

👁 Bob Apollo on Sales Methodologies

Which sales methodology is best for your organisation?

✍ Bob Apollo

There is a general recognition – backed by the latest research from CSO Insights and others – that sales organisations that have adopted a structured approach to selling consistently and often dramatically outperform their less-effective competitors.

One of the key foundations of a structured approach to selling involves the adoption of an appropriate sales methodology. You might think of these methodologies as a consistent framework for developing, supporting and encouraging the appropriate sales skills, behaviours and mindsets.

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There is no shortage of commercially developed generic sales methodologies from sales training vendors and other sales effectiveness organisations – in fact the choice is overwhelming and often somewhat confusing, with the result that many sales leaders choose to go with the methodology they were trained on earlier in their career.

This may or not be the right choice. After all, there is an argument that implementing any credible methodology – as long as it is reasonably appropriate to the circumstances – is at least better than having no methodology at all. But it may not be the optimal approach, because each of the methodologies have strengths, weaknesses and potential blind spots.

No one universal methodology

Despite what some of the less

scrupulous vendors might imply or claim, there is no one universally perfect sales methodology. Some are particularly strong when it comes to major account management. Some are centred around effective questioning technique. Others are particularly effective when it comes to opportunity management.

Some are more suited to high-volume transactional sales, and others to low-volume strategic purchases. Some depend on a very high level of emotional intelligence from the salesperson, and others can make averagely gifted salespeople significantly more effective. There are a variety of important considerations, there is no one universal right answer – and what worked well in a previous situation may turn out to be less effective in a different sales environment.

Making a decision

So how can we get beyond all the vendor claims and counter-claims and work out which approach is likely to be the best for our particular circumstances? Our decisions should surely be informed by a thoughtful diagnosis of where our sales

organisation stands today and what we want it to achieve in the future.

What are the key factors that are holding us back? Does our primary challenge lie in trying to educate inexperienced salespeople, or in trying to persuade long-tenured salespeople that the world into which they are selling has changed, and that they need to adapt or fail?

Do we want to challenge our salespeople's core ideas about successful selling, or to complement what they already know with a handful of effective and practical techniques that will enable them to improve their performance?

These are all important considerations, and we cannot make an effective decision without a careful diagnosis of our situation and an informed perspective about the relative strengths and weaknesses of the various options.

Blend of different methodologies

Our challenge is further compounded by the recognition that the best of all possible worlds is likely to come from an intelligent blend of more than one of these methodologies – in a way that plays to their respective strengths, eliminates their respective weaknesses and aligns with our particular needs.

But where to start, and which to choose?

That's where I intend to focus my attention over the next few issues of the *Journal*. I plan to review a series of the key methodologies and share my perspectives (and the experiences of my clients and others) as to where and how they can be most effectively applied.

My next few columns will have the unifying theme of “Bob Apollo on Sales Methodologies”. I look forward to taking you with me on this voyage of exploration.



About the author

Bob Apollo is the founder of UK-based Inflexion-Point Strategy Partners, the sales process improvement specialists. Following a successful career spanning start-ups to corporates, Apollo now works with a growing client base of B2B-focused scale-up tech-based businesses, helping them to systematically establish their uniquely relevant value to their customers.

Putting the value in value propositions

✍ Dr Simon Kelly and Dr Paul Johnston

This is the first of a series of articles in which the authors explore customer value and differentiation. In this article Dr Simon Kelly and Dr Paul Johnston consider the importance of customer value and its criticality in building effective value propositions. They draw together their experience as marketing and sales practitioners, their recent academic and commercial research, and their ongoing conversations with sales and marketing leaders to give a contemporary view on how effectively customer value is understood and embedded into value propositions that help or hinder salespeople to sell. They also consider how marketing and sales alignment impacts on successful value proposition development. Much of what is covered builds on their co-authored book *Value-Ology: Aligning Sales and Marketing to Shape and Deliver Profitable Value Propositions*, (Kelly, Johnston, Danheiser 2017).

Credible commercial research suggests there is definitely a problem out there. In a recent study performed by Televerde, 47% of B2B salespeople said that the major reason they lost a deal was because the product or service's value had not been adequately conveyed to the prospect. Small wonder that 46% of salespeople said the asset they most wanted from marketing was “value proposition”.

