

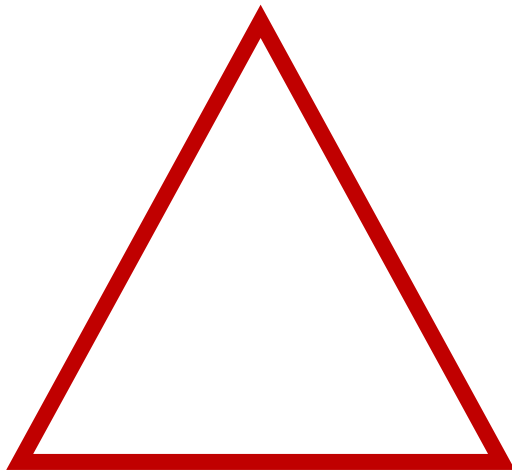
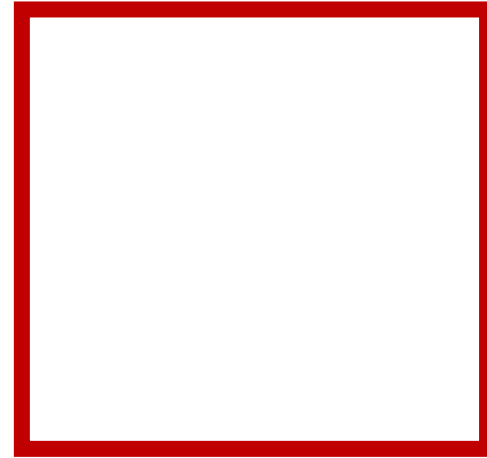
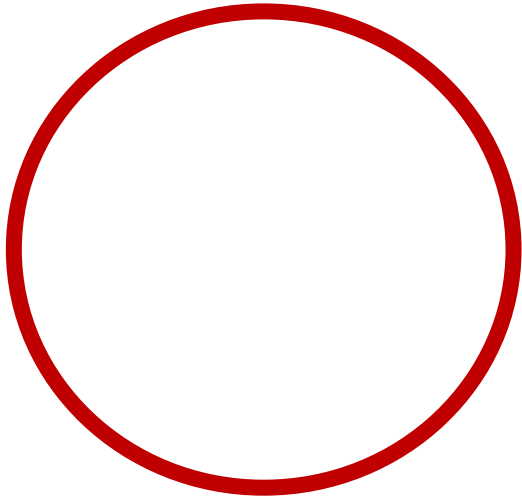
# COMPETE AND WIN IN A CUSTOMER EMPOWERED WORLD

