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Customer Results Selling

For Salespeople Who Already Know How To Sell

Customer Results Selling is for people who sell products and services to businesses and already know how to sell. It is based on one simple premise – that businesses buy products and services to **produce better business results**. This can be called the “Business Results” Premise. Understanding this basic premise is the key to raising the productivity of business to business salespeople.

Businesses buy products and services to produce their own products and services. The budgets established and the monies spent are always spent with the expectation that business results will be produced. Experienced salespeople know they are selling solutions to problems so they probe for problems, needs, competitive intelligence, and to better understand the various people who can influence the decision to buy. But the really superior salespeople go one step further – they probe for **numbers**. They learn the **measures of the problems**. All professional salespeople know they must ask questions. Virtually all sales training programs today focus on asking good questions. But there are three that should be at the top of the list. Very few salespeople are able to provide answers to the first two questions with numbers. Customer Results Selling focuses on how to learn the correct answers to all three questions:

1. What business results does the account expect to produce by purchasing from your company?
2. What business results is the account currently producing that they expect to improve by purchasing the solution from your company?
3. What are the specific product or service features and corporate capabilities that will be evaluated to determine which supplier will be the best at producing the answers to the first question?

In Customer Results Selling, the performance of salespeople is measured and managed by their progress in gaining the correct answers. Learning these answers increases the chance of winning. The primary obstacle to learning these answers is a misunderstanding of the meaning of one little, but very important word – **need!**

What Are The Real “Needs” Of The Customer?

In business to business markets there is no such thing as **customer** needs! There are only **individual** needs – needs that are determined by the department in which they work. A person who moves from Purchasing to Sales will immediately have different needs because they have different measures of business performance. Since individual measures of business performance are determined by their department, a need cannot be a real need until it is expressed in terms of a departmental measure of performance. The Business Results Premise states that the real need of a business is to produce better business results. That’s why the first two questions from Customer Results Selling are so important. They focus the salesperson on learning the desired business results.

Two Categories Of Desired Business Results – One Is More Important

The first category of results is related to **purchasing** the solution – low price, quick delivery, and smooth

implementation. The second category of results is related to the **operating** results the business expects to produce with the solution once it is implemented – increased productivity, reduced operating expenses. Operating results make the business money; purchasing results cost the business money. Operating results are the Return (in an ROI calculation), purchasing results are the Investment. Operating results are more important than purchasing results.

Producers

These are the people who **make the business money**. There are only two Producer departments – Sales and Operations. The direct output of Sales is a sale. The direct output of Operations is to produce the product or deliver the service that was sold by Sales. The direct output of these two departments causes money to flow into the business. Every other department in the business (excluding Finance) causes money to flow out of the business as a cost. They are all there to serve and support these two Producer departments. They are called Producers because in the pursuit of winning a sale, their role is to produce **operating** results after the solution has been implemented. The Sales department wants to increase sales and reduce sales expenses. The Operations department wants to increase quality output and reduce operating expenses. Salespeople do not spend enough time building relationships with Producers. This is why they have difficulty answering the first two questions with numbers – the current and desired operating results.

Evaluators

These are the people who **spend the business' money**. They are from Engineering, Purchasing, Finance, Information Technology, Human Resources, Legal, Third Party Consultants, and so on. The purpose for all of these departments is to insure Sales and Operations produce good operating results both in the short run and in the long run. They are called Evaluators because in the pursuit of winning a sale, their role is to **evaluate** product and service features and corporate capabilities. This is why experienced salespeople spend so much time with this group. They are the ones who have the technical expertise to compare alternatives, they are making the buying recommendations, and they are usually the ones with the money. Evaluators are also responsible for producing business results, but they are **purchasing** results, not **operating** results. A low price, a fast delivery, and a smooth implementation are the desired **purchasing** results, but they **are not** the reason that customers make most of their buying decisions! These **purchasing** results are just a means to an end. The purpose in buying is to improve the Producer **operating** results.

Purchasing results are a measure of the **cost** of the solution; Operating results are a measure of the **value** of the solution – measured in improved operating results. Businesses do not make buying decisions to produce improved Evaluator results. Businesses make buying decisions based on improved Producer results. However, if the business believes that the same Producer results will be produced regardless of the supplier, they can then make the buying decision based on Evaluator results such as a lower sales price. Skilled salespeople are needed to sell products and services that are higher priced than competing solutions. The **only** justification for a higher price is better Producer **operating** results and it takes real skill to help the account come to believe that the higher priced solution will produce better operating results.

What Is A “Need”?

The “needs” of Evaluators are more and better features. The “needs” of Producers are better operating results. But the real need of the business is to make more money now and in the future. Therefore, the real needs are Producer needs – increased quality output and reduced operating expenses. Customer Results Selling measures progress towards a win by the ability of the salesperson to answer the three questions shown on the first page for every sale being pursued. They are:

1. What business results does the account expect to produce by purchasing from your company?

This answer must include both Evaluator purchasing results and Producer operating results. Remember the business is spending the money to produce improved Producer results. This means the salesperson generally must learn this information from the Producer responsible for producing the *operating* results after the implementation is complete.

