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23E50010

MANAGING VALUE-BASED SELLING

Creating value with customers

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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.

TEACHING METHODS & GRADING

METHOD	DESCRIPTION	GRADING
Pre-reading, videos & Quizzes	Read the pre-reading article & watch the preparation video & take a quiz	15 %
Article reading & group presentations	In groups of 5 prepare a presentation on a pre-reading article	10 %
Guest presentations	Business guest speaker presentations	
Interactive lectures	Short introductions to key themes	
Learning diary	Write a 1-page online summary of the weekly theme in a pre-specified format (6 themes)	25 %
Course essay	In groups of 4, 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.	20 %
Course exam	The (online) exam will consist of 3 essay types of questions on key course topics	30 %
		100 %



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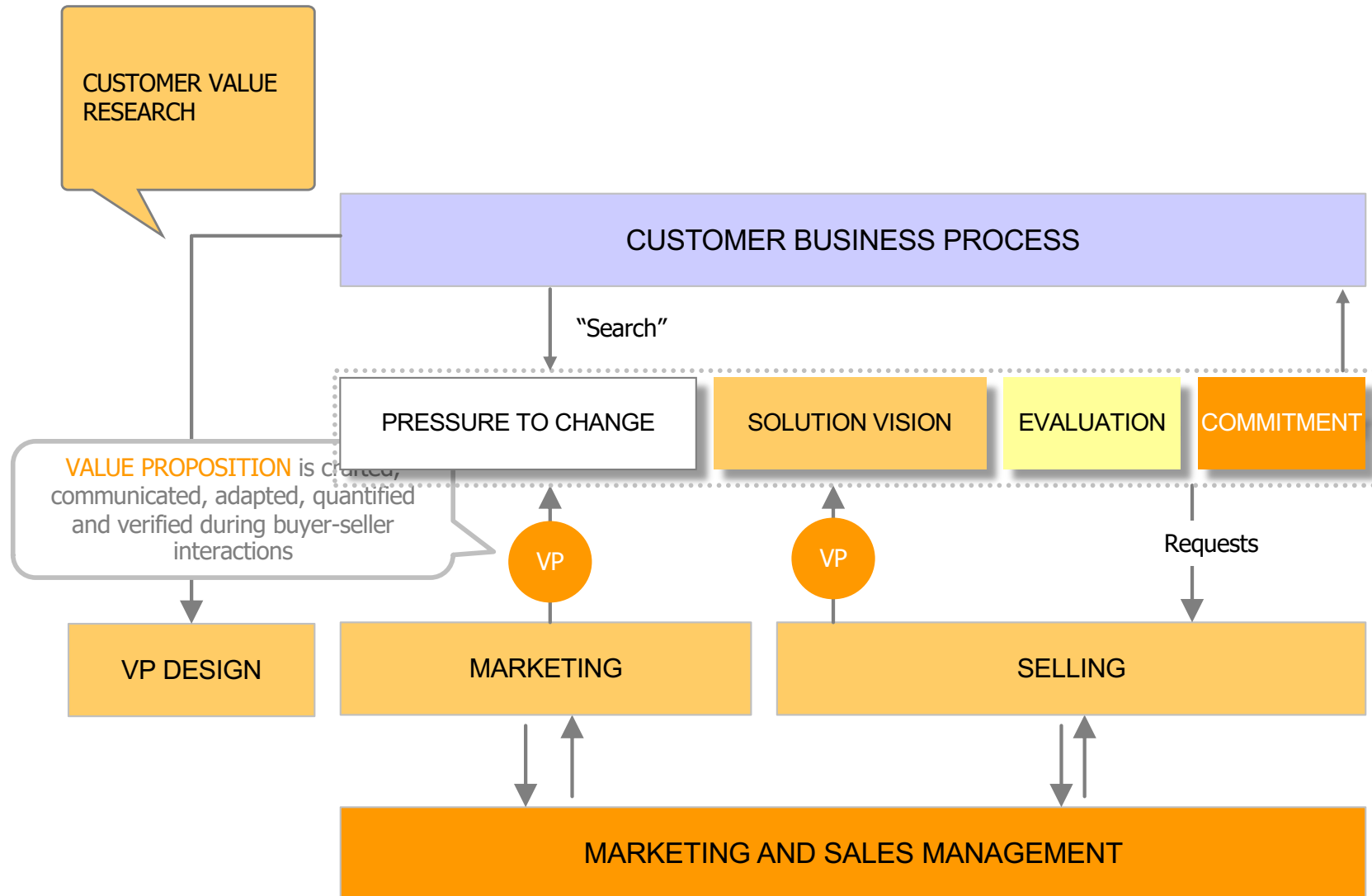
THE PURPOSE OF A BUSINESS
IS TO CREATE VALUE



