

Stronger Value Propositions

In order to get customers to consider changing from the status quo, you have to give them a good reason. A really good reason. They need to know about the tangible business results they'll get from using your product or service.

One of the best ways to waken a prospective customer out of their "everything is okay" slumber is to "jolt" them with a statement about the significant difference your offering can make. And the bigger the jolt, the better.

That means you can't just say, "We help you increase sales" or "With our products your service costs go down."

You need to be explicit. Metrics are a must.

- How much did sales go up?
- What kind of savings were realized?
- How much did you lower the cost of goods sold?
- What was the financial impact of the time saving?

And be exact. Customers don't believe rounded numbers any more. Don't say you doubled sales. Say they increased by 114% in 5.33 months. The more specific your number, the higher its credibility.

Some of you are probably panicking by now. No statistics, right?

Well, you're not alone. Sometimes it's difficult to measure one's impact. Sometimes customers hate tracking things. Sometimes what you're doing is so new that no one has numbers. Sometimes your marketing department gives you nothing to work from.

But don't let that stop you! Here are 3 ideas you can use to create stronger value propositions - complete with metrics.

1. Use Industry Statistics

For many sellers, this strategy is the perfect fix for their lack of metrics. Leverage the research that someone else has already done.

I frequently tell prospects that "Research shows that over 75% of executives at companies whose new products failed to achieve their objectives blamed poor value propositions as the root cause."

How about this one if your company helps others be more creative: "A recent survey of 669 executives from global companies found that fewer than 25% of them felt that their innovative performance was where it needed to be for success in hypercompetitive markets."

Keep your eyes open for relevant metrics. Rest assured, you will have a 99.97% chance of finding statistics that support your sales efforts.

2. Extend Existing Business Statistics

So many companies today are already involved in tracking things within their organization. If their company is involved in Six Sigma or other quality-type initiatives, measurement is an integral part of their operations.

Your job is to uncover the existing metrics. That means you need to ask about what they track and how they measure results. Since this tracking is ongoing, you will be able to see the impact

of your product or service on their business.

My friend Rita does executive coaching, team building and helps clients with tough situations where people aren't working together well at all. In her work with a manufacturing company, she was able to see her impact by comparing the before & after metrics that the customer was already tracking. Specifically, she helped them realize the following:

- 31% increase in productivity.
- 12% decrease in scrap/unit.
- 37% drop in labor/unit.

Those statistics really strengthen her value proposition and make it much more enticing to decision makers.

3. Engage New Customers in Measurement

That's right! You can ask your customers to create a benchmark. If you're confident that your product or service will deliver positive business results, get them to measure the success they're getting.

Some customers really like to do this. They want to see if their investment in your offering truly did make a difference. And if it did, believe me, they will be telling everyone in the company about their great decision making!

You want people talking about you like this. So give them an opportunity and ask them to participate in a benchmark. It may take guts on your part since you'll really have to prove your value. But it will be worth it!

Once you get those positive, business-impacting metrics your value proposition will be so much stronger. In fact, it will be just what you need to get your foot in the door of a whole slew of new prospects.

Finally, if you're still having problems getting metrics after all these suggestions, then I have one last piece of advice for you: *Speak the language of business.*

Forget that your product or service even exists. Just talk about the impact it has on clients. Tell a "before and after story" painting a picture of the difficulties customers experienced before using your product/service and what they achieved as a result.

Jill Konrath, author of *Selling to Big Companies*, helps sellers crack into corporate accounts, shorten sales cycles and win big contracts. She's a frequent speaker at annual sales meetings and association events. To get more articles like this AND a free Sales Call Planning Guide (\$19.95 value), sign up for Jill's e-newsletter. Visit www.SellingtoBigCompanies.com or send an email with a "sign me up" subject line to jill@sellingtobigcompanies.com

The Knowledge that Ensures a New Product's Success

The "hand-off" of a new product from Marketing to Sales is crucial to the success of a new product in the marketplace, according to Jill Konrath, President of Selling to Big Companies (White Bear Lake, MN).

"I've worked with a lot of different companies and have seen one problem that is common to almost all of them - from high-tech companies to insurance companies," she states. "That problem is in the hand-off of new products from Marketing to Sales."

In a Nutshell: The marketing department provides the sales department with a lot of technical detail on products in the form of features and benefits - what the product does - plus information on the competition, order processing, customer training, and so on.

"The problem is, the sales force still doesn't have any specific information on how to sell the product," Konrath notes.