JERRY MCGUIRE  
GLOBAL VICE PRESIDENT OF MARKETING  
AAF FLANDERS



GETTING TO KNOW EACH OTHER  
PERSONALITY PROFILE

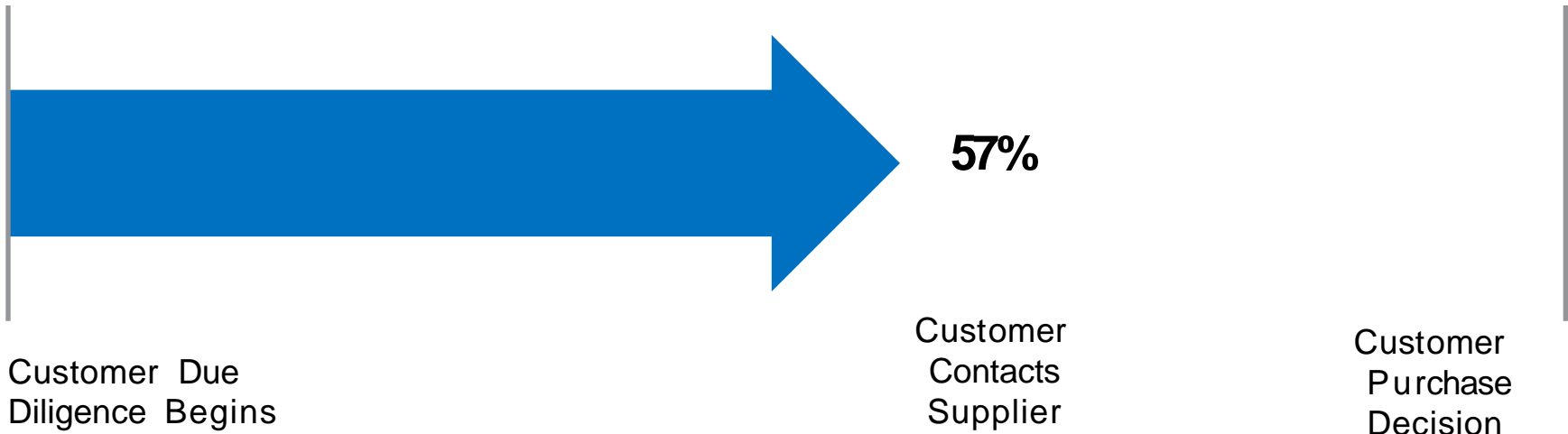
# One Minute Profile



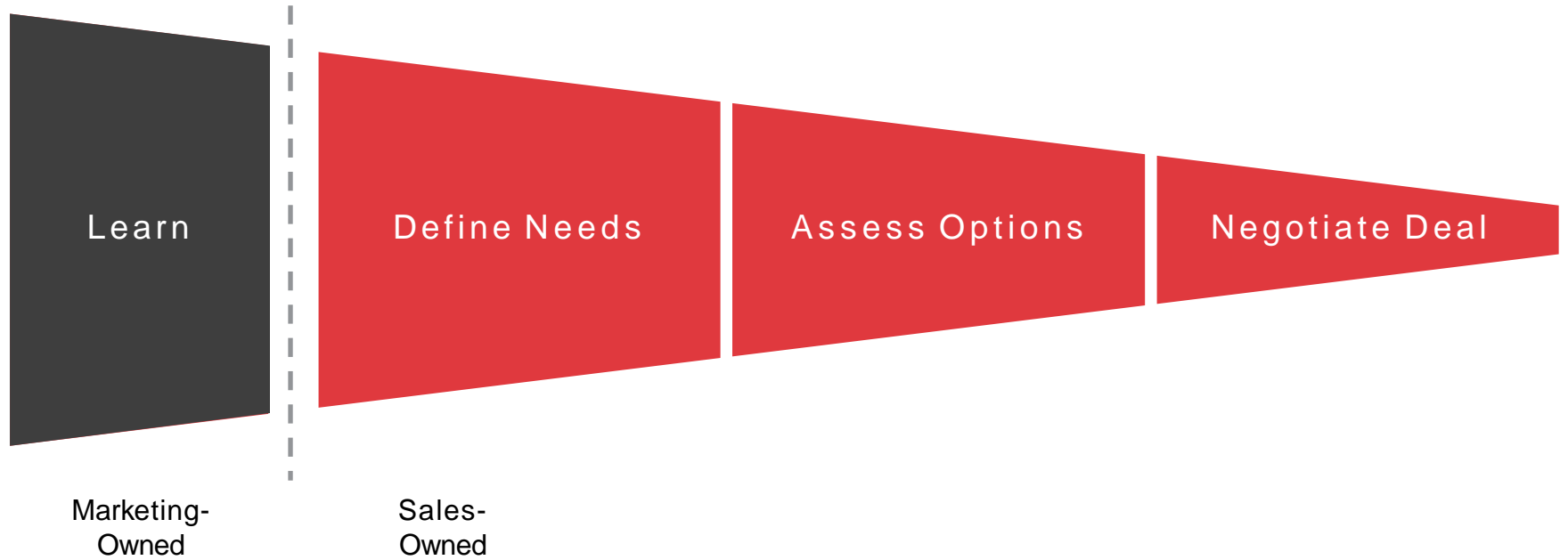
**COMPETE AND WIN IN A  
CUSTOMER EMPOWERED WORLD**

## Life at the Tip of the Blue Arrow

### A Different Type of Buying



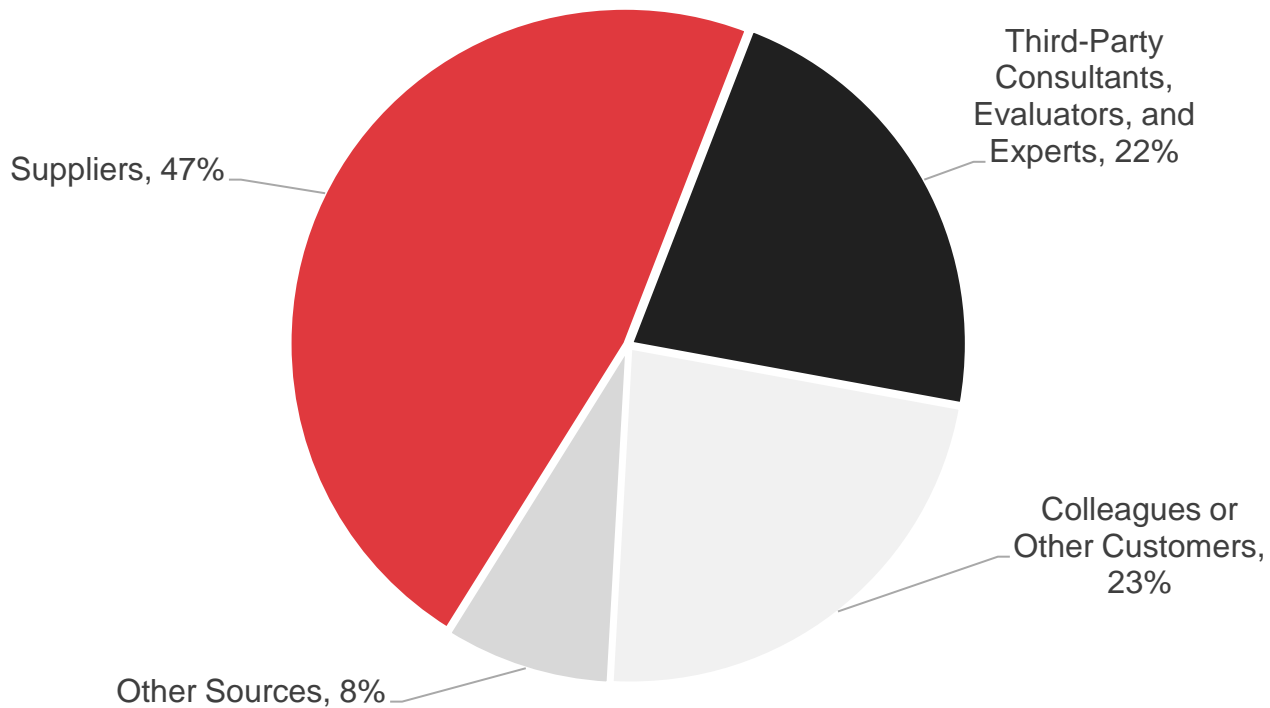
# The Traditional Approach



# Customers Are Learning Differently

## Question

“Of All the Information You Paid Attention to During Your Purchase, What Percentage Came from Each of the Following Sources?”



n =545.

Source: CEB 2012 B2B Customer Survey.

## Customers Norming Buying Criteria

“What is Important?”



“How Much Do I Need?”



“What’s it Going to Cost?”



## Leading to Commoditization

Criteria	Specs	Supplier A	Supplier B	Supplier C
Speed	10/day	✓	✓	✓
Durability	5 years	✓	✓	✓
Up-Time	95%	✓	✓	✓
Price		\$200K	\$300K	\$250K



“What’s it Going to Cost?”

## Breaking the Dilemma

### Contribution to Customer Loyalty

#### Drivers of Customer Loyalty

- Offers unique, valuable perspectives on the market
- Helps me navigate alternatives
- Helps me avoid potential land mines
- Educates me on new issues and outcomes