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HOW DO CUSTOMER FIRMS
IMPROVE THEIR PERFORMANCE?

THE BIG PICTURE





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VALUE COMMUNICATION EXAMPLES

CASE KONE
CTU SOLUTIONS

RESEARCH AND INNOVATE

“Getting workers and goods safely to the right place at the right time”

LESS WAITING

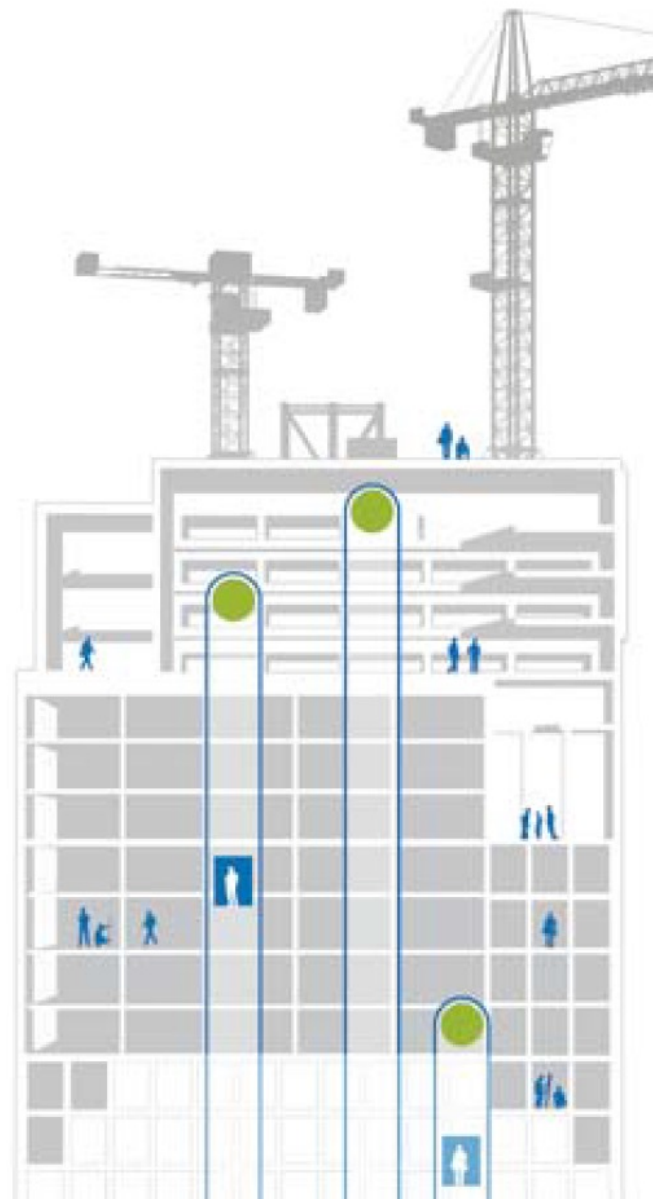
Faster transportation than with exterior hoists

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:

