OPTIMIZING SALES EFFECTIVENESS THROUGH VALUE AND DIFFERENTIATION
UNDERSTANDING CUSTOMER NEEDS

Most sales organizations strive to preserve their margins during the sales process; but even the savviest salesperson can sometimes get drawn into a customer conversation that focuses on product features and ultimately, price. A sales approach that focuses on product features instead of value may work in the short term, if those features are uniquely differentiated and clearly understood within the market. However, as competition builds and customers become more selective, long term success requires a sales strategy that is focused on (1) uncovering customer needs, and (2) articulating value in a way that resonates with those needs.

Sales conversations that aren’t focused on uncovering customer needs and articulating value present specific challenges that lead to longer sales cycles, lower margins and disjointed customer relationships.

• **The Buyer’s Challenge** – A buyer enters into the buying process with specific business problems in mind. Ideally the buyer looks for someone who is focused on solving his problems, not someone who is focused on selling a product. If the seller can’t clearly connect their product to the problem that the buyer is trying to solve, then the buyer is left to determine (1) if the specific product will solve the problem and (2) if that solution offers the greatest return for the investment. For a buyer, what could be more frustrating, time consuming and unclear?

• **The Seller’s Challenge** – When the seller doesn’t take time to uncover critical problems and discuss the implications of those problems early in the sales cycle, they lose the opportunity to understand what is truly important to the customer. Without this critical information, sellers often stumble to differentiate their value at the moment of truth – that is, when the potential customer is formulating a buying decision. Without understanding the buyer’s needs, the sales conversation usually focuses on product features and functions, which may or may not be relevant to the buyer. Unfortunately, product functions that are not tied specifically to customer needs can make the solution sound expensive and off target. At this point, the conversation quickly degrades to one of price and pricing discounts.

• **The Sales Organization Challenge** – One of the greatest challenges for a sales organization is to provide consistent tools and materials that give salespeople the ability to speak with confidence about how their products/services can truly transform a customer’s business. Conversations that focus on the pressures of discounting require a sales force to have courage to stand tall when the conversation turns to pricing. In order to have that “pricing courage,” sales teams need the right ammunition to truly articulate value and differentiate from the competition.

• **The Marketing Organization Challenge** – Most marketing organizations invest a lot of time and resources to create collateral materials that include key messages, references, cases studies, etc. to help their sales force effectively communicate with customers. Yet, often times sales still has difficulty pulling those materials together to support a value-based conversation with the customer. Despite the time and effort of both groups, this can create a disconnected working relationship between Sales and Marketing. In some companies, Sales views Marketing as out of touch with customer realities; Marketing views Sales as mavericks who can’t deliver a consistent message. The result is a strategic marketing platform that is out of alignment with tactical sales conversations, and therefore delivers mixed messages to the marketplace.

A sales methodology called Command of the Message® has been used by leading Sales and Marketing organizations around the world to consistently communicate value and differentiation in a way that increases revenues while also preserving sales margins.
PRODUCT CENTRIC APPROACH = POOR SALES PERFORMANCE

The primary benefit of a value-oriented sales approach, as opposed to a product-focused one, is the ability to solve customer problems without resorting to product commoditization. Said another way, he who best clarifies the problem, owns the customer. The reverse is also true. A sales process that is not grounded in customer problems stands a low likelihood of closing for the true value of the solution being provided.

Here’s why:

1. **The Buyer Needs Evidence That Their Pain is Understood** – In the sales process there should be a direct correlation between the buyer’s pain and a solution that it will address that pain. Without business pain, there is no business. Equally important, buyers who believe that their pain is clearly understood will be more willing to share critical information throughout the buying process and will work harder to understand the solution being presented.

2. **There is Limited Access Within the Buyer’s Organization** – Failure to fully understand how a buyer’s pain is directly related to needs higher in the organization, can narrow a seller’s sphere of influence to a limited number of key stakeholders. If the seller can’t attach their solution to the largest business problem, it limits access to economic buyers who control discretionary funding, reducing the base of support for the proposed solution.

3. **The Solution is Perceived as Expensive** – Focusing on a laundry list of irrelevant product features creates an impression that the solution is more than the buyer needs, and therefore, more expensive. The value of the solution is in the eyes of the buyer, not the seller.