19%

Company and  
Brand Impact

Product and  
Service Delivery

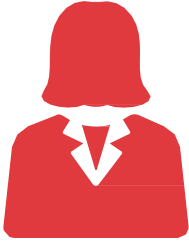
Value-to-Price  
Ratio

9%

53%

Purchase  
Experience

## Sales Rep Profiles



**Hard Worker**



**Challenger**



**Relationship  
Builder**



**Lone Wolf**



**Problem  
Solver**

## Sales Reps Profiles



**HardWorker**



**Challenger**



**Relationship  
Builder**



**LoneWolf**



**Problem  
Solver**

Reliably responds

Detail oriented

Ensures that all problems are solved

# Challenger Wins

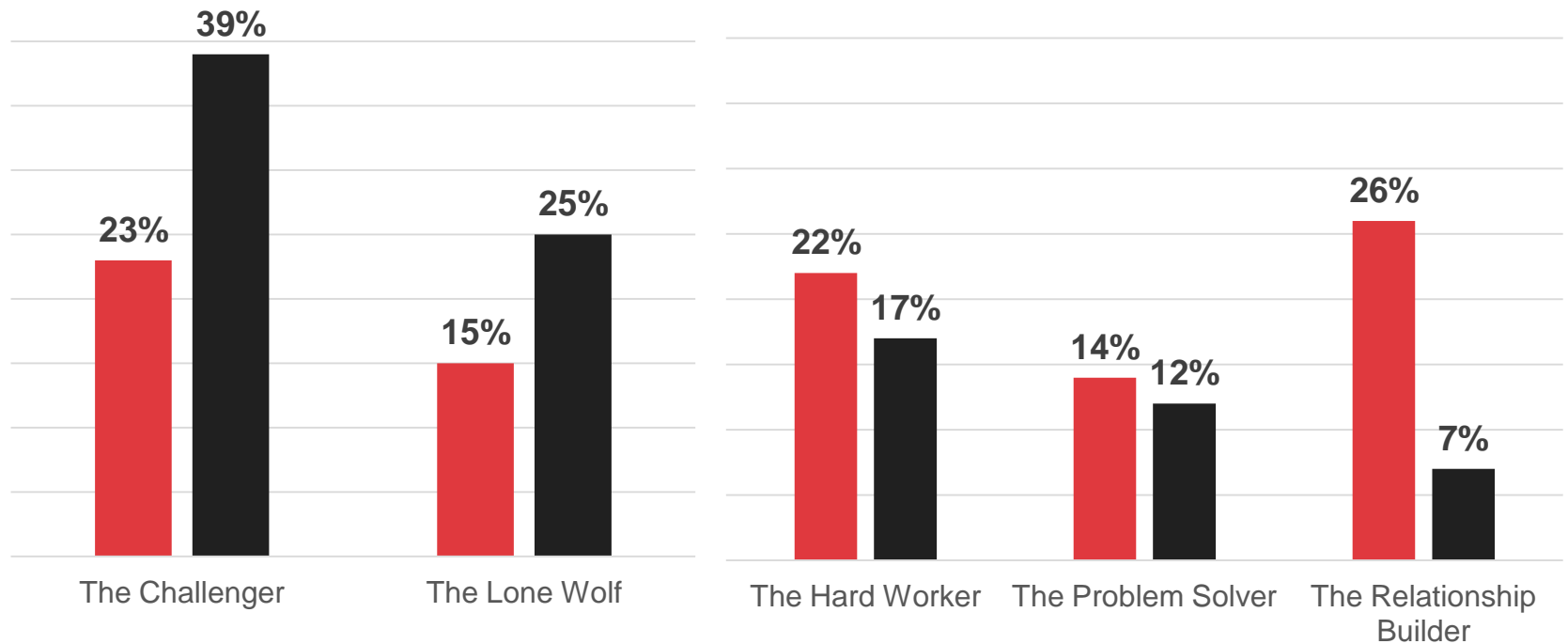
## Core and High Performers by Profile

■ Percentage of Core Performers

■ Percentage of High Performers

Higher Percentage of High Performers Relative to Core Performers

Lower Percentage of High Performers Relative to Core Performers



## The Three T's

Teach

- Offers unique perspective
- Two-way communication skills

Tailor

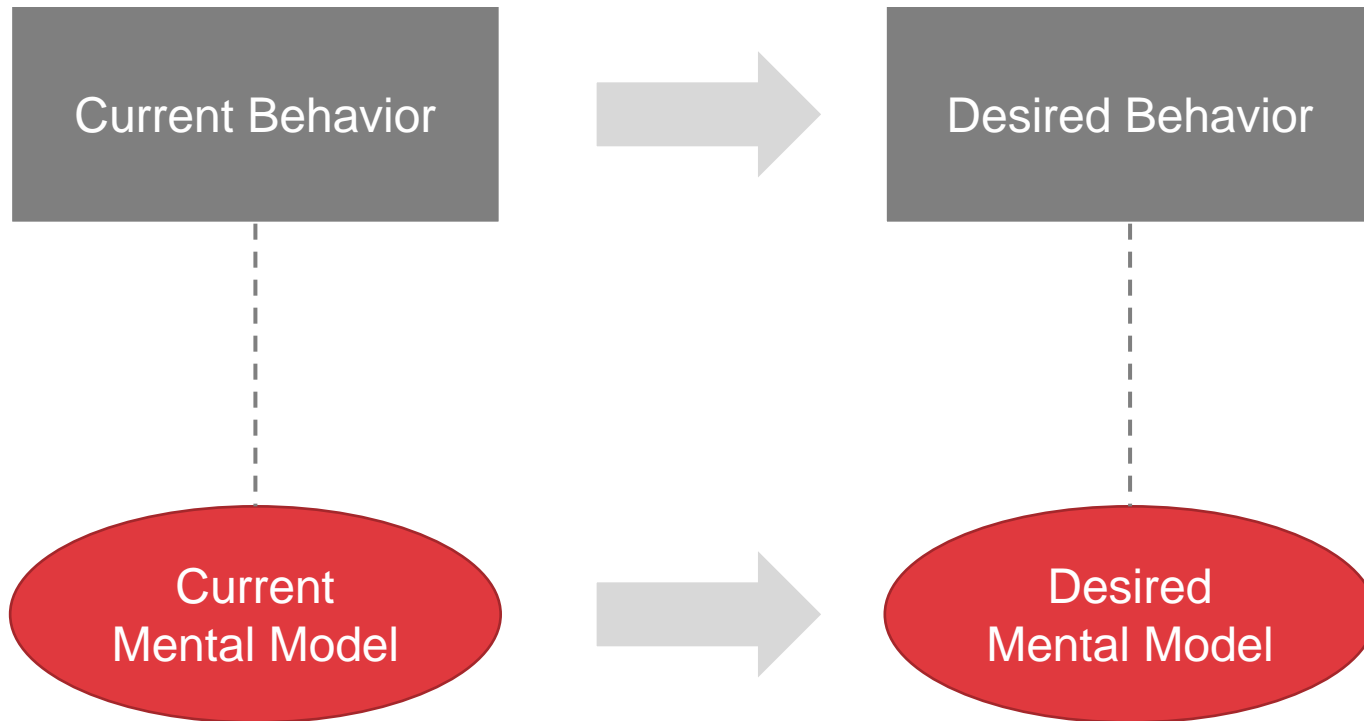
- Knows customer value drivers
- Can ID economic drivers

Take  
Control

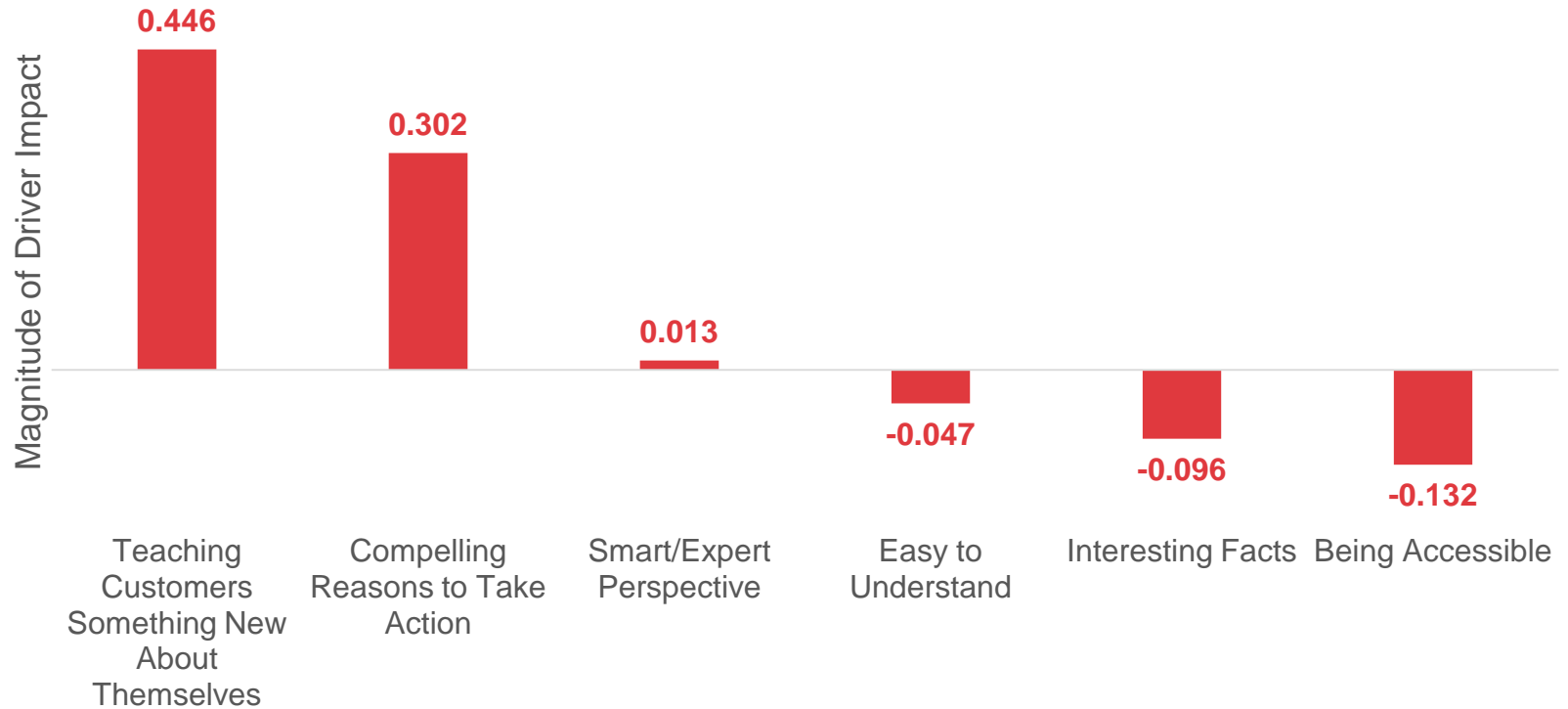
- Is comfortable discussing money
- Can pressure the customer