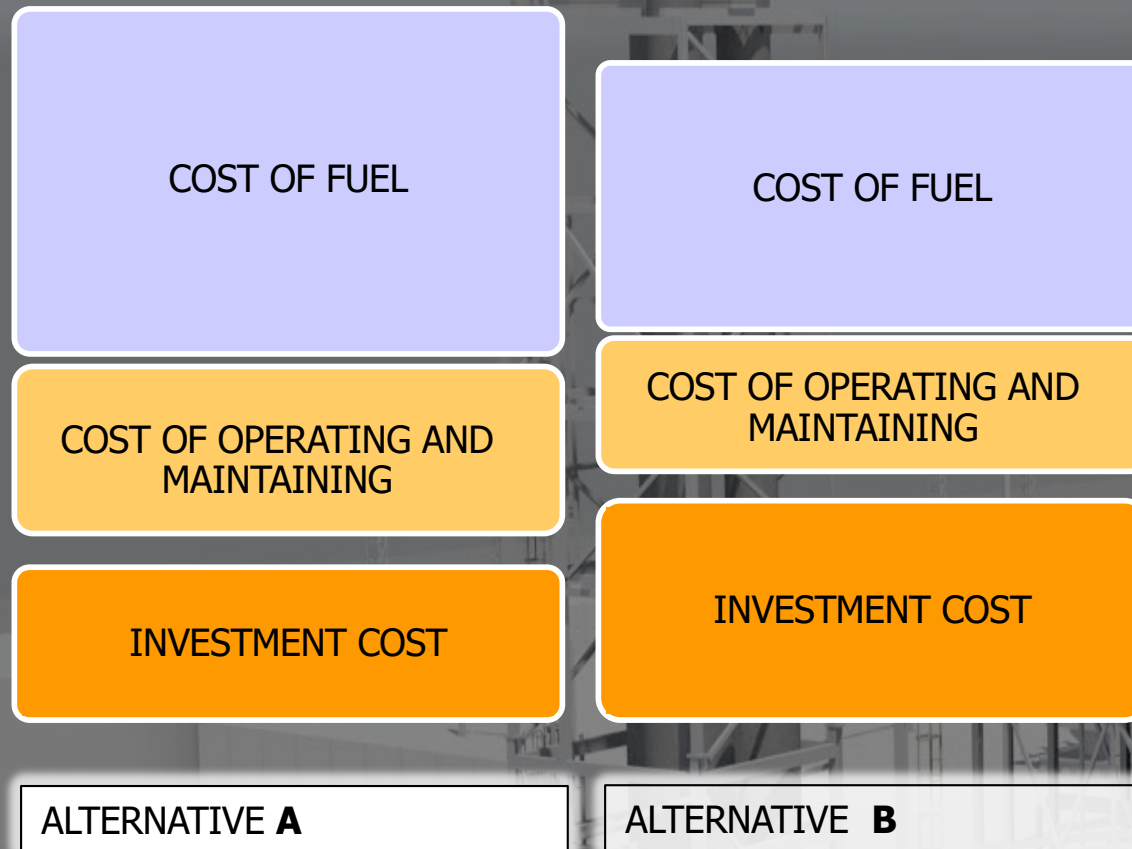
SHORTER CONSTRUCTION TIME

E

Marathon runner Eliud Kipchoge was wearing a custom-made shoe when running a marathon under two hours in Vienna. Nike says that the shoe ***reduces the energy needed to run at given speed by 4%*** and helps ***reducing muscle fatigue.***



FROM INVESTMENT COST TO LIFECYCLE COST



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

The cost of building the power plant



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

GROUP ASSIGNMENT 1

Based on these examples, let's discuss two questions:

- *How would you define **value proposition**?*
- *What are the **building blocks** of a value proposition? (What common elements do these examples share?)*

Discuss this question with a **person next to you** for 5 minutes, and prepare to share your thoughts with the rest of the group.

VALUE PROPOSITION BUILDING BLOCKS



2. Each element in the “bundle of benefits” is translated (if possible) into an impact on customer’s goal(s).

1. At the heart of the value proposition is the “bundle of benefits”. The bundle of benefits explicate what are the changes in customer’s situation.