In this omnichannel world, the customer can be an average of 60% of the way through the buying process before they contact a salesperson (CEB research), at which time 67% of the customers have a clear picture of the solution they want (Sirius Decisions). This means that the “value proposition” conveyed in marketing content that the customer receives must resonate with the customer and be consistent with sales messages throughout the customer journey – strange then that 94% of customers claim to have disengaged with organisations because they are being sent irrelevant content that gives them no value (CEB research). Perhaps the most telling statistic is that 58% of sales deals end in no deal because the customer has not been convinced of the value in signing the deal (Qvidian Sales Execution research).

Value – the elephant in the room

When we interviewed Clark, the CEO of a leading company in the global telecoms sector he was emphatic about the centrality of value to the sales conversation. He told us that:

“... objections and a push back on the price happen because the initial conversation wasn't anchored in value. The cost of failure from this problem is huge and the prize for those companies that make the change is transformational.”

Delivering value has been recognised by academics as central to achieving competitive difference and generating shareholder value (Woodruff 1997) but for many businesses there is a problem in making this happen because as Leszinski

and Marn (1997:99) identified:

“Value may be one of the most overused and misused terms in marketing and pricing.”

This means that the sales professional's ability to interpret, understand and respond to the variable nature of customer value is vital for sales success and requires a good working knowledge of different types of value and competence in working with what is essentially an abstract concept.

As sales professionals we know we must justify the value of product-service solutions to customers all the time. This can range from conversational explanations of potential benefits to highly formalised tender documents detailing the anticipated return on investment, and, there's a problem lurking in this seemingly run-of-the mill situation.

The idea of delivering customer value is so embedded in the everyday practice of salespeople that it is easy to take it for granted and ignore the fact that skill in reading and adapting to the changeable nature of customer value is something that separates top sales performers from the rest. When we spoke with Eric, CEO of an international commercial refurbishment company, about being complacent on value his big concern was that his salespeople weren't tuned into the value conversation.

“Now if we're not careful and we keep just cookie-cutting the same thing out – without ever taking a step away with the client to ask “is it still relevant?” – the ultimate worst-case scenario is when the client sees somebody else's work and says “Wow, that's really sexy and current! I'll talk to them because my current supplier isn't adding any value to this process.”

To try and understand why this is the case we researched how value is considered by senior sales and key account management professionals, and we reached the conclusion that the idea of value is an “elephant in the room”. Our research suggests that whilst there is much talk of “adding value” or “giving the customer value for money”, it is frequently the case that what is actually meant by value in any given situation is assumed and, just like the blind men in the story of the elephant, different people have different understandings of value depending on the part of value they hold to be most important. Some people emphasise cost/price value, some relational value, others the value of technical knowledge, and so on.

Sales professionals need to stop and think carefully about value to avoid value bias in favour of their preferred take on value. Psychologists call this an “anchoring heuristic” which is where a person believes that everyone else thinks about something in the same way that they do.

Studies into the concept of value

Contemporary business researchers have conducted numerous studies into the nature and characteristics of value, and

Holbrook	Ulaga and Eggert	Brock-Smith and Colgate	Almquist et al
Efficiency	Product quality	Functional	Inspirational
Effectiveness	Delivery	Experiential	Individual
Status	Time to market	Symbolic	Ease of doing
Esteem	Direct costs	Cost/sacrifice	Functional
Play	Process costs	Emotional	Table stakes
Aesthetics	Service support	Epistemic/knowledge	
Ethics	Supplier Know-how		
Spirituality	Personal Interaction		

Figure 1: Dimensions of value.

Christian Gronroos (1996) points out that a concern with value in business can be traced as far back as writings on rice merchants in ancient China. An important shift in thinking about value beyond pure monetary terms was provided by Valerie Zeithaml (1988) when she emphasised the subjective and perceived nature of value, defining it as not just the monetary price you pay but anything you give (such as time and effort) for what you get.

Holbrook (1990) describes eight elements of value that consumers intuitively use to make product-service value judgements; Ulaga and Eggert (2005) describe eight core elements in a B2B context, while Patricia Coutelle-Brillet (2014) suggests that Holbrook's consumer value dimensions had relevance in B2B too. Many other researchers have produced their own classifications such as Brock-Smith and Colgate (2007) and Almquist et al (2018) in which the main categories are broken down further into a complex array of value factors (see Figure 1).

