Value Message Alignment

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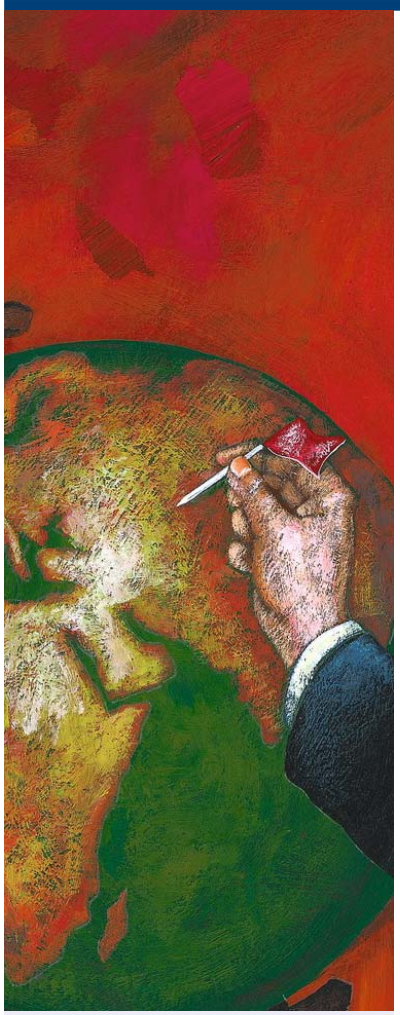

Value Message Alignment

What counts for both buyer and seller is not necessarily the value sales teams propose, but what the customer acknowledges to be valuable. As a sales professional, you must let the customer see that you gracefully align to their "important and urgent" as they evolve.

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ABOUT CPS. Critical Path Strategies helps clients improve the effectiveness of their sales organization. Our portfolio of services addresses the strategic, organizational, and relationship issues that impact selling performance. Our powerful processes enable clients to transform their sales culture, enhance their competitive position, and accomplish strategic business initiatives. Our clients—emerging companies and members of the Fortune 500 alike—typically measure 100 to 500 times their CPS investment in revenue growth.

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IT Security and Management Provider

Sales and Marketing Join Forces to Redefine Company's Customer Value Proposition

Membership in the technology sector is dependent on a company's ability to withstand the fluctuating economic and market conditions that define the industry. However, for any organization, the constant battle to anticipate ever-changing customer needs and develop effective solutions is not only stressful, but can divert attention from the company's business goals. In order to re-focus the team, the new CEO of this industry-leading provider of IT security and management solutions decided the time was right to re-evaluate the company's marketing position and set off on a new, sharply focused path. Employee participation and buy-in would be pivotal to the success of this re-launch effort.

"Reshaping a company's business values is a monumental task. CPS helped us chart a new course with renewed, company-wide enthusiasm."

- Senior Vice President, North American Sales

CPS analyzed opinions and leveraged results. Critical Path Strategies (CPS) was engaged to help the CEO evaluate the direction of the company, recommend possible modifications, and work with the sales team to develop new value propositions. Since employee participation was so important, CPS conducted several internal focus groups to determine the employees' vision of the "state of the company," as well as gather input for the re-launch effort.

During the interviews, CPS used proven processes and supporting tools developed as a result of the hands-on experience of CPS partners and refined through extensive research of leading selling organizations. The primary objective of the discussions was to assess the alignment of the customers' most critical needs with the company's core capabilities.

The results of the 13 focus groups proved invaluable to the executive management team. Working with CPS, they leveraged the employee feedback in the development of a new value proposition that better represented the company's strategic mission.

With the new direction set, the next step was to help the sales team articulate the high-level value proposition in a fashion that would be most meaningful to customers and prospects. In a one-day Value Message Alignment session, CPS worked with the North American sales teams to develop customized value propositions for key accounts.

Additionally, the company realized that a stronger alignment between the sales and marketing departments would be important to the success of this initiative. Based on information discovered during the message alignment session, the marketing team developed segment-specific sales tools to help the account teams analyze customer relationships and develop strategic action plans to deliver the company's new value proposition and ultimately strengthen the relationships.

Company charts new course around the customer and rekindles enthusiasm. During the three-month process, employees and senior management became energized and rallied around the company's new strategic mission. "In this competitive market, it's not always easy to alter the course of a company," said the senior vice president of North American sales. "The methodologies used by CPS ensured that our employees' personal contributions and opinions were not only captured, but were leveraged during the decision-making process. The company is on an exciting new path, morale is on the upswing, and the team is committed to our new, focused mission."