3. Value proposition describes the solution that implements the “bundle of benefits”.



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VALUE PROPOSITION IS A
MARKETING AND SALES TOOL
TO COMMUNICATE ABOUT A
VALUE CREATION OPPORTUNITY

VALUE PROPOSITION TEMPLATE

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

The tool summarizes elements of value communication:

- 1) Who is person we are targeting?
- 2) What goal do we believe the key person is striving for?
- 3) What is our solution, and
- 4) What benefits does the solution deliver?

EXERCISE

_____, who wants
Key stakeholder

Stakeholder goal

Our solution

helps

benefit

benefit

benefit



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WHY IS VALUE PROPOSITION
WHAT IT IS?

ALL HUMAN ACTIVITY
IS DRIVEN BY

GOALS

"NO GOAL, NO ACTION"

EVALUATION OF GOALS
LEADS TO

NEEDS,

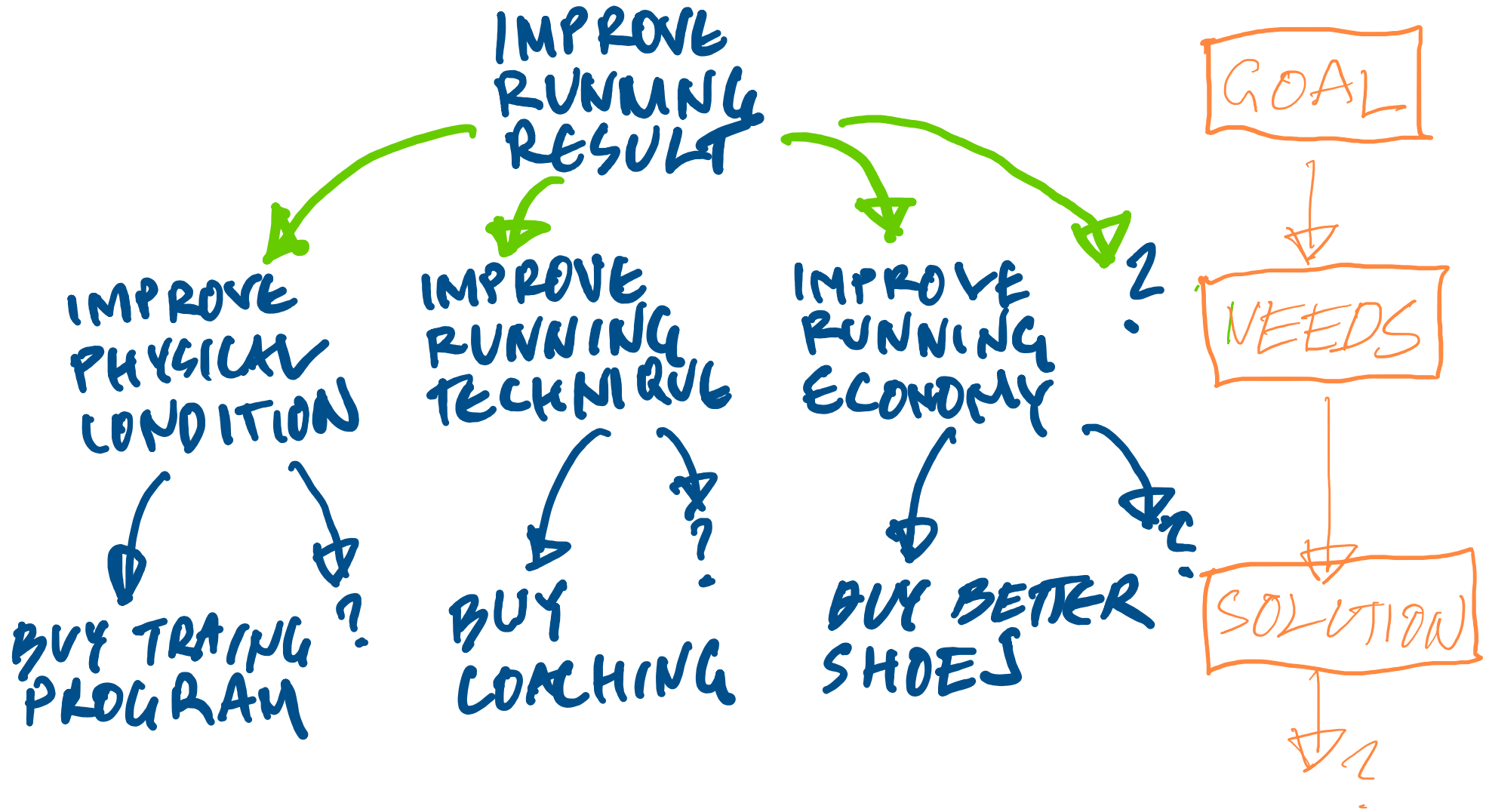
WHICH ARE INDIVIDUALLY
DETERMINED BY HISTORY,
PERSONALITY, KNOWLEDGE, ...