Build Constructive Tension

Current State > Future State



## Content Attributes that Disrupt

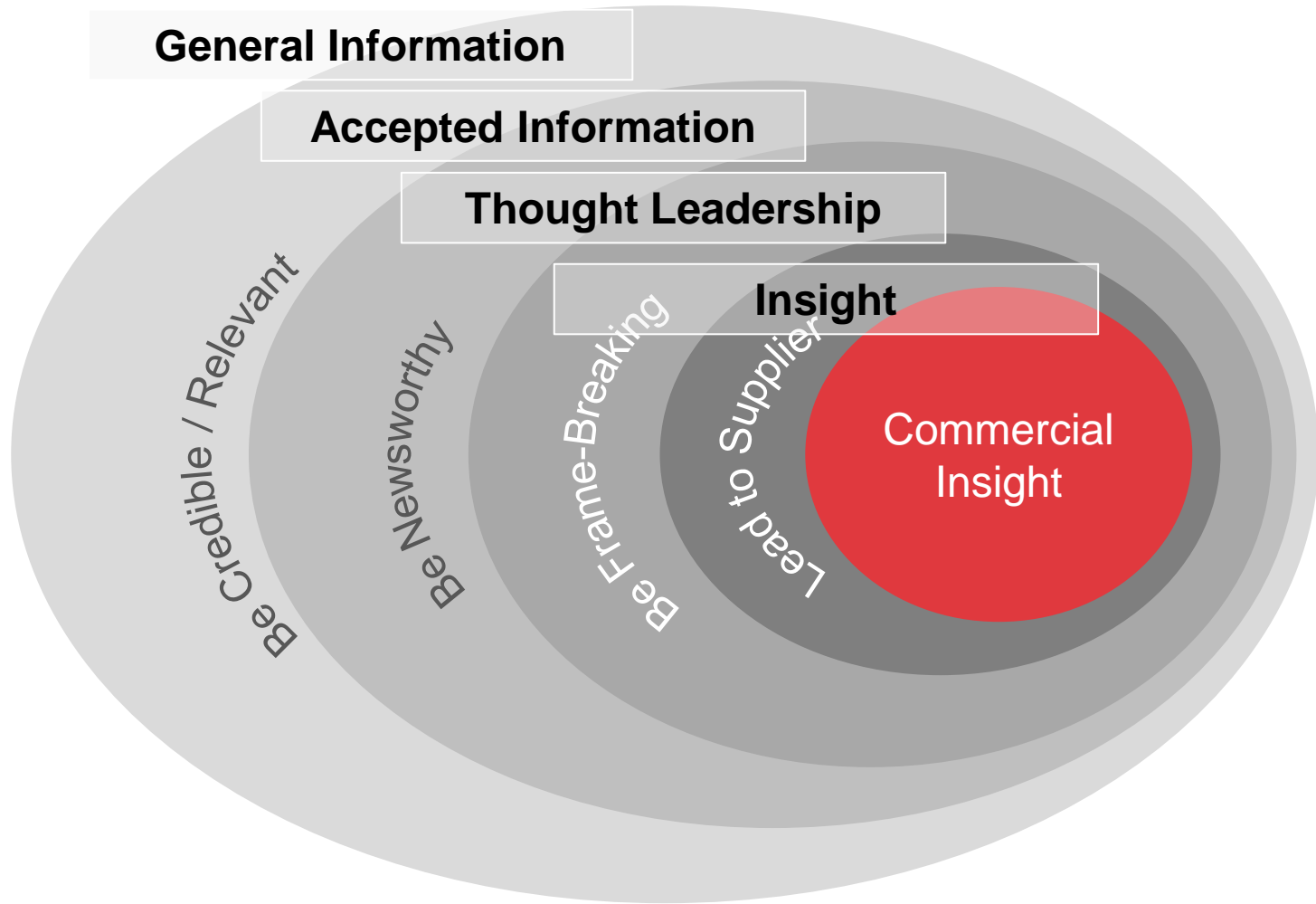


Statistically Significant Drivers

Non-Statistically Significant Drivers



# Where Does Your Content Fall?



## Case Study: Xerox

### Feature-Centric Interaction

Our leading edge cartridge-free technology produces 90% less waste than laser, and creates vibrant, smooth images quickly... and we can integrate that with one of six software options and other education solutions to fit your needs...



Sales Rep



**Before**

Leading **with** Unique  
Benefits

## Three Critical Components

A Clear  
Understanding of  
Your Customer's  
Mindset (Mental  
Model)

A Clear  
Understanding of  
Your Unique  
Differentiators

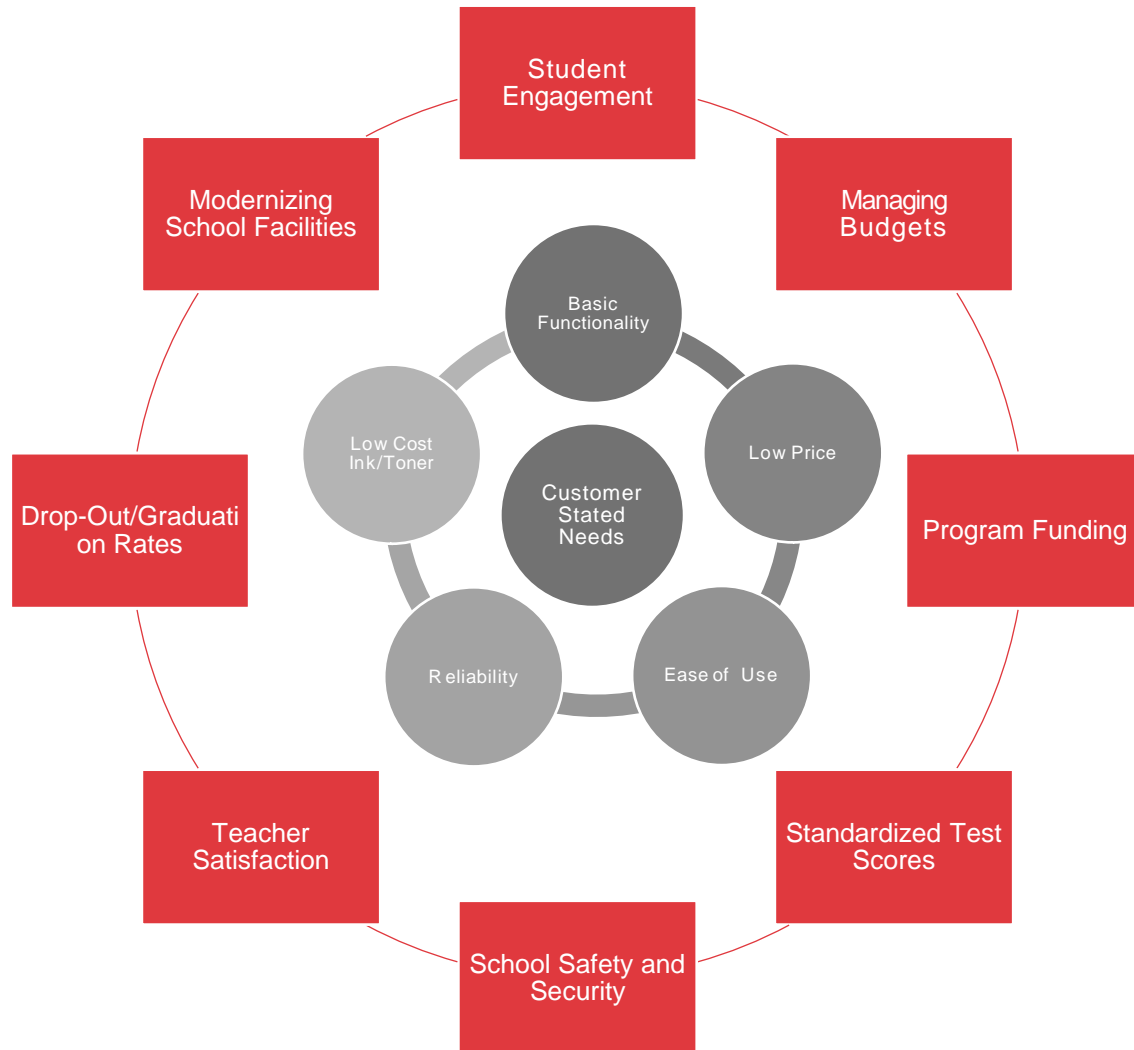
A Compelling  
Way to Reframe  
Your Customer's  
Way of Thinking

# Deconstructing Your Customer's Mental Model



Source: Xerox; CEB analysis.

# Deconstructing Your Customer's Mental Model



Source: Xerox; CEB analysis.

# Surfacing the Teaching Point

Customer Concern #1:  
Improve Student Performance and Test Scores

Customer Mental Model  
(What Customer Believes Affects This Concern)

Student Engagement and Attention

Motivated, Inspired Teachers

Interactive Learning Aids and Technologies

Individually Paced Lessons and Curriculums

Personalized Material

Other

## Case Study: Xerox

### Feature-Centric Interaction

Our leading edge cartridge-free technology produces 90% less waste than laser, and creates vibrant, smooth images quickly... and we can integrate that with one of six software options and other education solutions to fit your needs...



Sales Rep



BEFORE

Leading **WITH** Unique Benefits

### Insight-Led Interaction

“I’d like to talk to you about the impact of color on student performance.”



Sales Rep



AFTER

Leading **TO** Unique Benefits

## Creating the Reframe

**A**

Business  
Problem and  
What Customer  
Is Currently  
Doing

Highlight What  
Customer Is  
Missing

**B**

New Customer  
Approach  
(Leading to  
Your Solution)



## Identifying Differentiators

### UNIQUE

This capability outperforms competitor offerings.

### VALUABLE

It has economic impact and value for your customer.

### PROVEN

Evidence of how/why this capability outperforms the competition exists.