To make thinking about this diverse and fragmented topic more manageable we summarise the main dimensions of value that sellers and buyers work with as, economic, perceived, relational and experiential (Kelly et al 2017:9) such that professional salespeople need to be able to recognise, blend and balance the value the customer is seeking in order to sell on value rather than price alone. For those who want to dig deeper into the complex nature of value, researchers such as Ravald and Gronroos (1996), Payne and Holt (2001) and Khalifa (2004) provide comprehensive reviews; it is Robert Vargo and Stephen Lusch (2008:7) who sum up the tricky and ephemeral nature of value in the following way when they define it as:

"Idiosyncratic, experiential, contextual and meaning-laden."

Keep a finger on the value pulse

Value is an ever-moving target and something that can change without notice from customer to customer, situation to situation. It is for this reason above all others that the sales professional has such a special and valuable role in organisations – because it is only through being personally close to the customer and engaging in open and wide-ranging discussions that a finger can be kept on the value pulse. What this means is that a salesperson's ability to read subjective signals from the buyer is equally if not more important for sales success than picking up on the customer's functional and monetary needs. Reading value means reading what is really going on in the customer's mind.

So, probably the biggest mistake in this situation is for a sales professional to talk about themselves and their company.

Trevor, an independent vehicle tracking consultant, was helping his client select a supplier and his take on the typical sales pitches he was given tells the story.

"I sat there as the consultant and sat in each meeting for every single tracking provider and all bar two came in and presented about their company before asking a question. Did the whole presentation about their company about how good they were, and how brilliant they were, and all their customers, and all that sort of stuff, and then spent five minutes asking them what they actually wanted."

So, value lies under the surface of buying decisions and acts like the generating force of those buying decisions. Whilst customer need is an expression of a desired outcome, value judgements are often undeclared assumptions about how those needs are formed and they need to be carefully teased out of the customer conversation.

Value – the start point for value propositions

So, though it may sound obvious, it often seems to get forgotten that value propositions have to be rooted in customer value that has come out of research into customer issues (marketing) and through real conversations with customers (sales). Customer issues and concerns need to be identified in the discovery phase, which is often not the case, as Steve Eungblut, Managing Director Sterling Chase and former VP of Sales at BT points out:

"A big cause of failure is that the salespeople are not developing a compelling set of needs (and associated urgency) or aligning their proposition to those needs in a compelling way right at the beginning of the sales cycle."

So, it's clear that customer value is what underpins a compelling value proposition... but what is value proposition?

What is a value proposition and why should we care?

There is a broad and varied body of both academic and commercial literature in which, like value, the definition of value proposition is contested. In *Value-Ology* we summarise some of the main themes coming out of the literature and land on our own definition:

"A value proposition is a promise of expected future value, illustrating that future relevant and distinct benefits will outweigh the total cost of ownership." (Kelly, Johnston, Danheiser 2017 p30).

So, if a value proposition is a promise of value that we expect to help the customer create in the future, we have to understand the issues and concerns they currently have and, crucially, convince them of the need and urgency to change from their current situation. Given that 58% of deals end in no deal, with 47% of B2B salespeople admitting they lost a deal was because the product or service's value had not been adequately conveyed, convincing customers of the need to change is clearly problematic.

It would seem to follow that the better you are at developing value propositions that resonate the more likely you are to stand out from competitors and increase your ability to convince the customer of the need to change, combating your biggest competitor: inertia. What comes out of academic literature is strangely in sync with this view. Professor Christian Kowalkowski observed:

"The general conclusion is that the ability to communicate a firm's value propositions strategically and effectively is a new area for the development of competence at the heart of competitive advantage."

(Kowalkowski 2011, p277).

Through our own research and business experience relating to how well marketing and sales are aligned to develop effective value propositions, we have found that, while there are some concepts that sales and marketing generally agree on, there are some where there is a high level of misalignment. Our findings also seem to indicate that some of the competencies sales and marketing people need to develop effective VPs seem to be missing or under-developed.

Value proposition definition – points of contention

The differences in academic definitions of value propositions pale into insignificance when you talk to practitioners. Here are two completely contrasting responses to one of our simple research questions: What is a value proposition?

Althea, Vice President of Marketing at a cable company, saw a value proposition as something that seemed to start with the product, an inside-out view:

"The compelling reason that a customer would be interested in your product; it's your differentiator."

