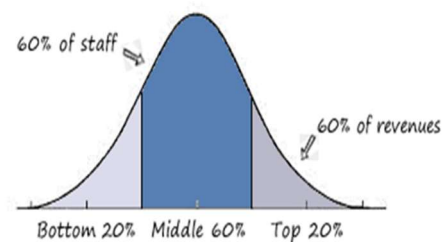


Value based Selling



It's a sad fact that today's average B2B sales person is still far more comfortable talking about their products and features than they are discussing mission critical priorities(MCP's) or business issues. However, the average B2B buyer regards a sales person's relevant business knowledge as being far more valuable than their ability to mention product features, functions and benefits.

This terrible mismatch has profound consequences. It should be no surprise that according to Sales Benchmark Index, on average 20% of the top sales people generate 60% of the revenue. The gap between the best, average and the laggards is far narrower in best-in-class sales organizations. What sets these top performing organizations apart?



There's enough evidence to suggest that some of the most significant differences lies in their ability to systematically create unique value on their customers MCP's through the disciplined application of value-based selling techniques across their entire sales and marketing organization. And the results can be seen in top line revenue growth that far exceeds market averages.

So, what exactly is Value based selling? Value or impact based selling is all about helping clients realize the value the solution will have in resolving their business issues. As there are multiple ways how the business issues can be impacted, it's a promising idea to break down the business issues into smaller problems which can be solved. The client must acknowledge the cost of inaction and the urgent need for change. Otherwise, the most likely outcome is that they will simply decide to stick with the status quo.

Value based selling works on couple of premises and if you could have your entire sales team achieve mastery on these, the performance difference between the best and laggards would drastically reduce.

Premise #1: focus on the value of solving their mission critical priorities

The first Premise of value based selling is to focus on the impact to the prospect of dealing with the business issue they have identified. If the prospect cannot in his mind calculate the cost of not solving the business issues then chances of them getting their economic decision makers to agree to invest in a solution are remote.

Sometimes the prospects who are next to the C-level and below are not clear of the business issues or how their KPI's impact the BI at the C-level. In these circumstances, a key role of the sales person in the discovery stage must be to help the prospect realize the full value of not resolving the business issue.

Almost always, salespeople get too bogged down by trying to solve a problem rather than the business issue or a MCP. When the problems are not linked back to the wider organizational goals, the value of solving them is very low and often result in no action being taken by the prospect. The value if at all solving problems is not big enough to warrant a change.

Premise #2: quantify the value of your solution

Sales people sometimes make a great deal about showcasing your company's "unique value proposition". But no matter how well they are created and orated, these are statements which do not stand the test of financial prudence. Value based selling requires that you get very specific about *the quantifiable value you have on each prospect*. The impact also must be on the person who's MCP is getting resolved.

Premise #3: distinguish your solution from other alternatives

One thing that is missing in most of the sales conversations is that salespeople don't differentiate their offerings from other alternatives. The alternatives are not only the other externally available options but also doing it internally or not doing it at all. The distinction should not only be in the minds of salespeople but confirmed by the customers as well.

Premise #4: sales process is not satisfying a buying process but resolving a MCP

Typical sales process is designed around the needs of the sales organization and not the buying organization. This often results in mismatched expectations in terms of solution, timelines and ROI of the proposed solution and how it will help resolve a MCP.

That's why the sales approach and the plan must be designed to align the process to identifying and resolving the MCP and not when the sales contract is finalized. This helps the decision maker de-risk their decision.

Premise #5: sell to the team

As per a recent study by CEB, the average number of people getting involved in a B2B solution purchase has increased to 6.8 today from 5.2 wo year ago. This means that you need to identify the need and the MCP's of the decision-making team to help them come to a conclusion faster. The team involves not only the people who have the power to say yes but also the team members who can so no to a decision like legal, procurement, etc.

Premise #6: challenge the status quo

Change is the only constant in life and still it is the most difficult thing to manage as every change brings risk, uncertainty and the fear of unknown. You can never force a customer to change because we want and think so. But what you can do is to have customer own the idea and lead him into a discussion where he sees the reasons to change. There reason should be compelling for someone to make a change. They should see enough value in addressing their reasons for change to motivate them to act. The two motivators to making change are Business Issues and Personal Issues. If there are sufficient business and personal value, people would not mind the change.

So, there you have it: six key premises of value-based selling. I'll be digging them deeper in the future articles. In the meantime, I'd welcome your comments. For more such articles, please visit our website at www.saleszee.com and follow our LinkedIn page <https://www.linkedin.com/company/saleszee/>.