### Differentiator Types

Product Advantages

AND/OR

Service Advantages

## Creating the Reframe

**A**

Business  
Problem and  
What Customer  
Is Currently  
Doing

Highlight What  
Customer Is  
Missing

**B**

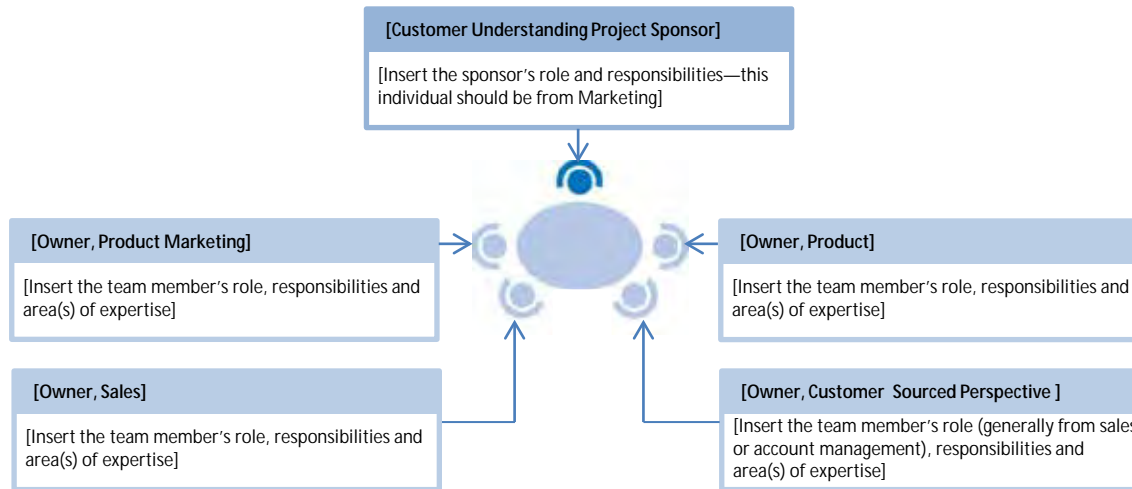
New Customer  
Approach  
(Leading to  
Your Solution)

## Key Takeaways

- Buying patterns have changed
- Buyers want new information and insights
- Challengers and Commercial Insight Wins
- What kind of conversations are our salespeople having? Where does our content fall? What does commercial insight look like? How do we get from here to there?

# STRUCTURING A 'TIGER TEAM' FOR CUSTOMER UNDERSTANDING

**How to Use This Tool:** Fill out the template below to establish the individuals that will staff your customer understanding tiger team. Additionally, use this template to list out the key roles, responsibilities, and areas of functional expertise that each functional group brings to the tiger team. Refer to the example on slide 4 in the Understanding the Customer A State Guide to help complete this template.



**Overall Tiger Team Roles and Responsibilities Charter**

q [Establish agreed-upon objectives and timelines to submit their perspectives on the Customer A state]

q

q

q

q

q

q

q

q

q

# CUSTOMER UNDERSTANDING TOOL #1: CATWOE TEMPLATE

**How and When to Use This Tool:** Use this template to begin developing a deep understanding of a customer or customer segment's current state from your subgroup's perspective. Refer to the illustrative example on the previous slide to help you fill the template out.

Customer / Customer Segment Challenge:			
Dimension	Prompting Questions	Answers	What Can We Teach Them?
Customers	<ul style="list-style-type: none"> <li>▪ Who at the customer organization is our offering most relevant to?</li> <li>▪ What problem do they have now?</li> <li>▪ How will they react to what you are proposing?</li> <li>▪ Who are the winners and losers?</li> </ul>	▪	•
Actors	<ul style="list-style-type: none"> <li>▪ Who are the "actors" responsible for carrying out your offering if it's purchased?</li> <li>▪ What is the impact of the offering on the actors?</li> <li>▪ How might they react to the offering?</li> </ul>	▪	•
Transformation Process	<ul style="list-style-type: none"> <li>▪ What does implementing your offering entail at the customer organization?</li> <li>▪ What are the inputs and outputs of this transformation process?</li> <li>▪ What are the critical intermediary steps in this process?</li> </ul>	•	•
World View	<ul style="list-style-type: none"> <li>▪ What is the bigger organization or industry picture into which this situation fits?</li> <li>▪ What is the wider, long-term impact of this problem and its resolution?</li> </ul>	•	•
Owner	<ul style="list-style-type: none"> <li>▪ Who is the real owner of the process or situation?</li> <li>▪ Can the owner help you or stop you?</li> <li>▪ What could cause them to get in your way?</li> <li>▪ What would lead them to help you?</li> </ul>	•	•
Environmental Constraints	<ul style="list-style-type: none"> <li>▪ What internal constraints might limit your efforts?</li> <li>▪ What budgetary or regulatory constraints effect the situation?</li> </ul>	•	•

Source: Sales Executive Council research.

It is not necessary to answer all questions for CATWOE to be effective.

# CUSTOMER UNDERSTANDING TOOL #2: ISOLATING THE BUSINESS PROBLEM WORKSHEET

**How and When to Use This Tool:** Use this template to brainstorm and expand upon the customer business problems identified using the CATWOE template that relate to your solutions. Challenge your tiger team subgroups to think through the second column below carefully as the answers there will often serve as the basis for powerful insights.

**Customer / Customer Segment Challenge:**

	Problems the customer has already recognized (which are impacted by your solution)	Unrecognized problems the customer has (which are impacted by your solution)
<b>People-Related Problems</b>  Employees, Customers, Other Vendor Relationships	q	q
<b>Process-Related Problems</b>  Logistics, Operations, Administration, Budget, Space, Supply Chain	q	q
<b>Information-Related Problems</b>  Markets, Forecasting, Regulation, Technology	q	q

**Helpful Pointers For This Thought Exercise**

§ Sample Problem Areas:

- People: Attraction, Training, Productivity, Motivation, Retention, Management
  - Process: Efficiency, Redundancy, Chain Disruption, Waste, Functionality
  - Information: Siloes, Risk, Technology Gaps, Communication Flow
- It is easier to think of problems which the customer has already realized and is taking action upon. However, teaching them a new way forward is challenging because you must critique their current approach, and its flaws.
  - It is initially more difficult to identify problems for which the customer is unaware, but ultimately determining a reframe is easier. The customer simply needs to be informed of the problem and its impact.

# CUSTOMER UNDERSTANDING TOOL #3: CUSTOMER INTERVIEW TOOL

**How and When to Use This Tool:** Use this interview template as a guide when you interview your most friendly customers. Be sure to tailor these questions to each customer before you ask them, and only ask the questions that you think will be most relevant for that customer. Also, ask each question in a conversational style, so the customer feels at ease and not put on the spot.

**Customer:** \_\_\_\_\_ **Interviewer:** \_\_\_\_\_

**1. What are your top priorities (not necessarily related to our product) for the upcoming year?**

---

---

**2. What challenges does your business currently face?**

---

---

**3. What are the biggest problems you expect to tackle in the next five years?**

---

---

**4. What industry trends will affect you most in the coming years?**

---

---

**5. Are there any technology shifts that you expect to change your business?**

---

---

**6. How can you imagine our company helping you more than we do now?**

---

---

# CUSTOMER UNDERSTANDING TOOL #4: KEY CONSIDERATIONS WORKSHEET

**How and When to Use This Tool:** Distribute this worksheet along with the tools found on pages 4-6 to each subgroup of your tiger team to help them consolidate and pressure test the perspective they have been able to bring together on a particular customer or customer segment.

Tiger Team Subgroup Name:		Customer / Customer Segment Name:		
		Answer	Supporting Evidence	Additional Information Needed
<b>Customer's Current State</b>	Customer Perception of the Status Quo			
	Customer Target Outcomes / Goals			
	Challenging Trends Heard from Customers			
<b>Problems the Customer Faces</b>	Problem(s) Recognized by Customer			
	Problem(s) Unrecognized by Customer			
	Customer Approach to Solving Problem(s)			
<b>The Problem Beyond the Customer</b>	Long-term Impact of Problem(s)			
	Greater Implications for the Target Industry			
<b>Teaching Opportunities</b>	Potential Teaching Opportunities			
	Key Stakeholders / Stakeholder Groups to Engage			
	Potential Roadblocks to Consider			




# CUSTOMER UNDERSTANDING SYNTHESIS

**How and When to Use This Tool:** Using the tiger team's completed Key Considerations Worksheets from the previous page, fill out the Customer Understanding Synthesis template below to consolidate the group's key takeaways on your customer's current state.

<b>Customer / Customer Segment Name:</b>		<b>Sales</b>	<b>Marketing</b>	<b>Product</b>	<b>Customer</b>	<b>Key Takeaways</b>
<b>Customer's Current State</b>	Customer Perception of the Status Quo					
	Customer Target Outcomes / Goals					
	Challenging Trends Heard from Customers					
<b>Problems the Customer Faces</b>	Problem(s) Recognized by Customer					
	Problem(s) Unrecognized by Customer					
	Customer Approach to Solving Problem(s)					
<b>The Problem Beyond the Customer</b>	Long-term Impact of Problem(s)					
	Greater Implications for the Target Industry					
<b>Teaching Opportunities</b>	Potential Teaching Opportunities					
	Key Stakeholders / Stakeholder Groups to Engage					
	Potential Roadblocks to Consider					

# CUSTOMER UNDERSTANDING PERSONA

**How and When to Use This Tool:** Tiger Team Sponsors—use the collective team perspective on a particular customer segment from the Customer Understanding Synthesis Template to help inform your understanding of individual customer stakeholders' goals, perceptions, etc., in the persona template below. Share and vet your completed templates with the other Tiger Team leaders to ensure their accuracy before leveraging your newfound perspective in developing this segment's mental model. Refer to the previous page for tips to complete this exercise.

