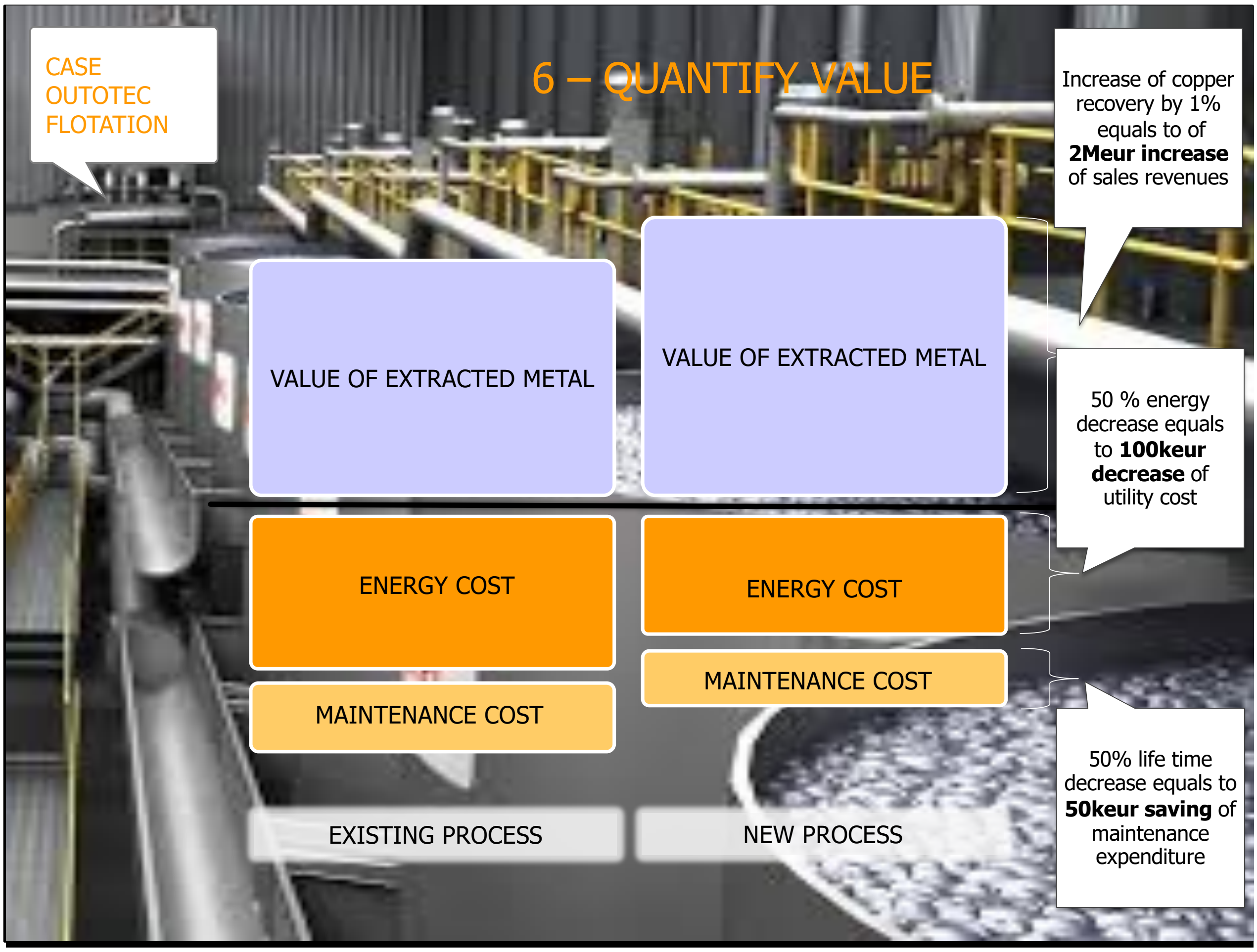
Scenario 1	Current	Improvement Target	Production	Additional revenue	Energy savings
Speed	695 m/min	57 m/min	+22 000 tons	+ 3 200 kEur	-
Breaks	5,1%	1,0%	+ 3 000 tons	+ 440 kEur	+ 160 kEur
Steam consumption	16 kg/s	0 %			0 kEur
Electricity consumption	19 MW	-200 kW			- 100 kEUr
TOTAL			+ 25 000 tons	+ 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 152 g/m2	Trim width 6,1 m	Speed 695 m/min	Calculated current production 263 000 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	

This value calculator tool example provides an example of how value calculation is constructed. In short, value calculator quantifies a value proposition. In this example, the value proposition claims that by modernizing the cartoon production machine (the solution), the 1) speed of production is increased, producing more cartoon to sell, 2) production breaks are reduced, and 3) electricity consumption is reduced. Hence, the “bundle of benefits” includes production increase by speed increase and reduction of production breaks, and lower electricity consumption.