The message alignment session enabled the sales teams to deliver the company's new value proposition to hundreds of customers and prospects immediately, so they could continue building and strengthening relationships. Furthermore, marketing and sales are now working in lock step in their assessment of key accounts through the use of strategic sales assessment tools.

For more information about this client, contact CPS Client Services at clientservices@cpstrategy.com.

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Value Validation

by Sue Shaner

An interesting thing happens when sales teams are engaged in conversations that focus on value…

It's simple really. Borrowing from "Streetcorner Strategy," the game is value. The judge is the customer. The winner is the one who delivers the greatest value to the customer. But not all customers value the same things. So how do you ensure that what you are delivering is of value to the customer? You can improve your productivity and increase your odds of success with a disciplined, proactive approach to Value Validation. And the payoff can be huge.

What is Value Validation? Value will differ from one customer to the next–the challenge for the sales team is to produce and deliver value messages that link their activities and results to the customer's most critical needs, creating both qualitative and quantitative benefits for the customer. What can we do and what have we done to make a significant impact on the customer's business? The sales team must then validate that the customer recognizes the value possibilities as well as what has been delivered. "Your team made a difference in our business" is the response we are seeking.

Value Validation conversations can occur informally, as in, "Let's look at the progress of this project," on an ongoing basis as a part of calendared activities (e.g., when monthly savings or benefits reports are released), or at a specific point in time when the project is completed and benefits are realized.

It is critical to lay the foundation for Value Validation early on with some key questions in these informal reviews with questions like:

- Are we on track and if not what are the gaps?
- What are the customers' insights to date?
- Where does the customer see value linkages?

This foundation will make it easier to gain agreement on value, and will position the sales team to deliver even more value in the future.

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How is Value Validation best done? While opportunities for Value Validation occur along the way at various levels of an organization, CPS recommends a quarterly executive-level meeting for your strategic accounts. This formality at the executive level ensures top-level alignment.

What happens in meetings like this? Key points in the meeting include thanking the customer for the business, reviewing your value proposition, and documenting your team's contributions to value. The meeting should end with agreement on value delivered to date, and a discussion about how best to deliver value going forward.

Value Validation Meeting Agenda	
1. Customer and Supplier Value Alignment	How do your capabilities and team align with the customer's critical success factors and competitive differentiators?
2. Value Proposition	What is your team's overarching value proposition?
3. Value Contributions	At a detailed level, what are your team's contributions to customer value? How are you linked as customer and supplier? (see Example Sources of Value table)
4. Summary of Results and Recommendations	Beyond "adding up" the various project results, what value does your team deliver on an aggregate level? What do you recommend to increase this value?
5. Best Next Actions	Given these results, where do we go from here?

Why Validate Value? What counts for both buyer and seller is not necessarily the value sales teams propose, but what the customer acknowledges to be valuable. No matter what efforts sales teams take to create value for customers, it will mean little to their success or to the customer unless it is agreed. For the customer, this process confirms their investment decision they made with you and your company. They have more confidence in doing business with a company and team that understands their business.

For the sales team, the benefits of Value Validation are clear—increased loyalty, opportunities present themselves without competitive bids, a track record of credibility, and, most importantly, a barrier to becoming a commodity.

Example Sources of Value	
Increased	Reduced
▪ Revenue	▪ Cycle time or time to implementation
▪ Productivity	▪ Cost
▪ Quality	▪ Work effort
▪ Competitive advantage	▪ Risk
▪ Profit	▪ CAPEX

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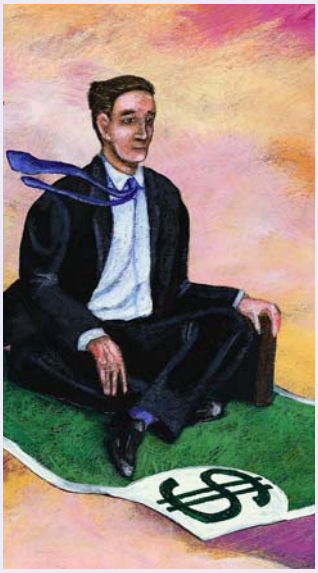
The Fourth Quarter—More Than Just Sales Heroics

by Anna Marie Cwieka



"Great sales leaders create an agenda for their organization that establishes traction in the current selling environment. They focus on several key areas that will allow them to take advantage of opportunities afforded them during the coming year. They make selling into large accounts a definable, repeatable, results-oriented process."