Caila, a seasoned Sales Vice President, provided a much more outside-in view:

"Where you really get customers' attention is completely about understanding what concerns a business or what the next challenges are... a value proposition is where you can come in, really show you understand that... It's a little bit like detective work. You have to find out what's been going on and then you have to solve for it."

Caila presents a view consistent with what Steve Eungblut calls "Selling from the left", doing the spade-work to understand what a customer may value as a precursor to a value proposition. Althea, who comes from a product background, describes the world from the product "inside-out" perspective. People in marketing roles closer to the customer do tend to give a more customer-centred view similar to Caila's but the difference in definitions can be stark.

In *Value-Ology* we recommend that organisations should land on a clear and agreed definition of what a value proposition means to them. Next time somebody says value proposition in a meeting, as inevitably they will, stop and ask them what they mean. From experience, if you come from the same camp as Caila – as many salespeople do – be prepared to be very surprised or disappointed.

The value proposition stack – point of agreement

There is broad agreement from sales and marketing practitioners who have taken part in our formal research that value propositions are layered and contextual. In *Value-Ology* we summarise this in the Value Proposition Stack (Figure 2), a simple model designed to help sales and marketing role clarity, and ultimately provide salespeople with numeric value propositions, for individual customers. From the perspective of the Chief Marketing Officer (CMO) the first step should be to understand the key customer issues and use these to focus on key themes that are important to customers like "productivity", "agility" or "security". The CMO should also lead the effort to align the product and services to the chosen themes.

Many B2B organisations split their customers into industry sectors. It should then be the job of the Industry Marketing Director to take the value themes and develop them for their

specific sector. For example, what productivity or security issues do financial services customers face? How can we address these issues? Answering these questions in detail should lead to the Agility or Product Value Proposition for Banks.

Eli, Sales Vice President of a US-based Software organisation makes the relationship between marketing and sales in developing value propositions very clear.

"Maybe the core of the conversation between sales and marketing is in developing a value proposition of our offering and customising that value proposition into the segments in the verticals that we're addressing. What I really want marketing to do for sales is to develop go-to-market messages for specific verticals to my target customers that will address their problems and will fill a gap in my customer's business and improve their probabilities of buying."

Mind the sophistication gap

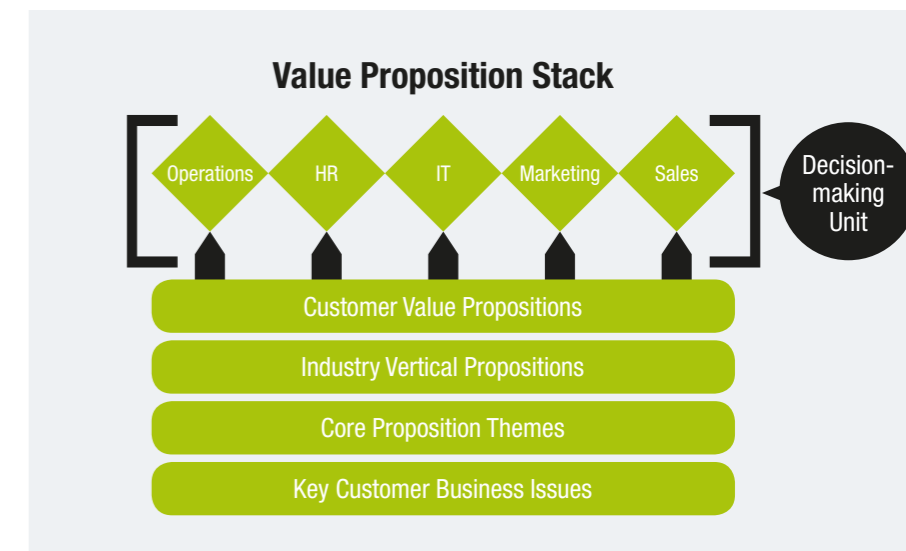


Figure 2: Value Proposition Stack (Kelly, Johnston, Danheiser, p34).

Moving from industry value propositions to customer value propositions is the point where things can become problematic because it's the handover point between marketing and sales! Now the salesperson has to develop value propositions relevant for their customer that should align to the themes to help develop the overall company brand. There is often a chasm at this marketing-sales handover point that one SVP of Sales has insightfully dubbed the "sophistication gap" – as often the material that comes from marketing is too generic.

"Generally speaking there is a sophistication gap and certainly you'll hear from sales: 'I need use cases; I need references; I need a translation of your insights into actionable discussions.' And I think the argument is whose responsibility is this to create those actionable discussions. And I think it's a joint responsibility."