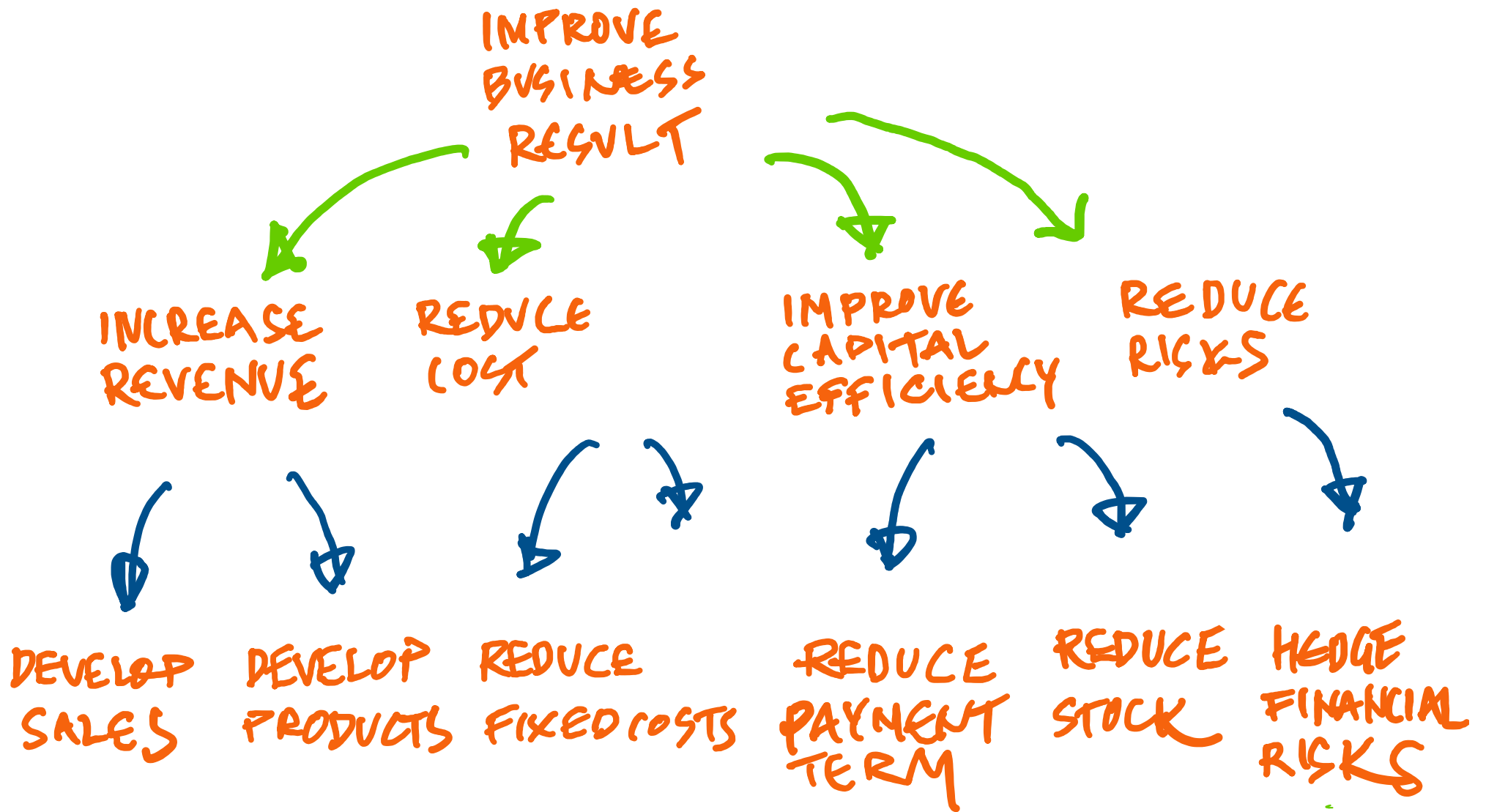
NEEDS ARE REALIZED BY A

SOLUTION,

WHICH IS JOINTLY IMPLEMENTED
BY US AND THE CUSTOMER

FROM GOAL TO SOLUTION





HOW THE NEED TO CHANGE EMERGES?



SO WHAT IS VALUE?

"VALUE IS WHAT YOU GET
FOR WHAT YOU GIVE"

This is the
value
proposition
focus

But the
customer must
also know this