CPS Founder Art Wilson in *Building a Successful Selling Organization*

Best Practice

Get grounded. Analyze where you need to focus. Use this first-round thinking as the foundation of joint company/customer/supplier planning sessions.

You've just completed your planning and budgeting process. Chances are, you're looking at a growth target for the coming year that you're not entirely sure how you are going to achieve. And you are frantically trying to make sure your fourth-quarter forecast is on track.

The fourth quarter is the time to review your strategy, validate and position it with your key customers, engage your team, and take advantage of the unique customer conversations that can take place at year end. This way, everyone can hit the ground running on January 1.

Sound overwhelming to tackle "in your spare time"? Address the "big rocks" that will result in value creation for you and your most important customers. To simplify the process even further, let's take a 30/60/90-day perspective to make the most of your fourth quarter.

October—Get Grounded. Who are your most important customers? Where can you deliver the most differentiated value ahead of the defined proposal curve? Where are you profitable? Commodity buyers that contractually limit your margins or customers that soak up overhead to the point of being unprofitable do not warrant the same coverage as strategic partners that will move on sole-sourced, unsolicited proposals. Take a couple of hours to analyze where you need to focus.

Next, get grounded in the big-picture strategy for each of these companies (Gap Analysis). Access to their quarterly and annual analyst presentations now makes information readily accessible and analysis fast. How do the offerings of your entire company align to help them achieve their goals (Customer Value Alignment)? This, in turn, should open up new opportunities for you to position and pursue (Opportunity Landscape). This entire process should take no more than 45 to 60 minutes per customer. If you have the luxury of a marketing department, they could develop the first pass for you to fine tune.

Take a quick reality check to determine how this analysis fits with your previous account prioritization. Chances are this new, higher-level perspective will shift some customers on your resource allocation curve.

Now you have the foundation for a first round of conversations with your most trusted internal customer contacts. Are you on track? What are their insights? Do they agree with the value linkages? Who would they recommend you (and other members of your team) speak with in their organization (Organization Map)?

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Best Practice
Enroll the team. Confirm your value proposition and customer alignment. Some of our customers create large wall charts with this information and post them in common areas along with performance benchmarking information for task force or operations personnel.

November—Enroll the Team. Use this month to enroll your team…from your executive sponsors to your sales team, as well as key program/project managers and the delivery team. Make sure everyone understands the customer's big picture and your alignment. Agree on your overarching value proposition (from Customer Value Alignment) and how it might translate at the project or site level. What can the team add to the Opportunity Landscape based upon this higher-level analysis?

Agree on the overall relationship strategy and customer relationship ownership and messaging. At this point, you can create the outline for individual opportunity strategies. By taking the time for team collaboration, you can create an actionable execution plan with identified ownership, deliverables, and accountability. Brief bi-weekly team calls will keep the plan current and moving forward.

Best Practice
Extend the relationship between your company's and your customer's executives. One of our clients, working in a very complex customer environment, has proven the value of taking the time to brief his counterparts so that they, in turn, can "brief up." By the time the respective executives meet, the value seeds have been planted and the meeting can focus on areas of possible strategy execution.

December—Plant the Seeds by Extending the Relationship. This can often be a fairly quiet month at the senior-executive level of your customer organizations. Use this time to strengthen or establish relationships with your company's executive counterparts. This can be as simple as setting up a single meeting or as elaborate as multi-track briefings along hierarchical lines within both organizations.

Preparing your executives for these meetings is essential but not particularly difficult. Key points usually include:

- Thank you for your business this year.
- Our team feels that they contributed in the following ways…
- Our team sees your primary objectives as…
- Which of these do you see as the most challenging?
- How can we best help you achieve those goals?

We so often fail to take full advantage of the speed with which executives can jump over organizational and contractual hurdles. Arming them with customer context and key messages can make all the difference between a social call and a trusted partnership.

High-level strategy, actionable team enrollment, trusted valued relationships—these are the best next actions that will help you make the most of your fourth quarter!

