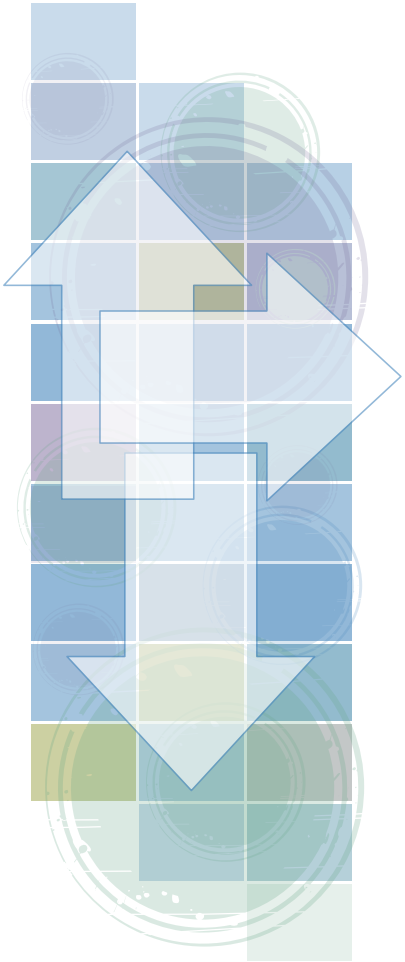
To Differentiate, Deliver Unique Value

BY TOM ROTH, PRESIDENT OF GLOBAL SOLUTIONS GROUP, WILSON LEARNING WORLDWIDE



What does it mean to "sell on value"? If it means your salespeople present the same value proposition to every customer, they probably miss the target a large percentage of the time. Their competitors are likely making similar claims, leading customers to see little difference—except, of course, for price. If this is the case, the conversation quickly shifts from value to price.

To avoid this margin-killing scenario, salespeople need a new approach to creating value, one that truly differentiates them and their offering from the competition. Rather than presenting the standard "Big D" differentiation—provided by the marketing department—the salesperson needs to create "little d" differentiation—offering unique value to each customer.

This requires going beyond the expected features and services that are easily replicated, and developing what Ted Levitt called "the potential offering," one that exceeds expectations by addressing all aspects of the customer's experience with a solution.[1] The Customer Life Cycle provides a lens for understanding the customer's activities and business processes through four phases, starting with shopping for a solution through the end of its useful life. Each phase offers an opportunity for an innovative salesperson to find sources of value that differentiate the offering.

THE CUSTOMER LIFE CYCLE

The following four phases describe the key points of customer interaction with a product or solution:

1. *Shopping*—identifying the right solution and vendor options, establishing buying criteria, making initial screening decisions

2. *Buying*—deciding on the vendor; developing the contract; financing, paying for, and receiving the services, supplies, or equipment

3. *Using*—installing and using the solution

4. *Disposing*—upgrading, recycling, discarding, replacing

By looking at each of these phases from the customer's perspective, salespeople can identify opportunities to create a differentiated offering. These might include extra services or add-ons, options that add value, correcting or improving processes, and generating benefits the customer can't get elsewhere.

SHOPPING PHASE

In the Shopping phase, for example, companies may not be very efficient in sourcing alternative suppliers. They often lack the knowledge and experience needed to define search criteria that will get them the best options. Suppliers can help by making services and products easy to find and understand, and providing tools and expertise to help clarify requirements and vendor selection criteria.

BUYING PHASE

The Buying phase is often overlooked by salespeople, who focus on their own company's policies around contracts and agreements rather than on the needs of the customer. By better understanding how the customer buys, a sales organization can help the customer solve problems—offering leasing and financing options, for example, or helping the

[1] Theodore Levitt, *The Marketing Imagination*. Free Press.

customer with elements of the purchase, such as taking delivery of equipment or supplies. For example, a salesperson selling supplies that are often replaced might implement an automated ordering system that triggers a new order as the existing supplies are being depleted.

USAGE

Although Usage is where most companies consciously add value, few look beyond initial installation and conventional service contracts. This is an area where in-depth understanding of the customer's priorities and business processes can produce creative ideas for offering benefits unique to the customer. For example, a salesperson working with a large distribution company helped them increase the efficiency of their warehouse operations by bringing in an expert from her own company to change the way products were being coded.

DISPOSE

By the time the customer reaches the Dispose or replace phase of the Customer Life Cycle, the salesperson may typically be long gone. Yet this phase of the cycle, like the others, offers opportunities to differentiate through providing value to the customer. For example, there may be ways that the seller can help customers recycle used equipment when they are ready to replace it, or offer assistance with environmentally safe disposal of byproducts or leftover or out-of-date materials. A salesperson for a paper products company developed an innovative way for customers to recycle used office paper, helping increase sales and customer loyalty. Another company provided a method for disposing of empty aerosol containers used to deliver their product.

When it is so easy for competitors to duplicate even the most unique product features, it is still possible for a supplier to create a differentiated and competitor-proof offering by providing individualized customer value. To ensure your salespeople are expanding your offering to full potential value for each customer, encourage them to look for opportunities across the full range of the customer's experience with your company, products, and services.

ABOUT THE AUTHOR

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Tom Roth is President of Global Solutions Group for Wilson Learning Worldwide. With over 30 years' experience developing and implementing human performance improvement solutions, he brings a range of professional expertise and strategic direction to the company. He assists executive leadership teams with issues related to employee and customer engagement, sales force effectiveness, leadership development, strategy alignment, and business transformation. Roth is a frequent international speaker on a variety of issues, including leadership, sales, engagement, change, and strategy implementation. He is published in numerous business publications.

To learn more about the concepts shared within this article and how Wilson Learning can assist you in addressing these issues, contact Wilson Learning at 1.800.328.7937 or visit wilsonlearning-americas.com.

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