

VALUE-ADDED SELLING

Prepared and Presented by Paul Reilly



ASSOCIATION OF
ROTATIONAL MOLDERS

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REILLY SALES
— TRAINING —

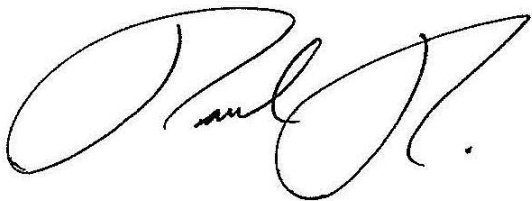
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Welcome to Reilly Sales Training

Reilly Sales Training is a St. Louis-based, privately owned company that specializes in training sales professionals, sales managers, and service professionals. Reilly Sales Training offers public seminars, in-house sales training programs, consulting services, and hiring and training assessments. What we are known for is Value-Added Selling. Our founder, Tom Reilly, literally wrote the book on it.

Paul Reilly has developed this course specifically for you, the sales and service professional. Significant resources have been invested for your professional development. We ask for your full commitment to the message, and that you apply what you learn.

Thank you in advance for your participation!

A handwritten signature in black ink, appearing to read "Paul R.", with a stylized, flowing script.

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Hi I'm Paul.

Business Experience...

I started my sales career at the age of 16 selling carwashes. While in college, I successfully started a painting company and deck staining company. My first B2B sales job was selling propane for Ferrellgas. I was promoted to the Indianapolis service center. My next B2B sales job was selling tools and fasteners for the Hilti Corporation. I primarily sold in the oil & gas and power gen industry. In 2010, I achieved Masters Club Status with Hilti. Next, I joined Allied Healthcare Products selling medical gas equipment. I managed eight north central states as well as Canada. In my tenure, I re-penetrated the Canadian market and helped grow their distributor network by double digits.

Personal Information...

Married: Eight years to Lauren

Children: Three girls, Nora, Libby, and Mary Charlotte. Yes, I am totally outnumbered.

Education: Bachelor's Degree – Marketing, Mizzou. MBA - Webster University.

Outside Interests: Golfing, cycling, marathon finisher, award-winning Toastmaster, and ASTD member.

Favorite Books: Value-Added Selling by Tom Reilly (obviously), Crush Price Objections by Tom Reilly (go figure), Outliers, David and Goliath, To Sell is Human, Atlas Shrugged, Social Intelligence, The Fifth Discipline, Lead With A Story, Sway, Tipping Point, Born To Run, The 7 Habits of Highly Effective People, Good to Great.

A few of our clients...

ADM
Affordable Equity Partners
ASCO Equipment
Brenntag
Case Equipment
Chase Plastics
Continental Cement
Eaton Corporation
Edward Jones
F&M MAFCO
Graybar Electric
Harcros Chemicals
John Henry Foster
Johnstone Supply
Konica Minolta
Krilogy Financial
Lifetouch Photo

Midwest Industrial Rubber
Missouri Enterprise
Monsanto
Packaging Systems
Precision Analysis
ProBuild
QTE Manufacturing
Rheem
Roseburg Forest Products
Siemens
St. Louis Digital Media
St. Louis Metallizing
The Climate Corporation
IAPD
NAHAD
STAFDA
University of Innovative Distribution

INTRODUCTION TO VALUE-ADDED SELLING

The Need for This Program

- Sameness
- Technology
- Culture of cheap

Program Objective

Our objective is to introduce you to the Value-Added Selling philosophy and demonstrate how and why this is a viable go-to-market strategy.

Value Proposition

When you embrace Value-Added Selling and execute its strategies tactically, you can compete aggressively and profitably based on your total value, not price.

What is the Purpose of a Business?

VALUE-ADDED SELLING

What Is Value?

Value is personal and describes an outcome. How do your customers define value?

Price + Cost (TCO) + Utility + Impact (VP) = Value

What goes into the total cost of your solution?

What Is Value-Added?

Value-added is the difference between raw material input and finished product output. On a practical level, it's everything you do to something from when you buy it, sell it, and service it.

- Qualitative value-added (perceived value)
- Quantitative value-added (performance value)

What Is Your Value Add-itude®?