In Building a Successful Selling Organization, CPS founder Art Wilson analyzes the complex processes required for strategic customer relationships. He demystifies them into sustainable, business-to-business relationships that will yield extraordinary results. Moving forward with consistent targeted actions, like those described in this article, results in a tight cycle of value with key customers that bring continued and ever-greater rewards for all parties. Please visit www.cpstrategy.com.

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TRUST Innovation and Differentiation to Convince Your Customers

We have observed that our clients dramatically differentiate themselves by aligning with their customer's thirst to grow. Articulating the value you add to your customer's value chain—to their market—is a sure-fire winner.

Constant changes in the sales environment make defining and differentiating the value of your offering an ongoing process. Markets and competition constantly shift; available customer mind share varies; procurement organizations repeatedly try to commoditize your goods and services. How do you energize your customer's perception of you and your company?

As a sales professional, you must let the customer see that you gracefully realign to their "important and urgent" as they change. Best-performing selling teams re-examine their customers' needs and perceptions as if they were trying to take the account from a competitor. They frequently visit the customer's top line to create market value, an alternative to squeezing the costs that drive the bottom line. They evolve with the customer's environment, the customer's competition and—importantly—the customer's customer.

Constantly adapting and improving is one way that you avoid being positioned as a "commodity offering." Yes, you must demonstrate that your company's solutions meet the customer's minimum standards of price, product quality, and service. But stopping there dooms you to competing at the commodity level. Having the agility to evolve with your customer creates a unique value proposition that defies commoditization. Ascending to the next level, you can become an essential business partner by helping your customer anticipate changes in their world.

In a recent workshop, a CPS consultant facilitated a discussion about compelling value propositions. The group focused on aligning their company's strongest capabilities to their client's most pressing business issues. They constructed enterprise value statements, shared them with each other and collaborated to refine them. At the end of the exercise, the facilitator asked, "What do you think of your individual and collective results?"

How did the group respond? First, the positive themes.

- This crystallized my thinking of what our company can deliver to the customer.
- If my team gets energized about a specific value proposition, then our selling efforts will be better focused.
- Focusing on the customer's problems and pains helps me identify specific abilities we have that can provide relief.

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Next, the not-so-positive themes.

- My value statement seems "clinical"—it lacks passion and sizzle.
- These seem to frequently revolve around pains, like cost-cutting.
- I would like to set my company apart, but our value proposition is similar to that of our competition.

Then the facilitator went to work, prompting the group for ideas on how to improve their company's value proposition. He asked, "The last time that you delivered a value proposition that really resonated with the customer, what was the secret sauce?" Lots of stories ensued, but the one that electrified the discussion was about a salesperson who creatively differentiated how her company could add value for her customer. She framed her proposition in a positive way: "Nobody really gets fired up about cutting costs. Everybody gets excited about innovation. I help my customer innovate in a way that adds value to their customer. That differentiates my company from the competition."

CPS uses the TRUST model to help us think about strategy. Here are some ideas about how to use it to discover ways to help your customer innovate.

Technical	What is it about your product or service that permits the customer's offering to outperform the competition? What is that feature or function worth to your customer, and to their customer?
Relationship	Who within the customer organization most directly interacts with the end users and buyers? What benefits do they say their customers receive from the advantage of your products or services? Will they give you the opportunity to talk to their best customers?
Utility (Value)	How can you and your customer determine the economic value that could allow them to be more competitive? How do your contributions improve the quality of their offering? How do you enhance end-user satisfaction or preference?
Strategy	How can you and your customer think collaboratively about the end user? What research and development can you jointly undertake to nourish your customer's competitive advantage?
Team	How can you team with your customer to constantly and consistently differentiate their products? Can you give your customer's customer technical support, push-pull marketing, or other programs that will build loyalty and repeat business?

Using the TRUST model as a guide, you become more intimate with your customer's business and competitive differentiation. This allows for the highest level of value and alignment. Using the model with innovation in mind further distinguishes you. When it is clear to your customer that you consistently develop ways for them to win in their marketplace, that you are a "difference maker," you will have achieved success. You'll know it when the customer says, "You make it easier for our customers to prefer us. You help us grow."

Isn't this approach more exciting than conversations around cost reduction?