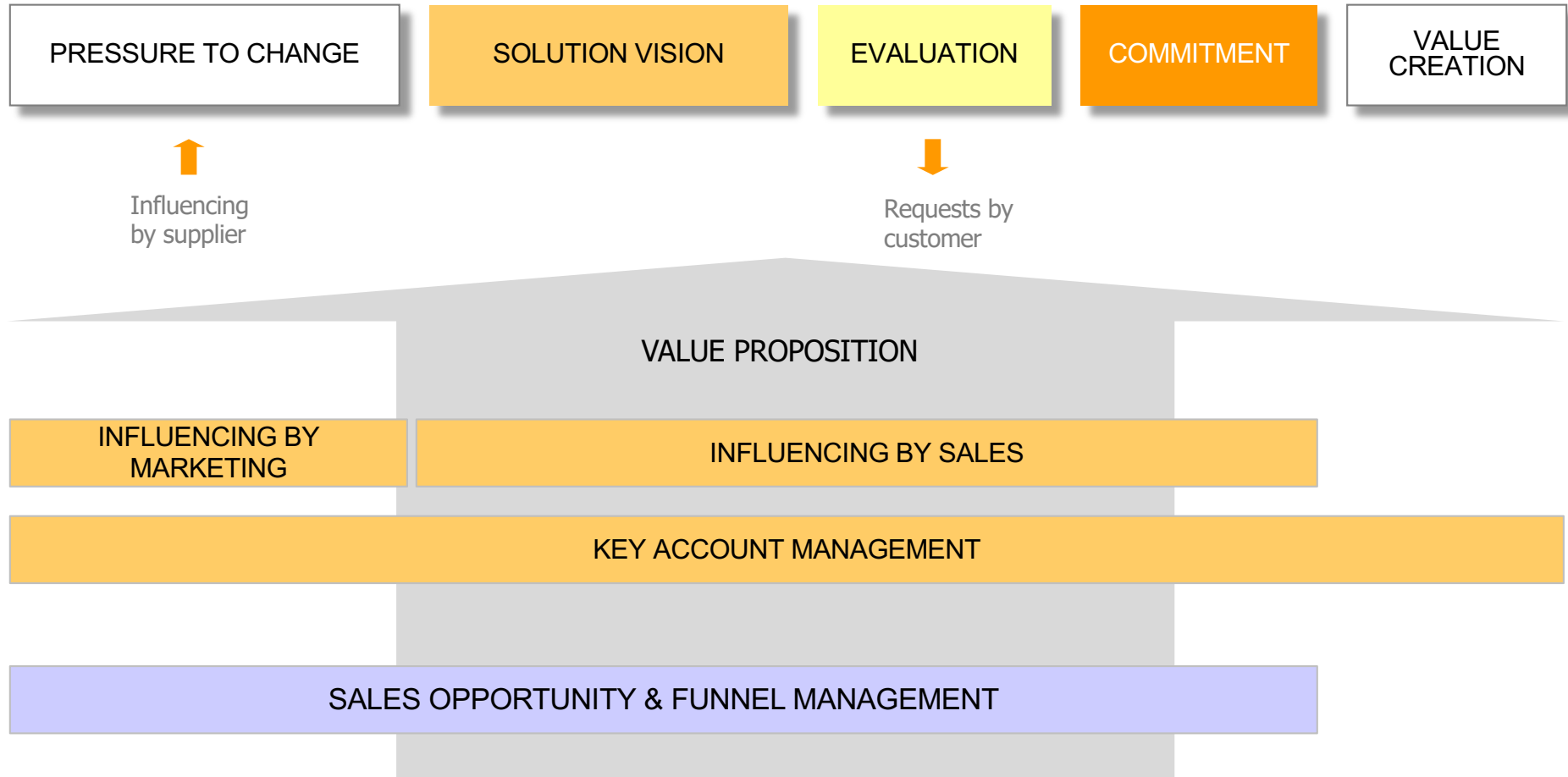
The established definition of customer value is the difference between **benefits** received ("gets") and **sacrifices** ("gives") made. Both the benefits and the sacrifices are **multi-dimensional** and entirely **subjectively** evaluated, **contextual**, and **changing** over time.