- Customer-focused Value
- Seller-focused Value

Value-Added Selling

Value-Added Selling is a business philosophy. It's a process of proactively looking for ways to enhance, augment, or enlarge your **bundled package** for the customer. It's promising a lot and delivering more—always seeking ways to create maximum value *for* your customers and to extract maximum value *from* your customers. It is selling to the customer's needs, not necessarily against a competitor.

- Philosophy
- Process
- Proactive
- Package

Value-Added Selling Is Good for Your Company

1. A ____% discount means you must increase your volume by ____% to compensate for the lost net profit.
2. The power of 1%! (HBR)
A ____% increase in selling price has ____ times the profit impact as the equivalent of a ____% increase in volume.
3. Every bottom-line dollar you do not give away to discounts is like adding _____ dollars to your top line.

Price Objections Are Self-inflicted Wounds

1. _____% offer a cheaper price unprompted.
2. _____% cave in to price objections.
3. _____% close without discounting.

Buyer Preferences

1. Fewer than _____ in six is a price shopper.
2. _____% of buyers choose cost over price.
3. Customers will pay _____% more for quality.
4. Customers will pay _____% more for service.

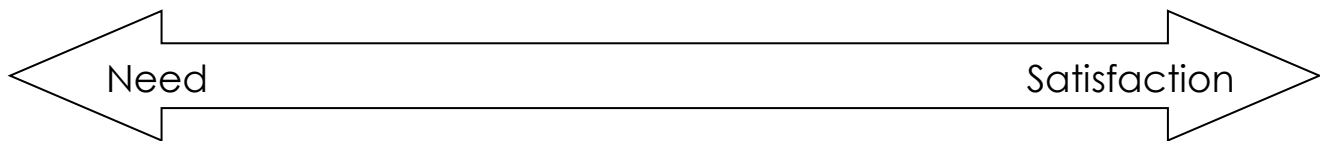
The Top Twelve Things Your Customers Want

- Quality and performance
- Customer service
- Knowledgeable salespeople
- Product availability
- Stands behind what they sell
- Ease of doing business
- Salesperson follows through on promises
- Trustworthy (salesperson)
- Durability
- Accessibility of salesperson
- Acquisition price
- Technical support

HOW TO VIEW CUSTOMER NEEDS

Critical Buying Path®

This is the sequence of steps the buyer goes through from the moment a need exists through complete need satisfaction.



Pre-Sale Planning

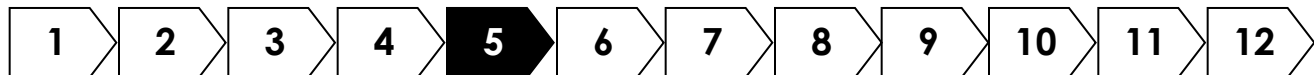
1. Study
2. Design
3. Budgeting
4. Testing