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Pre-RFP Selling

Many companies, both public and private, as well as government entities, make purchasing decisions based on responses received from extending a "Request for Proposal" to potential vendors. Oftentimes, decisions are based primarily on cost. However, there are many approaches the selling organization can take to bring more influencing conditions to bear on decisions in the Pre-RFP" environment. These best practices will help optimize your success in an RFP decision-making situation.

Some sectors of the marketplace use the Request for Proposal (RFP) as a traditional vehicle to obtain bids. Government entities are usually required by statute or code to use a bidding process. Responding to RFPs in government sectors is a business-as-usual process. The private sector, however, is not homogeneous in the use of the RFP process. Companies sometimes make an early determination and selection of the preferred supplier and immediately enter into contract negotiations. The rationale for this strategy is primarily driven by cost and the need to avoid lengthy evaluation steps, benchmarking, or piloting phases that may defer or dilute the benefits to be received.

Influencing Conditions. A sole-source procurement often is made because of certain conditions that influence the decision-making process. These conditions usually fall into one of these three categories:

A) The product or service is determined to be the only viable solution available in the marketplace.

B) The buyer has determined that a high-value relationship is critical to the success of the procurement and it would be advantageous to select a single source for a product or service.

C) A time-dependent requirement of an offering outweighs the effort to secure and evaluate bids from multiple vendors.

Category A is the only situation that may preclude the specific sales and pre-RFP marketing activities outlined in the following paragraphs. Indeed, the development of high-value relationships and speed to implement a solution or product are often key sales advantages. These strategies can become unique differentiators that make the need for an RFP unnecessary or, at minimum, securing the win for the provider most aligned with the client.

The Pre-RFP Environment. An analysis of what typically drives the RFP process usually points to a specific corporate or institutional initiative. The initiative defines where an organization is going to spend time and money to accomplish an important objective. After the decision to go forward, the organization determines whether they need outside assistance (products or services) to accomplish the goal of the initiative. The goal for the provider is to recognize this phase of selling opportunity as early as possible and actuate strategic sales activities.

A worst-case scenario in the RFP world is to receive an unexpected RFP. While it may be possible to win in such a situation, the odds are low and the possibility of expending significant time, effort, and resources unprofitably is very real. Why is this the case? Without an existing client relationship and the client's understand-

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ing of your capabilities, the RFP may be a "fishing" expedition. If another supplier has had significant input to the criteria and the time to build high-value relationships with the client, it may be in your company's best interest to decline bidding on this specific request. A letter explaining the business logic of why the firm is not bidding may be appropriate. A key element of such a letter is to always leave the door open to future opportunities by highlighting potential positive elements of a future engagement.

Winning an RFP. The best scenario for winning the RFP includes two key sales elements and strategies:

- *Aligning and prioritizing the strongest capabilities* of the provider clearly and directly to the requirements of the RFP, and
- *Capitalizing on high-value relationships* that are built as specific sales strategies during the pre-RFP period.

These sales elements are closely integrated, but are unique in execution. Sales teams using the CPS methodology have at their disposal specific tools to assure alignment and communication of the alignment to the client prior to RPF creation and submission. The CPS Customer Gap Assessment and Customer Value Alignment (CVA) are highly effective during this stage and are described below.

The CPS Customer Gap Assessment. The selling organization uses a CPS Customer Gap Assessment tool to build trust and empathy for the client's most important initiatives. This process, developed and shared with the client, is a best practice to build high-value relationships. A team composed of sales, product, technical, and financial support people most knowledgeable about the client is assembled. The team, empathizing as if they were the customer, documents the current state (as related to the RFP initiative), the future state (as the customer may desire it to be), and the key initiatives (customer probable initiatives to bring about the desired future state.) The task is to gain access to the customer (RFP originator and influencers) and share this document with them for validation. During this step, the optimum solution and criteria for selection clarify and come to light. At the same time, the relationship takes on special importance for the customer. Trust and confidence is enhanced because the customer observes, first hand, the empathy the provider has for developing an optimal solution.

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The CPS Customer Value Alignment (CVA). The CPS Customer Value Alignment is also best developed in a team format, with collaboration and dialogue being an integral part of the process. Using the CPS CVA tool, the team documents the customer's Critical Success Factors and Competitive Differentiators and their company's Top Capabilities. The output of this effort is to have a series of specific aligned capabilities that best address the initiative or the RFP. From these most important alignments, value statements and propositions are developed to demonstrate to the customer the value to be gained. These value statements and propositions can be built into the actual RFP response. The odds of winning the RFP go up directly in proportion to the alignment, the relationship developed, and the additional value delivered through this exercise.