<b>Industry:</b> <input type="text"/>		
<b>Title:</b> <input type="text"/>		
<b>Average age:</b> <input type="text"/>	<b>Average time in in</b> <input type="text"/>	
<b>Educational Background:</b> <input type="text"/>		
<b>Professional Background:</b> <input type="text"/>		
<hr/>		
<b>Business Goals</b> <i>e.g., MBOs, roles &amp; responsibilities</i> <i>standing</i>	<b>Personal Priorities</b> <i>e.g., frustrations, more organizational clout, higher social</i>	
<input type="text"/>	<input type="text"/>	
<input type="text"/>	<input type="text"/>	
<input type="text"/>	<input type="text"/>	
<b>Challenges</b>	<b>Key Organizational Relationships</b>	
<input type="text"/>	<b>Title:</b> <input type="text"/>	<b>Title:</b> <input type="text"/>
<input type="text"/>	<b>Perception of Relationship:</b> <input type="text"/>	<b>Perception of Relationship:</b> <input type="text"/>
<input type="text"/>	<b>Common Reasons for Interacting:</b> <input type="text"/>	<b>Common Reasons for Interacting:</b> <input type="text"/>
<b>Information Sources</b>	<input type="text"/>	
<input type="text"/>	<input type="text"/>	

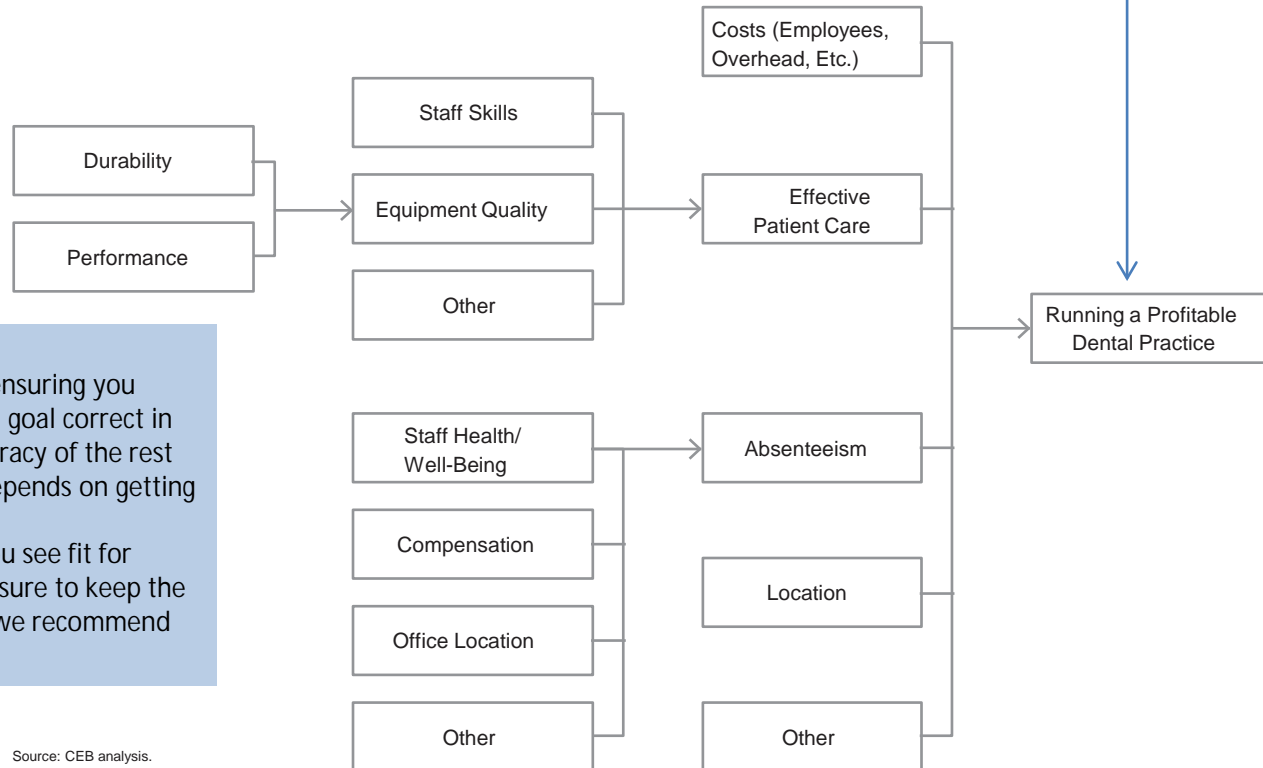
# MENTAL MODEL EXERCISE: THINK LIKE YOUR CUSTOMER

Illustrative Dentsply Example

**Step 3:** Repeat by listing everything that drives the drivers of step 2, and repeat again if necessary.

**Step 2:** Make an exhaustive list of everything that drives your customer's goal (e.g., effective patient care, absenteeism)

**Step 1:** Determine your customer's end goal (e.g., running a successful dental practice)



## Implementation Tips:

1. Spend a fair bit of time ensuring you have the customer's end goal correct in step 1, because the accuracy of the rest of your mental model depends on getting this step right.
2. Use as many boxes as you see fit for steps 2 and 3, but make sure to keep the buckets broad enough (we recommend no more than 10).

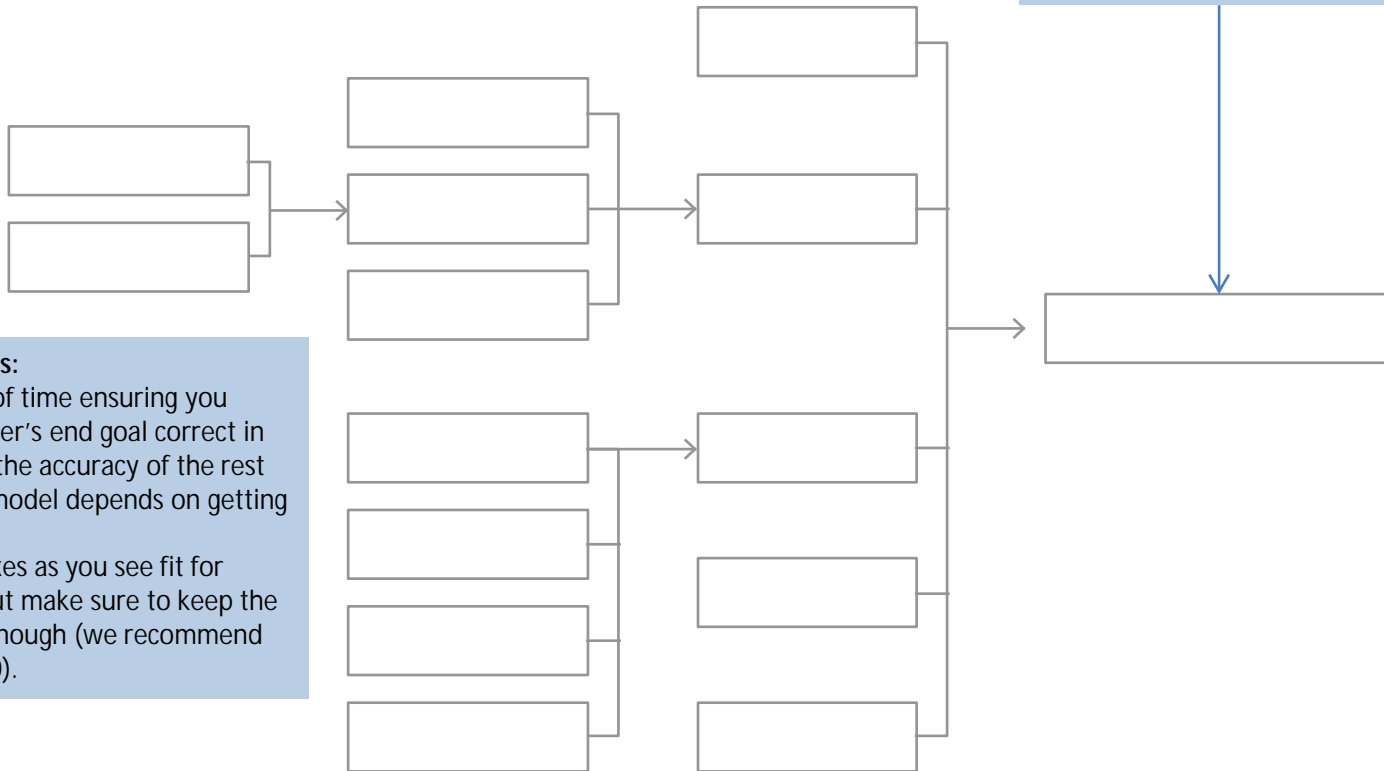
Source: CEB analysis.

