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VIEWS FROM THE TOP

Selling short

It's the relationship, not the sale, that creates value

As crazy as the notion sounds, businesses that focus on selling actually decrease their chances of achieving long-term profit goals. This can happen because most prospects and customers automatically react negatively toward sales people. They often fear being sold something that doesn't meet their needs or getting tricked into buying something they don't need at all.

This environment emerges when sales people think short-term and focus on individual transactions. They might prefer the instant gratification of a single sale rather than realizing the long-term benefits of truly meeting customer needs and building long-term relationships.

As is the case with most employees, sales people take their cues from the leaders of the business. When leaders don't have a long-term plan, they tend to push the sales team only on making this month's quota and ignore stressing the formation of long-term plans to develop client relationships. Each person on the sales staff tends to work with customers the way they want without any common themes.

A Value Creation Process

To move away from this environment, it's important to take the focus off transactional or push selling. The focus should be on creating maximum value for customers and delivering it as efficiently as possible. This can be achieved with a Value Creation Process that follows these phases:

1. Targeting: Determine the types of prospects to whom you can provide sufficient value by reviewing your best customers and their characteristics. Target prospects as narrowly as possible to increase the likelihood of a good match, and consider which prospects to decline. If they don't make

sense to partner with, you will likely spin your wheels and not generate reasonable profit.

2. Approach: Next determine the best way to attract your prospects' attention. Consider both the message and delivery vehicles so it reaches prospects in the right frame of mind and shows you're approaching them for a specific reason. This phase might require multiple and varied messages.

3. Qualification: Compare your business values and how you both conduct business. You may find the customer's reputation or values do not sync with yours.

4. Needs analysis: For qualified prospects, ask questions to define needs. As you go through the process, you may discover additional areas to explore.

5. Solution definition: Define the options for satisfying the new customer's needs. You might identify components that need to be delivered by another resource because they don't match your specialties.

6. Commitment: Identify the promises that you and your customer need to make to maximize the probability of success. If one of you is not fully committed, it might make sense to restart the process to establish a firm commitment.

7. Solution implementation: What are the steps necessary to implement the selected solution? This typically comes in the form of a project plan and includes assumptions, milestones and deliverables.

8. Lessons: Once the project is complete, meet with your customer to discuss what both of you learned and how you will apply that knowledge. This might involve process improvements or identifying other needs you can fulfill.

Staying the course

As you go through the above phases, there are additional practices to employ to succeed:

- Discuss the process with customers ahead of time and secure joint agreement on all phases.
- Determine who will lead or co-lead each step; try to assign a leader from your company as well as the customer.
- Review progress at appropriate points, which could occur after every step in a complex project.
- Identify the resources and tools necessary to complete each step.
- Agree on what is required from your company and the customer at each step before advancing to subsequent steps; failure to complete a step properly will likely haunt you in the end.
- Discuss with your customer what you will do if you hit a show stopper. For example, you might pull the original team back together and revise the plan.

It's best to create a Value Creation Process for each major offering. Also, develop a different process for customers vs. prospects. You have a history with customers, so the steps might be simplified, but you need to go through the process to ensure you don't diminish the delivered value.

As you assess prospects, remember that you can't create value for everyone. The better you maximize your time with those you can create value for, the greater your revenues and profits will be. One of my clients said it best: By using a Value Creation Process, I maximize my return on time.

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