In summary, the RFP process continues to be a viable method for many companies and entities to contract for products and services. The quality of your company's product or service in response to the RFP is vitally important, but planning your strategy with appropriate tools and strategies can enhance the value perceived and realized by the client. The RFP should be considered an opportunity to provide leadership, consulting, and direction for the firm seeking assistance and to further develop mutually beneficial business relationships.

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The Dynamics of Value

by Art Wilson

What is value? How do you get value recognized? How can you leverage value before and after the sale? How do we put price and value in perspective?

Value, simply put, is the bottom-line benefits that a client receives from the use of our products and services compared to other options available to them. Value can be measured in terms of expense reduction, revenue increase, and risk avoidance or image improvement. It is measurable, logical, and directly attributable to changes that your offering enables. After implementation of your recommendations, clients can ascertain the impact of your offerings with some degree of accuracy. Before the sale, it is a matter of client judgment as to the value of your and your competitor's offerings. While real value is important, only recognized value counts. That perception of value needs to be communicated by the seller throughout the buying cycle. If not, the client may not understand full value as a result of your offerings and you may not get the initial or follow-on business that you deserve. The perception of high value can establish you as a partner or alliance candidate and open doors to significant opportunity.

Value Recognition Techniques

Understand the key initiatives the client has in place to move to a desired future state at a corporate and divisional level. Companies will typically invest new budget in these initiatives. Understand how the client would best describe the current state of their organization. What key changes would they like to see in a one- to two-year timeframe? Then, understand what key initiatives they believe will have the best opportunity to drive that change.

Identify the most important challenges (pains) of key people in the decision process. These are the areas which will typically have the most share of mind and where people will be most open to new ideas.

Align your best competencies with the above needs and get agreement from the client. While there may be many areas of value that you bring, clients will typically be most urgent in supporting those that relieve the pain.

Identify several value intersections where you may be uniquely able to satisfy the client's needs, either in functional capability or timeframe. If you are able to meet a critical client need, it is highly probable that you will win, regardless of price. Try to get the client to "sole source" the business to you, with the justification that they will be able to save the cost of competitive bidding and be able to receive the value of your offerings much more quickly.

Look at the top-value intersections as ideal "circles of conversation." Ensure that you and your team spend as much time as possible addressing these areas. Clients typically will justify their positions within their organization by using one or two key areas where they believe clear value is possible.

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If you can *get the client to mentally "step into the future"* and look back at how they could achieve their "future state" with your help, then you will have your best opportunity to win.

How do we put price in perspective to value?

Even if you have a good product that fits your clients' needs, you may still get squeezed on price by purchasing people, and you may sometimes lose to inferior competitive products and services. The answer, typically, is getting the client to look at the value impact of your offering compared to the difference in the price versus other alternatives. Critical to this technique is understanding your client's most important strategic and tactical needs, then aligning your competencies in a way that differentiates you (in function or in time) from other client alternatives. Here are some areas to focus on when you want to get your client to "see" your value proposition.

Align strategically and tactically – Be Curious

- Start at the top.
- Align your company capabilities to your client's needs. For existing clients, step back and view them with a new set of eyes, as if they were brand-new clients. What would you do?
- Identify critical needs - pains and opportunities.
- Thoroughly validate.
- Focus on the most important.
- Look for a "silver bullet" – a capability that you alone have to meet a critical business need in the timeframe required by the client.

How do you help your client see the value?	How bringing value can secure the sale
• Ask them to estimate the value of your capability to meet a critical need.	• Align to create company-to-company value.
• Ask others for input, coaching.	• Get your client to view your offerings as an "architecture."
• Demonstrate.	• Position the value of individual offerings.
• Do something small incredibly well.	• Create personal value with everyone you touch.
• Don't go to price too quickly!	• View and "act out" your selling function as a service profession.

Value recognition by the client can establish you as a strategic partner. "Real" alliances give you the opportunity to earn specific business opportunities that you may have never won before because of the value your organization brings to the client. Real alliances are created "in fact" before they are committed "in contract." Focus first on the client's most important needs and then align your best competencies to serve. When the client succeeds, you succeed.

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