# MENTAL MODEL EXERCISE: THINK LIKE YOUR CUSTOMER

**Step 3:** Repeat by listing everything that drives the drivers of step 2, and repeat again if necessary.

**Step 2:** Make an exhaustive list of everything that drives your customer's goal (e.g., effective patient care, absenteeism)

**Step 1:** Determine your customer's end goal (e.g., running a successful dental practice, improving student test scores)

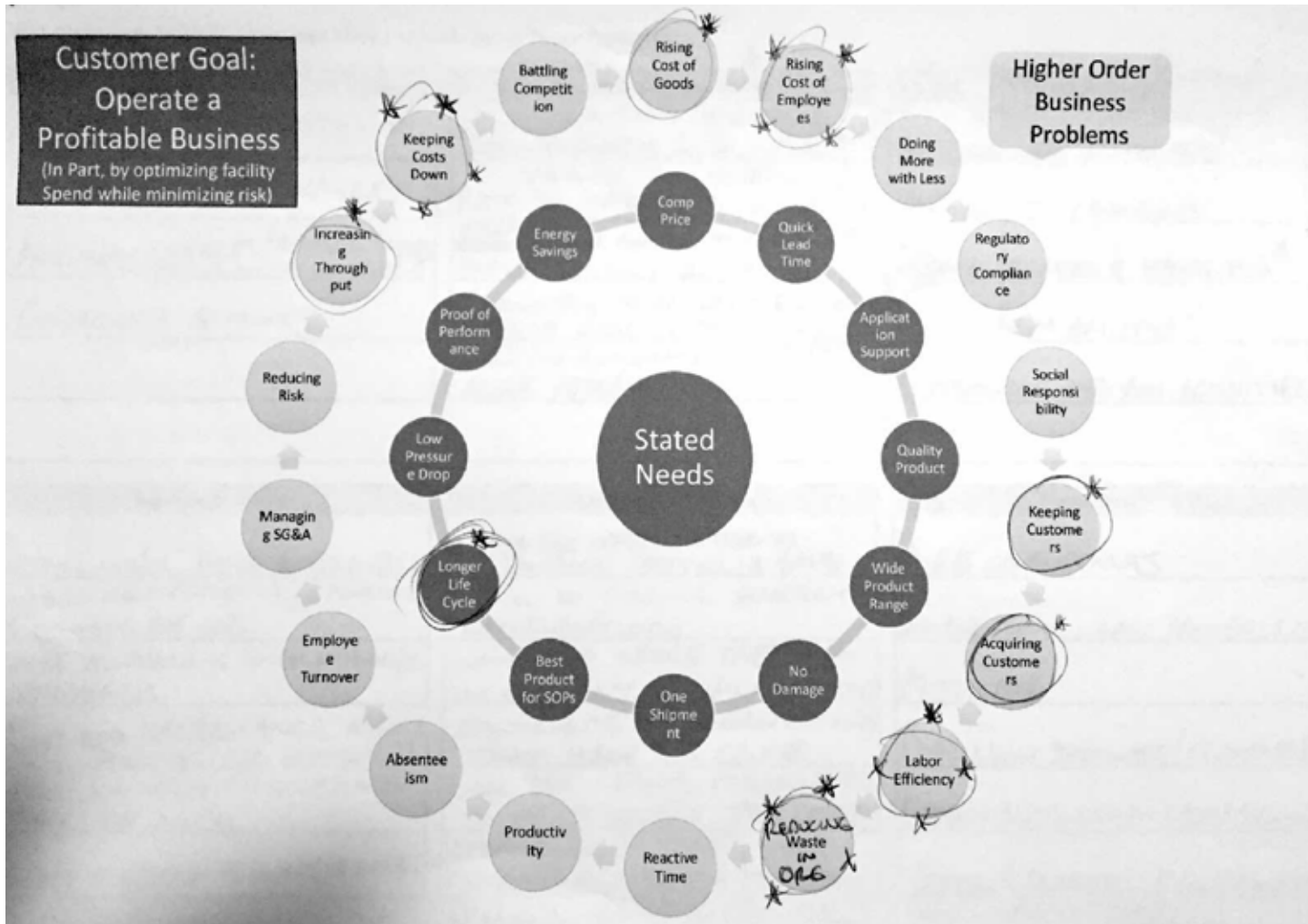


## Implementation Tips:

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DEVELOPING COMMERCIAL INSIGHT

# Stated Needs & Higher Order Business Problems



# Stated Needs



# Higher Order Business Problems





## Surfacing the Teaching Point

Customer Concern #1:  
Balancing Profitability and Productivity

Customer Mental Model  
(What Customer Believes Affects This Concern)

Demand More From Less

Automate Processes

Streamline, Reduce Waste

Outsource Certain Functions/Activities

Training - Increase/Improve, Cross Train

Provide Incentives

Deferred Maintenance

**#1 System Affected:**  
HVAC

# Mental Model Shifts

<b>FROM</b> What do customers think, believe, and assume that you need to stop?	<b>TO</b> What do YOU need customers to start thinking, believing and assuming?
Deferred maintenance is not an issue at our facility/facilities	Deferred maintenance could be a bigger problem than I realize
Safety is not impacted by deferred maintenance	Safety could be at risk due to deferred maintenance (Insurance claims 71% higher; 11% more extensive)
The time required to purchase MRO products is not that high	Process costs are more expensive than product costs (see snake chart)
* As far as I know, we're on track with all of our Preventative Maintenance	There are significant dollars riding on our ability to get this done. I should double check, follow-up on this, and make it a priority.
Energy consumption is not being heavily impacted by deferred maintenance/HVAC maintenance	I did not realize how much energy/HVAC is impacted by deferred maintenance (Energy costs 81% higher)

## A à B Statement

**A**

Summary of the Business Problem and What the Customer is Currently Doing

Business leaders seek to drive profitability and minimize expenses by driving efficiency throughout their organization  
(More with Less)

**B**

Summary of the New Approach Leading to Your Solution

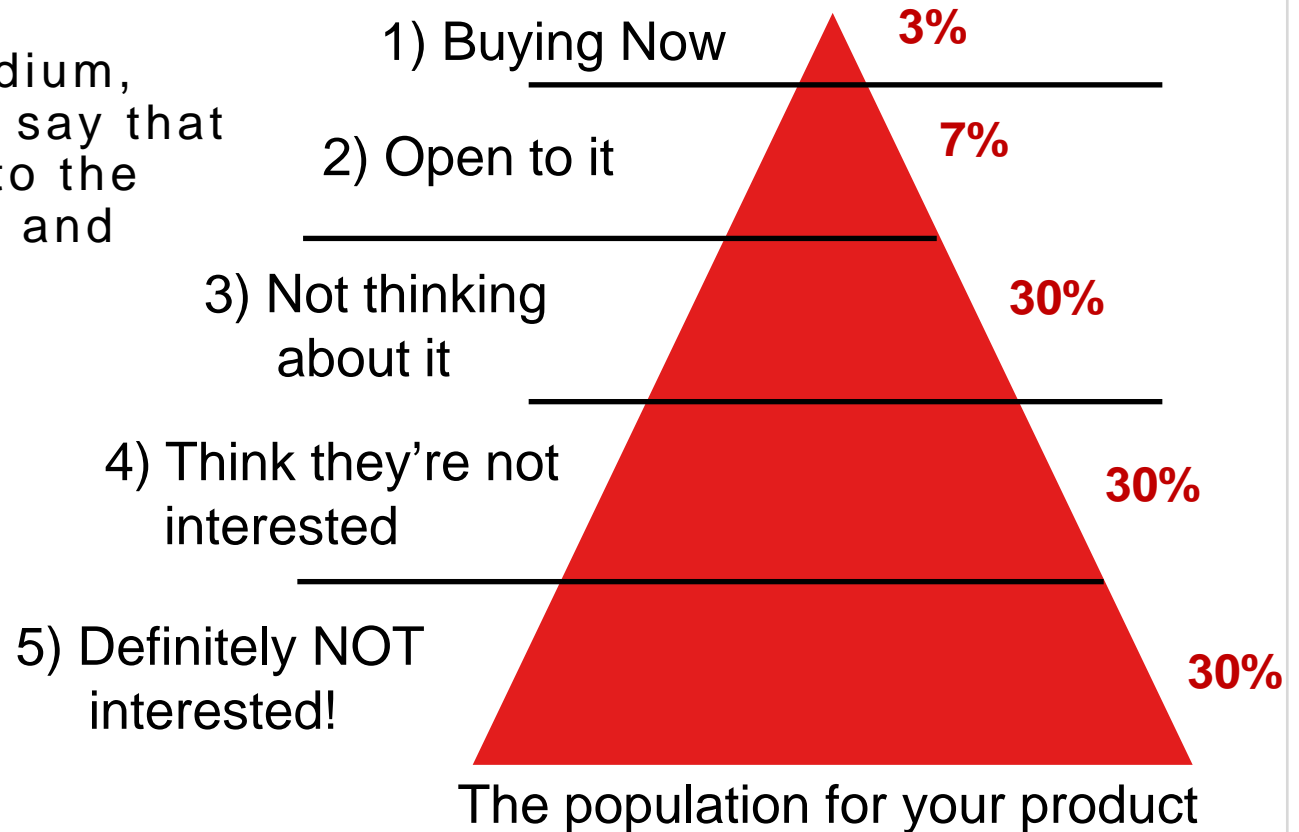
To support the profitability and efficiency goals of their organization, Facility Managers need to identify and explore all opportunities to minimize the total organizational impact and total cost of ownership for maintenance related activities involving their HVAC systems, thereby saving them time and money and reducing the negative impact of deferred maintenance at their facility.