Acquisition/Transition

5. Procure
6. Prep facilities & people
7. Receive goods/services
8. Install or implement

Post-Sale Usage

9. Transform or use
10. Service
11. Re-order
12. Disposal

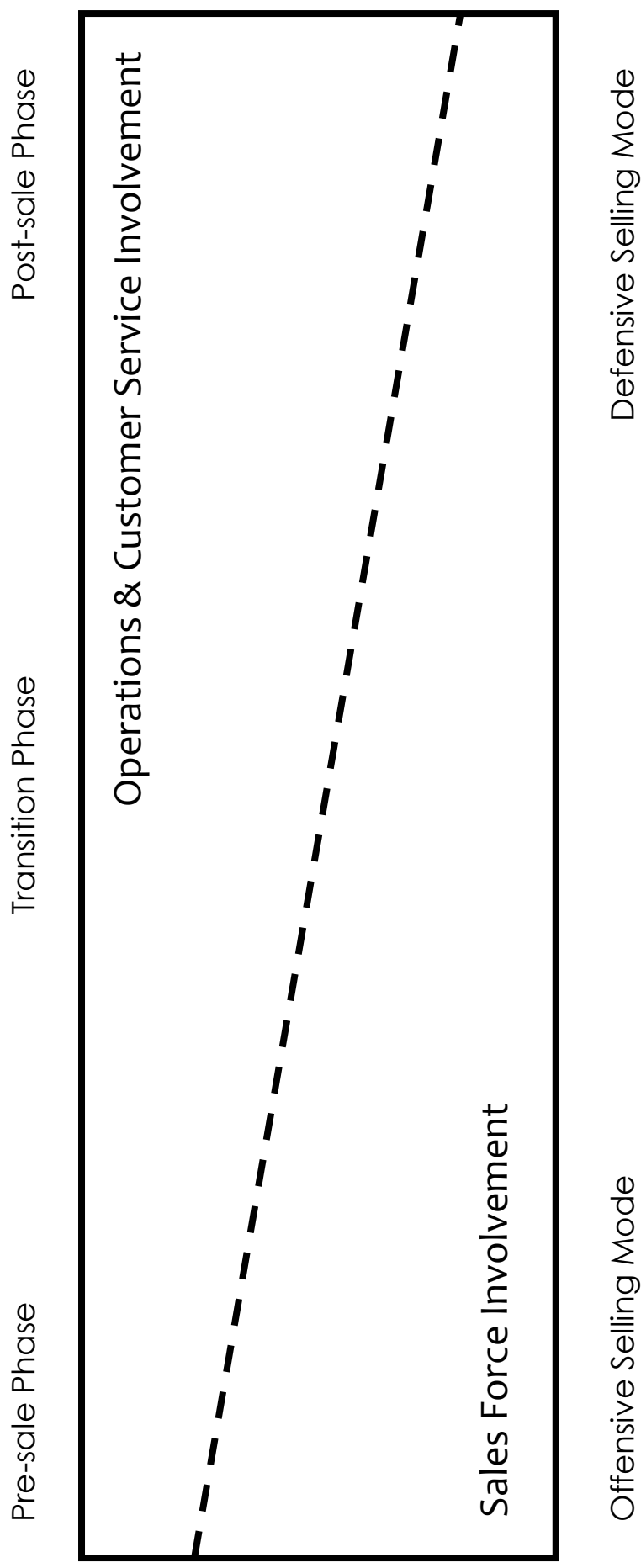


THE VALUE-ADDED SALES PROCESS

<i>Pre-sale</i>		<i>Transition</i>		<i>Post-sale</i>
Planning (Information)		Acquisition (Smooth Transitions)		Usage (Economy & Productivity)
During Planning, the buyer's greatest need is for information. They study their needs, source a solution, and select the best alternative. Their critical activities include needs assessment, setting priorities and objectives, establishing budgets, etc.		During Acquisition, the buyer's greatest need is for smooth, seamless, and painless transitions. Their critical activities include placing orders, receiving goods, redistribution, handling credits, returns, etc.		During Usage, the customer's greatest need is for maximum performance, productivity, and economy. Their critical activities include usage and disposal.
Offensive Selling Mode		Defensive Selling Mode		
<i>Pursuing new business</i>		<i>Protecting existing business</i>		
Focusing	Persuading	Supporting	After-Marketing	
Account Selection	Positioning	Process Support	Tinkering	
Account Penetration	Differentiating	Relationship Building	Value Reinforcement	
Customer-izing	Presenting		Leveraging	
During this phase, you identify viable sales opportunities, qualify these opportunities, penetrate the accounts thoroughly, and develop an in-depth understanding of the customer's needs, wants, and concerns. You take this information and brainstorm a solution. You're in the diagnostician role.	This is the phase of the sale where you polish your image, create distance between you and the competition and convince the customer that your product or service is <i>the</i> value-added solution. You're in the promoter role.	During this phase of the sale you follow up to ensure that the customer experiences smooth transitions to your solution, receives special attention as needed, and builds strong relationship ties. You're in a service and logistics support role.	This is the sale-after-the-sale: the phase when you look for ways to continue to add value, get credit for what you do, and grow your business. You're an advocate for the customer and liaison for your company. You help monitor their inventory and usage. You're in the growth mode.	

VALUE-ADDED SELLING IS A TEAM SPORT

INTEGRATED SALES AND OPERATIONS MODEL FOR SELLING AND DELIVERING VALUE-ADDED



THE VALUE-ADDED SALE

Value-Added Selling is a customer-oriented, need-satisfaction, conceptual model of selling. These three ideas will help you guide the conversation down a path of value, not price.