Building on this, Tim Chapman, Managing Partner at Sales EQ, and former Sales VP at Vodafone said:

"Sales and marketing need to work together effectively, or it simply falls down the 'sophistication gap'. The marketing team needs to develop the ingredients and the sales teams work on a unique recipe for each client. The sales focus needs to be on listening and tailoring messages to specific customer business challenges. Or developing insights the customer should be thinking about."

It certainly falls to sales to develop and craft the value propositions for each individual member of the customer Decision Making Unit (DMU) at the top of the Value Stack. According to research by the Corporate Executive Board, 6.2 people in the customer organisation now have to sign off

In *Value-Ology* we recommend that organisations develop MUSICAL value propositions which contain:

- **Monetary calculation** – of financial benefits minus costs
- **Unique** – things that set you apart from competitors
- **Spend (costs)** – how much the customer is prepared to pay
- **Impact** – how it will positively impact the customer organisation
- **Capability** – what it is that you can do for the customer to make this impact
- **Aligned** – to the key needs of the customer

major deals, so the value propositions have to resonate with the different players in the DMU: for example, Finance, IT, HR, Marketing. IDC research found that 95% of executives require formal financial justification on any significant purchase decisions. In contrast, research by Professor Malcolm McDonald found that only 5% of salespeople developed numeric value propositions demonstrating that financial benefits outweighed costs.

Any value proposition developed with a single customer needs to have the ability to have an impact for the company at an overall brand level and deliver against the chosen company value proposition theme, for example, “agility”. We are often asked if it’s OK to start the value proposition journey with individual customers and sales, and to a degree that is what Account-Based Marketing (ABM) programmes do. We would say emphatically “no” because, although it could help you win sales at an individual account level, it may not help your company develop competitive advantage, in line with Professor Kowalkowski’s thinking.

We interviewed a marketing director who was waxing lyrical about the ABM programme he ran at a Global IT company and how successful this was. When we asked “what’s your company’s competitive advantage?” the answer was “None, it’s a commoditised industry.” It seemed to escape his attention that developing relevant value propositions was the basis for differentiation.

Mind the capability gap

Hopefully we’ve made it clear that both value and value propositions can be slippery concepts, which is why we recommend that you should agree what these mean to your organisation to avoid people talking past each other. It may not come as a surprise that we suggest that unearthing customer value is at the heart of any value proposition you may develop and the quest for value is at the start of the sales and marketing process.

In the end, sales need to develop numeric value propositions that makes the case for change and provide the customer with a sense of urgency for that change. Our research led us to develop the Value Proposition Stack which is an idea we hope you can use to help gain better alignment between marketing, sales, and the customer. The reality is that lots of research shows that many deals are ending in no-deal because value has not been proven.

As Tim Chapman said:

“Poorly articulated value in the customer’s eyes is the biggest

contributor to sales opportunities resulting in ‘no deal’, or opportunities that sit in the sales pipeline going stale because the sales team has not articulated value or urgency. . . . Ultimately it’s not what you sell but what will it do for the customer and, perhaps more importantly, their customers (the bit where your client makes money).”

In *Value-Ology*, we have provided you with a template for MUSICAL value propositions that can help you make the customer case for change. Sadly, if 58% of deals are ending in no deal then this type of help seems to be being ignored. While we acknowledge that we (and others) have provided training and advice designed to help create more sales and marketers create compelling value propositions, something does not feel quite right. We have ample evidence to show that there appears to be failure in behavioural practices and some capability gaps that we will explore later in our series.



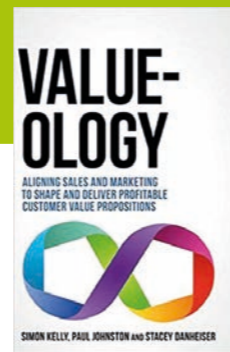
About the author

Dr Paul Johnston is co-author of *Value-Ology* and a former lecturer at Sheffield Business School. His research specialism is B2B marketing management. Prior to this, he spent 20 years in the gambling and electronic games industry with board-level roles in competitive strategy, key account management, marketing research and product innovation roles.



