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The SalesPulse™



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The Monthly Sales Briefing for Directors Issue 46, December 2008

Dear %%Customer Name%%

DELIVERING MORE VALUE TO YOUR CUSTOMERS

Account Planning is one of a company's most valuable sales tools. Our approach to Account Planning is simple, focused and effective. To learn more click [here](#)

Our "guide to account planning" is attached. If you would like to know how we can help you deliver more customer value please [email](#) me

Quote of the month:

"The will to win means

In the current environment customers are looking for more for what they pay, and this is probably an understatement! Other than dropping prices there are ways by which you can bring that distinctive value that will let you maintain your margins. While dropping prices is an easy option it can have long term impacts on your business and importantly on your relationships with your customers. For example if you have always charged £10 for a "widget" and your customer says he has a quote for less than that and suddenly you can do it for £8, your customer may feel that you have been making excessive profits from them, which is potentially relationship damaging. Once you set your price at £8 that is the price at which you will trade forever; a classic lose lose situation. Of course you can argue that circumstances have changed and that your costs have reduced, but a reasonable response is "why has your price dropped now that I have got a competitive quote?" I am not saying that you should never drop your price rather it should be the last resort. If this is the case how can we generate more value for our customers?

First of all there is no silver bullet. Some companies sell commodity (price sensitive) products where differentiation is difficult, unless you are the lowest cost provider or your like for like product is superior. Others sell complex solutions where differentiation is possible but that may not drive customer value. For example IT outsourcing can be complex and there are different ways of achieving it, but a primary driver for this type of service is cost. Having said there is no easy answer but the best way to deliver value that we know is through customer intimacy, but what is a customer intimate company. We picked up this definition from the web;

"Customer-intimate companies bring an entirely fresh perspective. They discover unsuspected problems, detect unrealized potential, and create a dynamic synergy with customers. They often merge their operations with those of their customers. In the integration of their operations, suppliers become more than merely useful: They become indispensable".

nothing without the will to prepare"

Juma Ikangaa

KoruTips™

"Failing to plan is planning to fail"

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Steve Rowe
Email me your comments



*Sell More, Sell Better
and Sell Faster*



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the sales improvement people

We use a simpler definition and that is **"to understand your customer's business better than they do"**. Understanding in detail the needs, wants, people and drivers of a customer's business allows you to thoroughly plan your sales activity, optimise your sales resource, and take proactive solutions to your customers that can win you business. This is why we are such strong advocates of account planning. Account planning is at the heart of customer intimacy.

Returning to the "widget" example above, this is a classic case of reactive selling as it is the customer who has been proactive by going to the market to find better value. If you had said "Having looked at your historic demand and current trading we estimate that in the next three months you will need 10,000 widgets which you can call off when you need them thus reducing your inventory and working capital" you will stand a much better chance of retaining your £10 price because you have added value to your customer by reducing their true cost of acquisition, and they would probably not have gone to the market for alternative quotes. **Only by understanding your customer's business and planning your approach will deliver more value.**

Regards

Steve

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