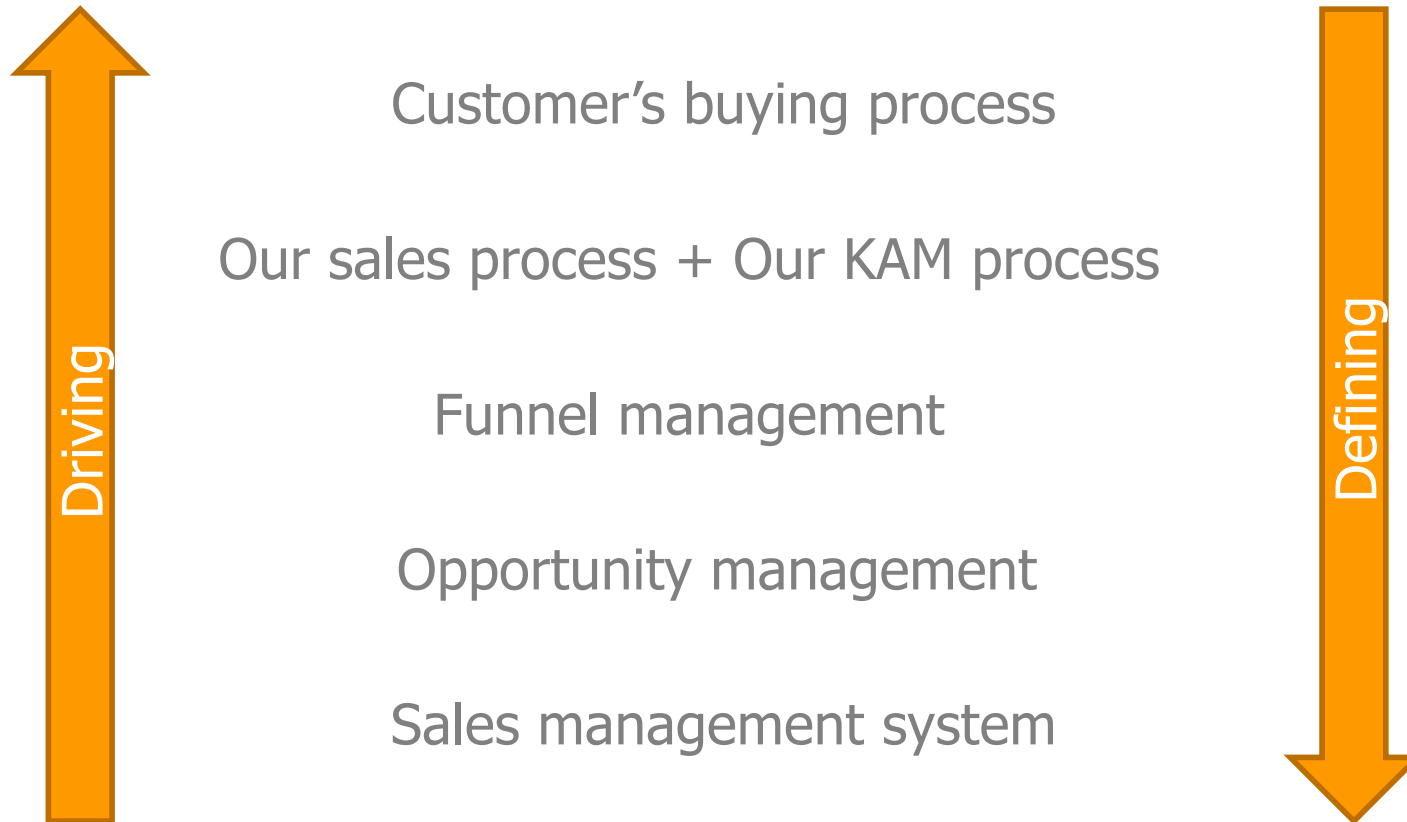
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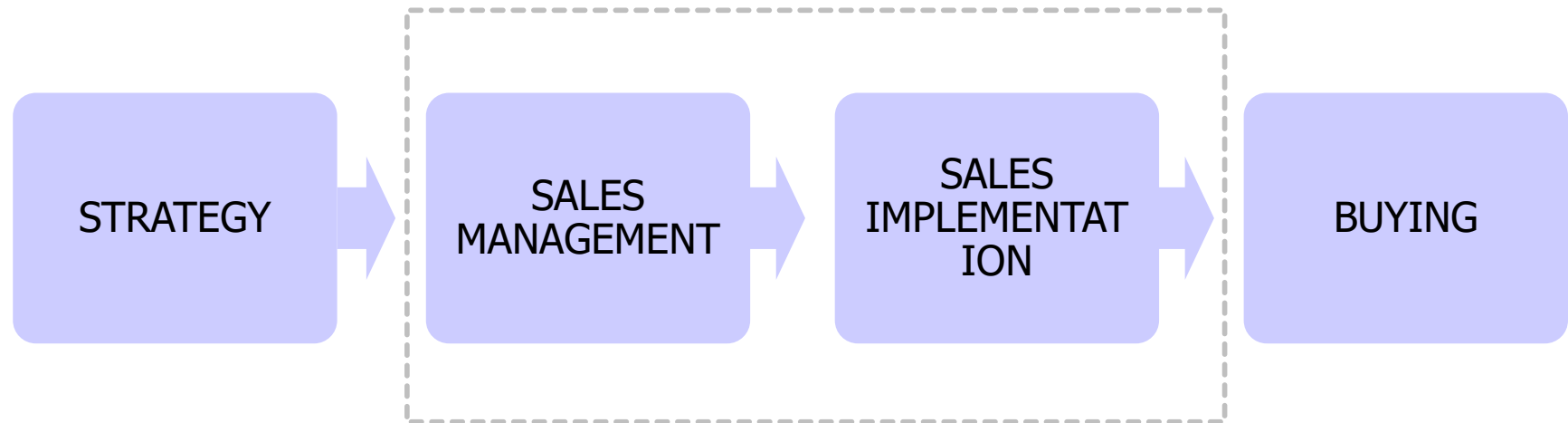
INNOVATORS INFLUENCE THEIR
CUSTOMERS BY COMMUNICATING
VALUE BY MARKETING AND
SALES

STRUCTURED INFLUENCING



SALES MANAGEMENT KEY PROCESSES





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

SUMMARY

What customers do?

- Goals drive action and change. **No goal, no change**
- Goals lead to needs lead to vision of solution
- To get a solution involves buying (of products and services)

What suppliers do?

- Suppliers **explore** their customer business process for improvement opportunities, and
- **Design** value propositions to communicate (economic) business impact through improvements in customer's situation
- Value propositions are communicated through **marketing and selling**

*READING FOR THE
NEXT MEETING*

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.