About the author

Dr Simon Kelly is a Lecturer in Sales and Marketing at York University. He has 35 years’ experience in the ICT industry in customer service, sales and marketing. He was Marketing Director for BT Major Business where he pioneered the move from “product push” to “value-based” selling and marketing. He led a canon of knowledge for the CIM on best practice B2B marketing. Now a “pracademic”, he has developed innovative marketing and sales skills modules for Sheffield Business School. He is President of SHAKE Marketing Group, based in London.



Transitioning from sales training to sales education

✍ Dr Philip Squire and Louise Sutton

As part of a wider professionalisation of the sales function, forward-looking companies are discovering the benefits of sales education as a way to equip their people to thrive in today’s complex and challenging business environment.

Today’s business landscape is challenging in multiple ways: it’s super competitive; technology is forcing us to deal with change and adapt our go-to-market models at an unprecedented pace (a pace that can only accelerate); and there is so much data available that it’s all too easy to experience information overload. What this means is that sales organisations need new strategies to ensure that their people have the right skills and experience to perform in this demanding environment.

A long time ago when one of the authors started his career in sales, the only preparation for the role involved little more than learning a script and being able to deliver it convincingly. There was little or no sales training and certainly no sales education.

Since those dark ages, we have seen massive growth in the sales training sector to meet demand from industry. Output has evolved down the years as trainers have sought to match the content of their programmes to the reality on the ground (although the frequency with which some providers update their material is questionable). Trainers have had to adapt to the changing dynamic between customer and supplier, to the emergence of new methodologies (the best of which have been founded in some kind research), and to the need for a more consistent approach to what comprises sales excellence. Over the past decade, we have started to compile a body of knowledge that is driving increasing professionalism within the sales community, as we respond to further research that informs us about what customers are looking for.

Strategic approach

Meanwhile, businesses have been looking for a more strategic approach to sales development with the establishment of in-house sales academies to provide a comprehensive framework across the organisation – though admittedly these remain largely the preserve of the large corporates. Now, however, we stand at an inflection point where old-school approaches to training are no longer fit for purpose: one-size-fits-all approaches and sheep-dip programmes do not fulfil today’s requirements for flexibility and agility underpinned by a solid platform of learning and development. Something more strategic is required: a comprehensive framework for sales enablement that is both robust and at the same time dynamic – and, just as importantly, available to all types of organisation whatever their size.

Over the past couple of years, we have watched the emergence and ascendancy of the sales enablement vision, in part driven by technology advances. At the same time,

something more fundamental has been happening: we have witnessed the beginnings of a revolution that is seeing a switch away from sales training to sales education – albeit that it is still early days. This couldn’t have happened without a bridging of the gap between sales academics and industry, and the coming together of a number of significant events:

- a reinvigorated drive to professionalise the sales community;
- the advent of more professional representative bodies for the sales community (such as the Association of Professional Sales);
- a (modest) proliferation in UK and European academic courses aimed at current and prospective sales professionals (there are many more in the United States);
- the emergence and acceptance of workplace-based education at multiple levels (including post-graduate);
- a drive by government to establish sales education as part of the apprenticeship framework in the UK; and
- a more comprehensive sales literature to champion these trends, pioneered by this *Journal*.

Work-based learning along the entire career path

One of the keys to this revolution has been the emergence of recent years of work-based learning. This enables salespeople to participate in learning as they work, and ensures that content is directly relevant to their own organisation by incorporating projects and content that is based around their day-to-day activity.

Today, we are far in advance of where we were even a couple of years ago. A work-based sales education is available to suit almost any career stage, from entry-level right up to post-graduate qualifications. November 2018 saw an announcement that government had approved the new, level-4 apprenticeship for frontline sales executives; this followed the committed work of the APS, industry, training providers and the government.

Meanwhile, at our own organisation, two cohorts of apprentices started their level-6 Business-to-Business Sales Degree Apprenticeship programmes last autumn. The three-year BSc programme in the south of the country kicked off in September 2018 in conjunction with Middlesex University, followed a month later by the northern programme, in partnership with Leeds Trinity University. Even more level-6 sales apprentices will be following programmes with other providers.

A level-7 sales apprenticeship programme is currently in inception, while Consalia’s well-established MSc programmes in Sales Transformation and Leading Sales Transformation, in conjunction with Middlesex University, continue to provide significant benefits at leadership level to employees and employers alike.

Benefits for employees and employers

So what are these benefits? Anecdotal evidence from participants suggests that these programmes are associated with career progression; participants tend to be promoted