4. **The Customer Has Difficulty Differentiating Between Competitive Offerings** – When customers can’t differentiate between multiple competitive offerings; they often assume that all of the solutions are similar in value. This perception reduces the decision to the lowest common denominator: price. Sellers who fail to introduce relevant differences early in the sales cycle miss a fleeting opportunity to influence the buying criteria.

5. **The Value Proposition is Not Clearly Understood** – This final challenge occurs when internal sales resources aren’t aligned around a common sales approach that clearly articulates and delivers the company’s value proposition. This lack of alignment leads to sales cycle inefficiencies, customer confusion, and brand dilution in the marketplace.

<table>
<thead>
<tr>
<th>VALUE PROPOSITION</th>
<th>ALL BENEFITS</th>
<th>FAVORABLE POINTS OF DIFFERENCE</th>
<th>RESONATING FOCUS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CONSISTS OF:</strong></td>
<td>All benefits customers receive from a market offering</td>
<td>All favorable points of difference a market offering has relative to the next best alternative</td>
<td>The one or two points of difference whose improvement will deliver the greatest value to the customer</td>
</tr>
<tr>
<td><strong>ANSWERS THE CUSTOMER QUESTION:</strong></td>
<td>“Why should our firm purchase your offering?”</td>
<td>“Why should our firm purchase your offering instead of your competitor’s?”</td>
<td>“What is most worthwhile for our firm to keep in mind about your offering?”</td>
</tr>
<tr>
<td><strong>REQUIRES:</strong></td>
<td>Knowledge of your own market offering</td>
<td>Knowledge of your own market offering and the next best alternative</td>
<td>Knowledge of how your offering delivers superior value to customers, compared with the next best alternative.</td>
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Developing improved sales skills that empower sellers to build value and differentiation in the eyes of the customer requires a sales team with the ability to:

- **Uncover Customer Needs** – Understand customers and their problems.
- **Articulate and Differentiate Value** – Articulate the value of product and service offerings in a way that resonates with customer goals, needs and problems.
- **Differentiate Solutions** – Explain how your solution is uniquely different from the competition, and then negotiate the sale based on the value of the pain versus the value of the solution.

THE VALUE MESSAGING FRAMEWORK

Core to the Command of the Message® methodology is the Value Messaging Framework, a structured approach for satisfying these three critical sales skills. Value Messaging is being “audible-ready” to define your solutions to customers’ problems in a way that differentiates you from your competitors and allows you to charge a premium for your products and services. Being “audible ready” requires a shift away from a conversation based on features and benefits to a conversation based on customer needs.

With an audible-ready mindset, salespeople are attuned to asking the right questions, listening for customer problems, and guiding the customer conversation in a way that solves the admitted problems. Sellers who learn to ask insightful, two-sided discovery questions early and often throughout the sales process will gain a clear picture of what is important to the customer. Two-sided discovery questions are ones in which both the seller and the buyer learn from the answer. Sellers must also become audible-ready to convey the manner in which their company’s products and services address specific buyer priorities. Using this methodology to frame the customer conversation will help the buyer come to their own conclusions. Since buyers rarely argue with their own conclusions, an admission of pain provides an entree for a solution that resolves that pain. The credible application of a value-based, audible-ready sales approach allows salespeople to use their key differentiators to influence the customer’s buying criteria.

This influence lays traps for the competition by establishing requirements that are either impossible or cost-prohibitive for the competition to satisfy. Command of the Message® is a proven model for conveying the value of product and service offerings in a way that differentiates you from the competition. This methodology consists of the following key components that provide the basis for how a company will communicate and differentiate the value of its products and services.
• **A Value Menu** – a sales tool which clearly summarizes an organization’s key value drivers and how those drivers directly address the customer’s most pressing business challenges.

• **Value Cards** – sales tools that guide the seller through relevant customer conversations and demonstrate, in a clear, consistent and defensible language, how their product and service offerings address specific customer needs.

• **Defensible Differentiators** – a sales tool designed to create distance between your company and the competition by clearly identifying the key attributes of your organization and offerings. Defensible differentiators fall into the following categories:
  
  a) Unique differentiators, which are attributes of a company or offering that are not available anywhere else in the market. Unique differentiators appeal to a buyer’s need to fully understand the competitive landscape.

  b) Comparative differentiators, which identify how a company meets or exceeds the features or capabilities that are considered to be available from all competitors.

  c) Holistic differentiators which solidify a company’s position and make a prospective buyer feel good about doing business with that organization.