Sell Concepts Then Products

A conceptual sale is arguing a case bigger than products. It is selling a new idea, technology, a different way of thinking, a different approach to solving a problem, or a new way of serving customers.

Small wins lead to big victories.

Find customer parallels.

Stretch the Time Horizon: Transport Them to the Future

Value is a long-term, not short-term concept, yet price shoppers base their decision on the short-term issue of acquisition price. Use the need-satisfaction model of selling to stretch the buyer's time horizon.

Ask questions that cause the buyer to think long term.

- *If you were to fast-forward a year or two from now, what would cause you to say that you made a great decision to partner with us for this project?*
- *What does success look like on this project?*
- *Walk me through your project or process start to finish.*
- *Once implemented, what are your long-term concerns for this project?*
- *What return are you seeking on your investment?*
- *Long term, how do you see us creating value for you?*
- *How do you see this project contributing to your long-term satisfaction, quality of life, and happiness?*

Present long-term solutions.

Stretch the time horizon by demonstrating how you help them long-term:

- *Plan—how do you help the customer plan and design the right solution?*
- *Implement—how do you add value during the construction phase?*
- *Post-sale Usage—how do you help them capture the most value from the solution?*

Enlarge the Conversation: Expand Their Field of Awareness

Price shoppers are small thinkers. They oversimplify their needs and value-strip buying alternatives to the core-commodity, naked product. This means they settle for something just good enough to get by. Use the need-satisfaction model of selling to enlarge the conversation about their needs and solutions.

Ask questions that cause the buyer to think bigger.

- *Describe the full scope of this problem.*
- *Who all is affected by this problem?*
- *What is the full impact of this problem?*
- *How do you define value on this project?*
- *Beyond just design-build and construction, what do you need from us?*
- *What are your mission-critical issues for this project?*
- *What is your greatest concern on this project?*
- *How have you budgeted for this project?*

Present bigger solutions. Answer these questions.

- *Why this product?*
- *Why my company?*
- *Why me?*

TARGET ACCOUNT SELECTION

You begin the Value-Added Sales Process® by identifying and pursuing the right business for your company.

The Power of Discernment

This is knowing which business to **pursue** and which business to **avoid**.

Pursuing the Right Type of Business (Strategic Focus)

This means answer this question: *What is fundamentally good business for our company?* Here is a partial list of criteria for HVT accounts:

- Financially stable
- Net worth
- Innovative
- Differentiated
- Access to decision makers
- Customer needs parallel our value proposition
- Customer has a long-range view

Pursuing the Right Accounts (Tactical Focus)

On a tactical level, you must select prospects that fit the profile of good business.

DIFFERENTIATING

Differentiating makes it easier for the buyer to choose your solution over the competitor. Differentiating makes your solution jump out from the crowd. It's distancing yourself from the competition -- expanding the gap between you and other alternatives.

Product/Service Attributes	Company	Competitor A	Competitor B
Availability			
Packaging			
Customization			
Warranty			
Acquisition Price			
Quality			
Usage Cost			
Durability			
Performance			
Brand name			
Efficiency			
Safety			
Ergonomics			
Total Cost of Ownership			
Company Attributes			
Ease of doing business			
Reputation			
Technical support			
Terms			
Return policy			
Response times			
Engineering ability			
Post-sale support			
Inventory levels			
Salesperson Attributes			
Knowledgeable			
Follow-through			
Understand needs			
Problem-solving			
Accessible			
Integrity			
Organized			
Innovative			

VALUE REINFORCEMENT

No one gets the credit they deserve. They only get the credit they ask for.

Documentation

Put on paper the dollar value of your value-added to the customer.

- No-charge invoice
- Customer service response report
- Customer satisfaction surveys
- Warranty summary
- Project savings report
- Thank-you note recapping your value-added
- Punch list of activities
- Service level review
- Delivery performance report
- Quarterly/annual reviews
- Cost savings/profit impact report
- Customer testimonials

Value Reminding

"Positive bragging" is reminding customers of everything you do for them. Be sure to demonstrate the impact of your value on the customer's business.

Value Audit

Check on yourself often, either formally through customer satisfaction surveys, or informally with questions.