Summary of What the Customer is Overlooking

However, this objective is actually working against them in the area of Facility Management thereby creating unintended consequences in the form of deferred maintenance, costing the average facility millions of dollars. And the system most affected by deferred maintenance is HVAC.

## The Buyer's Pyramid

- A great stadium pitch will drive buyers up the pyramid.
- So in your stadium, what could we say that would appeal to the entire pyramid and start the slow seduction?



# Buyer's Table



**Facilities**



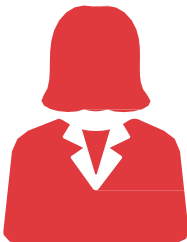
**Engineering**



**Energy Manager**



**Building Owner**



**C-Suite**

# DEVELOPING THE CONTENT

## Content Framework



Spark



Introduce



Confront



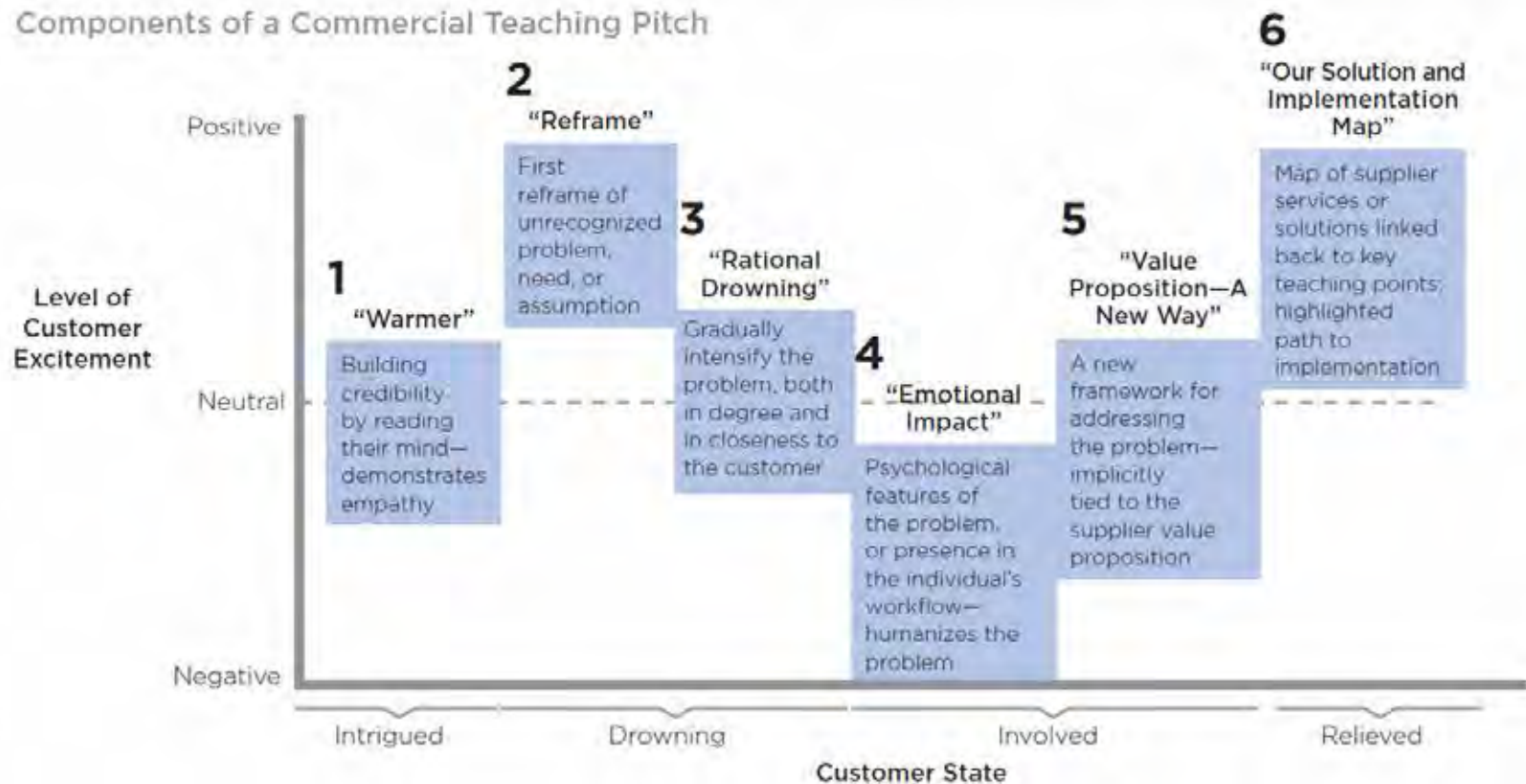
# DELIVERING THE TEACHING PITCH



# Deconstructing a Commercial Teaching Pitch

The chart below combines the structure of a story with the details of proven teaching pitches. Use this as an outline to help pattern your own message creating efforts.

## Components of a Commercial Teaching Pitch



# Stages of the Pitch Explained

## 1. Warmer

Start the pitch by establishing credibility with your customers and make them feel comfortable. The best way to do this is to show them that you understand their world—for example, “From conversations with similar companies, we understand you’re probably struggling to manage the costs of your far-flung sales force.”

## 2. Reframe

The next step is to reframe something in their world by delivering insight into a problem that they have not recognized or fully appreciated—for example, “What you may not have recognized is that many of these costs stem from high turnover among your car-based traveling sales reps.”

## 3. Rational Downing

After getting them to understand the problem, next you need to quantify the costs of not solving the problem and creating a sense of urgency to solve it. Here you’ve engaged the rational part of their brains.

## 4. Emotional Impact

Having engaged your customer’s rational side, it’s imperative for you to personalize the problem for them. This will cause the customer to “hit bottom”—they know and emotionally feel that the problem you’ve raised is essential for them to solve.

## 5. Value Proposition

The next stage is to propose a solution linked to the underlying causes of the problem.

## 6. One Solution and Implementation Map

Only after the customer is bought into the theoretical effectiveness of the solution do you introduce your unique ability to deliver.




## Commercial Teaching Do's and Don't's

### DON'T

-  Open with the breadth of your product portfolio and capabilities
-  Discuss how long your company has been in the marketplace
-  Focus on features and benefits

Lead *with* your unique strengths

### DO

-  Open with a focus on the customer and their issues
-  Reframe customers' understanding of their world
-  Make the sale personal and provide value to that individual

Lead *to* your unique strengths

## Key Takeaways

- Buying patterns have changed
- Buyers want new information and insights
- Lead to, Not with
- Pain of same must be greater than pain of change
- New topics, New stakeholders
- Food for thought: What kind of conversations are our salespeople having? Where does our content fall?