This proven methodology is highly effective, because it is based on the value drivers that are most important to a target audience. As a result, sellers are able to:

- Understand, identify and prioritize customer challenges
- Define the required capabilities to solve those challenges
- Influence the criteria behind the buying decision
- Differentiate solutions from competing alternatives
- Provide proof points that substantiate the value and differentiation of the seller’s solution offerings

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**CREATING A VALUE BASED SALES CULTURE**

**The Client:**

Crossbeam Systems®, Inc. is a $110 million global provider of next-generation virtualized security solutions for enterprises and managed service providers. Their highly scalable hardware platform facilitates the consolidation, virtualization and simplification of security services delivery, while preserving customers’ choice of best-of-breed security applications. Crossbeam Systems is headquartered in Boxborough, Massachusetts, and also has offices in Europe and the Asia Pacific region.

**The Business Challenge:**

With a strong corporate foundation that was primarily engineering-driven, Crossbeam’s original product/feature sales approach created inconsistent messages in the marketplace and led to unpredictable sales revenues. Crossbeam needed to better align their sales, marketing, and support services around a common language that would effectively articulate their unique differentiation and market advantage. They also needed to impart a value-based selling culture within their sales force that would reinforce their premium market position and achieve the sales results that were required to meet their corporate goals.
**Force Management Solutions:**

Force Management worked with Crossbeam to align their personnel around a common value messaging process, and establish an internal culture of value-based selling around their unique solutions. To accomplish this, Force Management used Command of the Message® to create a sales-development curriculum that dramatically improved Crossbeam's sales-to-win ratio, providing them with a higher gross margin on sales.

**Measurable Results:**

Within six months of working with Force Management to develop and implement Command of the Message®, Crossbeam not only improved their total revenues, but also significantly reduced their average discount points. As a result, Crossbeam realized improved gross margins and bottom line profitability on a worldwide basis. So when screening resumés, keep in mind the strengths and limitations of this particular tool and scrutinize each resumé accordingly.

**Force Management Competitive Advantages:**

During the search process, Crossbeam Systems evaluated several sales consulting firms, but felt they offered canned approaches that were absent specific value-oriented solutions. Force Management’s methodology created a common value-oriented language that leveraged Crossbeam's collective internal knowledge, and provided a sales and marketing culture that achieved the results needed for success.

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**RELEVANCE AND SUCCESS**

To be relevant and successful in today’s highly competitive business marketplace, sales organizations must evolve from an approach that emphasizes products and features to one that creates value and differentiation. Without a disciplined approach that reorients the sales organization, such a transformation isn’t possible.

Command of the Message® quickly refocuses sales strategies and provides the essential content and mindset to enable a positive transformation of the sales organization. This opens the door to sales negotiations that are based on value, creating the opportunity for increased revenue per seller, as well as the preservation of higher sales margins.

Organizations like Crossbeam Systems, which adopt Command of the Message®, initiate sales conversations that resonate with their buying audiences’ most pressing goals, needs and problems. This enables subsequent negotiations that are based on value, which sets the stage for:

- Increased Profitable Revenue per Seller
- Faster Time to Sales Rep Productivity
- Shorter Sales Cycles with Improved Win Rates
- Improved Customer Loyalty

To read additional examples of how sales organizations have experienced dramatic and measurable results with the implementation of a Command of the Message®, visit the Force Management website at [http://www.forcemanagement.com](http://www.forcemanagement.com).
About Force Management

Force Management offers customized sales consulting and training services, designed to help customers increase their sales revenue and improve their sales margins. Through innovative programs, proven evaluation tools, and customized training solutions, Force Management helps B2B leaders maximize their sales organization’s profitability and productivity. Staffed by seasoned professionals with real world experience in sales, sales operations, and marketing, Force Management works with clients to solve critical business problems through strategy and execution of high-impact, comprehensive solutions that are highly differentiated in the marketplace and consistently achieve measurable sales results.

Key Areas of Focus

Force Management’s Key Areas of Focus include:

**Messaging** – How well your sales team articulates your value and differentiation to be able to charge a premium

**Sales Execution** – How well your team aligns its selling activities with the customers buying process to more effectively qualify and manage opportunities

**Sales Planning** – How well your sales managers follow a cadence around the critical sales planning efforts from territory management to forecasting to coaching their teams better

**Talent Management** – How well your sales managers follow an operating rhythm for recruiting, developing and coaching sales talent based on the key success behaviors required to excel in their jobs