2. What business results is the account currently producing that they expect to improve by purchasing the solution from your company?

For accounts that are experiencing problems, this answer can only be Producer operating results which means they are going to have to go to the Producer. This answer is not a statement of the problem (too many errors). It is the *measure* of the problem (over 8%).

3. What product/service features and corporate capabilities will be evaluated to determine which supplier will be the best at producing the answers to the first question?

This question is generally directed at the Evaluators because these are the “needs” of Evaluators. Experienced salespeople usually know the important features and capabilities but have not tied them to desired operating results. Here are two common examples:

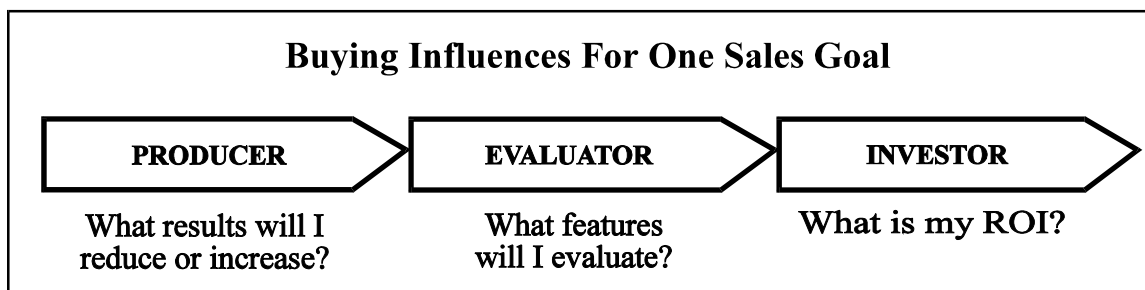
*A controls engineer needs a faster response time from a controller. This is the need of the controls engineer (an Evaluator) and is one answer to the third question, but it **is not** the need of the business. What operating results will be produced with a faster response time? – That’s the real need. – That’s the improved Producer operating result.*

*An OEM design engineer is designing a new line of equipment. It needs to occupy a smaller footprint, be more powerful, and more durable than the previous version. These are the needs of the design engineer (an Evaluator) and are answers to the third question, but they **are not** the needs of the business. The need of the OEM business is to sell more equipment! – That’s the improved Producer operating result.*

Evaluator needs are features and improved purchasing results; Producer needs are improved operating results. These three questions cover the needs of both groups.

Investor

For purposes of winning one specific sale, a third category is the Investor. This is the person who has the final responsibility for saying yes or no to your sale.



An Investor *invests money* based on some expected ROI (Return On Investment). But Investor is really just a term that represents the final decision maker. For capital budgets an Investor is usually a manager of Evaluators so they tend to focus on purchasing results. For operating budgets an Investor is usually a manager of Producers so they tend to focus on operating results.

But regardless of the source of the money to pay for the solution, the ROI is calculated by comparing the dollar value of the Producer's improved *operating results* to the price they will have to pay to buy the Evaluators *features* that are expected to produce those results.

This is why Customer Results Selling is so focused on the specific numbers associated with the Producer's current and desired operating results. Without the numbers, an ROI cannot be calculated. Simply taking the time to learn the Producer's results and constantly talking about how the features will impact the operating results is often enough to swing the sale your way. The salesperson who knows more about how the business produces operating results will be the one most likely to win the sale.

Summary

Businesses buy products and services to produce better business (operating and purchasing) results.

Producers (Sales & Operations) are responsible for producing improved *operating* results.

Evaluators (all other departments) are responsible for evaluating suppliers and for producing good *purchasing* results – on time, on spec, and on budget.

Salespeople will win more sales by focusing on learning Producer *operating* results. The best relationships with Producers are built by helping the Producers produce their desired operating results. The skilled salesperson takes responsibility for insuring the desired operating results are produced fast! For these people, the sale is not over until the Producers produce their desired operating results!

Can your business benefit from Customer Results Selling? Here's a simple test. What are the current operating results (the ones that are impacted by your solutions) that are being produced by each salesperson's best customer today? If they are unable to answer with real numbers, then they are at risk of losing business to a competitor who can provide the answer! Customer Results Selling shows good salespeople how to learn about operating results.

Bill Hodgdon has been an operations manager and engineering manager at a Fortune 100 electronics company, President and owner of a manufacturing firm serving the Department of Defense and Tier I suppliers to various industries, and founder of Hodgdon Consulting Services. His articles on sales productivity and marketing strategy have been published in national and international periodicals throughout the last two decades. His firm consults with businesses who sell to businesses on business plans for growth and sales productivity issues. He may be reached at 724-935-0409; E-Mail: billcrs@aol.com.