A Different Focus

The source of the difficulty is that the marketing department tends to be more product focused than sales focused.

"Marketing does know what customer needs are and how the products can best be sold," Konrath emphasizes. "The problem is that marketing personnel become so enamored with the product and what it can do that they forget to explain the sales strategies to the sales department. They know what the customer problems are and they know why the product was developed. It's just that they fail to share this information with the sales force in a manner that a salesperson can use."

Case in Point: "At one company, I was given a one-foot-high stack of papers on some new software that explained all its technical capabilities," she recalls. "There were detailed breakdowns of every feature."

After highlighting everything she could find in the reports, Konrath was still unable to determine what kinds of problems customers might be having that would warrant their spending \$50,000 for the system.

"No one thought to explain what problems customers might have that would necessitate this product," she states. "There was no data at all on how much time and money the system would save customers."

Customer Responses

Research suggests that salespeople talk "features and benefits" 30 percent more often when presenting new products to customers than existing ones. When they do, one of two things usually happens:

Customers ask, "What does it cost?" At this point, salespeople lose control of the sales call. "When they tell customers how much it costs, the customers say they're not interested," Konrath explains. Their common response is: "We don't need the product that badly!"

The Obstacle: The salesperson hasn't identified what problems the customer is having, how much these problems are costing the customer's company, and how the new product can successfully address them.

Customers ask, "Does the product have this particular capability or feature?" At this point, the

discussion begins to get stuck on features objections. "The product gets ruled out because it doesn't have a specific capability or feature that the customer thinks might be important," explains Konrath.

This kind of situation is particularly frustrating for salespeople because, ultimately, the capability or feature in contention may not even be relevant to the customer's needs once their situation is understood in greater depth.

Bottom Line: "When salespeople get backed into a corner by customers arguing price or features, they get frustrated with the marketing department," Konrath observes. "Then they stop selling the product." Marketing's response is to be expected also: "The sales force is the problem!" Result: stalemate - and the potential for another newproduct failure.

Three Way Partnership

There is a better way, according to Konrath. Her advice: Create a partnership among Sales, Marketing, and Training (if available). These groups should work together to identify and discuss the best ways to sell the product to customers. Konrath suggests four strategies:

1. Design tools for the sales force that highlight:

- Customers' current situations and potential needs.
- The sales process, including questions the salesperson can use to uncover and develop needs.
- Appropriate strategies and tactics to use during sales calls to justify the purchase and differentiate your product from the competition's.

2. Develop a kickoff plan that focuses on customers and how the new product addresses their critical needs.

3. Create a training program that goes beyond product capabilities (features and benefits), and instead focuses on how to sell the product. After this training salespeople should be able to say:

- I understand the product.
- I know who to sell it to.
- I know what their needs are.
- I know how this product addresses their needs.
- I know the sales process to follow in order to uncover and develop these needs.
- I know my competitors, their strengths and weaknesses, and how to differentiate our product.

4. Develop implementation processes that ensure your sales management's:

- Knowledge of how to sell the new product.
- Support of the selling effort through appropriate coaching and feedback.

This is essential, since you need to make sure sellers don't focus on features-their natural tendency with long-awaited new products.

New Product Scenario

Konrath cites an example of how to get to the heart of customer needs and sell a product. Let's say you are marketing a new software that automatically backs up programs every evening. To effectively sell this product, salespeople need to know how customers currently handle their back-up. In most cases it will be one of two ways: 1) Someone backs up everyone else's computer system each evening or 2) Each person is responsible for backing up his or her own system.

Next, the salespeople need to know what problems are inherent in these two approaches:

- Most likely the person designated to do backup is a highly paid system administrator whose time is better spent doing higher-level tasks.
- Individual employees back up their systems if, and only if, they have spare time and happen to think about it. Therefore, it may not always get done. If the system crashes, employees spend hours recreating their work.

"With knowledge of the customer's current methods, the salesperson and the customer together can quantify the actual cost of the existing process," Konrath says. These costs could include the following:

Direct labor cost of doing backup.

- Indirect costs of lost data to the organization such as the costs of retrieving archived information or recreating it (if it's even possible).
- Opportunity costs-what personnel could do with their time that is more beneficial to the organization or what costs are associated with delaying these activities.

"Finally, with this information, you can get to the issue of how to sell the product," states Konrath. "At this point, salespeople know how a system like this helps their customers. Then they can plan questions to ask the customer to help them understand the cost of the problem - and the value of your solution."

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