Each element in the ”Bundle of benefits” is calculated in terms of the customer’s goal, which in this case is simply ”earning more money”. Both increase in line speed and reduction of production breaks increases production, with total sales revenue of increasing by 3 460 keur. Electricity savings generate additional 60 keur. The total value created is 3 500 keur annually.

Then the calculation compares the increased revenue to the cost of implementing the solution, which in the example equal to 4 000 keur one-off cost.

NB. The electricity saving in the example is 60 keur. Avoiding production breaks saves 160 keur, but increasing the production speed consumes 100 keur more electricity, so the net impact is +60 keur.



This value calculation example suggests that a solution of modernizing a copper production line including "flotation units" for copper production will improve production performance through three benefits:

1. The new solution improves metal recovery of the process. Typical outcome could be a 2% unit improvement, from, say, 90% to 92%. If each percentage unit is worth 2 meur of sellable copper, the recovery improvement could generate 4 meur of additional revenue

2. The new solution also reduces energy consumption by about 100 keur annually

3. Finally, also maintenance expenditure is reduced by about 50 keur annually.

Again, this value calculator expresses value in terms of increased profit by identifying three benefits, which are achieved by modernizing solution.

ENGAGE WITH VALUE:

The “control” process

The following pages illustrate a number of tool and templates for controlling and managing the key person interaction	
CHAMPION LETTER	Directly after a business meeting the seller needs to write an email to summarize the conversation in a pre-specified format. The champion letter helps controlling the sales process with a key person by asking for the key persons commitment
ACTIVITY PLAN	Once an agreement about a solution vision is achieved, the rest of the sales process focuses on the implementation, roles, responsibilities, risks, and pricing. The activity plan is a tool to agree on milestones for the rest of the sales process, including joint workshops, piloting, planning, reference visits, and similar activities.
CLOSING CHECKLIST	The closing checklist is a seller tool to make sure everything relevant has been done prior to asking for the business.

CHAMPION LETTER

CRITERIA	EXAMPLE TEXT
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NEXT STEPS	"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." Best regards Tom Waits

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1) what the customer said about their goals, current situation & challenges,
2) their solution vision,
3) What proof could we provide of our ability to help ("value"), and,
4) importantly, what was agreed as a result of the meeting.

In your opinion, what is the value of sending the champion letter? (or should it be written at all?)

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	☐

Add key player row | Save worksheet | Print worksheet | Send worksheet

The **purpose** of the "activity plan" tool is to provide a joint action plan for the buyer and seller to implement actions that are required to arrive at an agreement. The usual timing to propose a joint action plan is around the time when the solution proposal is presented.

Motivation for the action plan is to avoid the communication void after the buyer has got what they want: the proposal. Usually the buyer-seller process progresses smoothly as long as the buyer needs something from the seller. Typically, this point is when the solution proposal is made. Then, the buyer often feels they just need to take the decision without any ongoing communication with the seller. The seller is put into a "waiting mode": "thank you for the proposal, we continue our internal evaluation now, and let know, when we have decided or need additional information". If nothing is agreed as actions after the solution presentation, the seller loses connection to the buyer.

The activity plan tool is an attempt to agree on joint activities to maintain contact to the customer for influence and control. Obviously, the action must be relevant for the buyer to agree. Some actions maybe costly and come with a cost. Some action may be so crucial that the parties may agree to take "go, nogo" decisions by evaluating whether it still makes sense to move in the process.

What are your thoughts about this tool? When could it be used, would it be difficult or easy to agree on process steps with the customer?

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

The **purpose** of the "closing checklist" tool is to make sure that all the relevant milestones in the sales process have been achieved, before proposing or expecting a decision from the customer.

As illustrated with the example, the seller needs to understand and agree on customer goal, challenges, opportunities, vision of solution, possible action plan, pricing, terms and conditions, roles and responsibilities, risk management, value of the solution, and so forth.

The sales opportunity closing checklist helps verifying that the seller understands what are the important milestones along the joint journey, before trying to reach an agreement ("close the sale").

DISCUSSION: What damage can the seller cause by trying to "close the deal", before all the necessary intermediate steps have been agreed upon?