

Good day,

Please find below an article from Norm Roth, a leading Sales Consultant, dealing with the need to clearly communicate and demonstrate a value proposition in order to effectively grow great increases in sales.

Regards,

Mike Sawchuk

I've maintained the value the sales team brings to the customer is the most under-appreciated, yet most differentiated and sustainable aspects of a value proposition. Sales people don't get it, consequently don't get their customers to appreciate and "buy it."

Great sales people bring tremendous value to their customers. This value has the potential to surpass any discount or cheaper pricing a competitor can propose. Great sales people bring ideas about how the customer can more effectively achieve their goals, execute their strategies, or exploit new opportunities. This difference, over the period of the relationship can mean thousands or millions of dollars to the customer. Great sales people recognize this and make sure their customers understand what they are worth.

Let me illustrate this with a story. A long time ago, way back in the days of mainframe computers, I sold a \$20M computer system for 1 second. That is, I proposed a new system to improve response time in an online application by 1 second. It sounds like a little, but when examined across all the online operators and transactions, this unbudgeted \$20M investment had less than a 6 month payback.

My customer didn't have budget for this, but they immediately went to the CEO to get approval. My customer didn't go out for competitive bids, though my competition could have come in several million less than my \$20M proposal. They wouldn't even think of that as my team was worth much more than the few millions they might have saved with a competitor.

All the competitor could do was sell compatible systems at a cheaper price than we could. We brought the customer ideas and new methods for improving the business. In this case, for a \$20M investment and a payback of less than six months, we created an opportunity that was worth more than \$40M to them. No customer in their right mind would ever trade off \$40M for a small price savings.

It was our team's job to do this every day with our customer. We worked with them, analyzed operations, found new opportunities, created \$10s of millions every year in opportunities. The competition had a different strategy - they just offered good product (sometimes technologically superior to ours) at a cheaper price. But they weren't giving the customer what we were - opportunities to grow their business, opportunities for them to make millions.

Our team - myself, my sales partners, and our pre-sales people - were literally worth \$10s of millions to the customer.

How much are you worth to your customer? If you are competing on price, you are only worth the money you save the customer over the alternatives. In today's competitive world, that's pretty small. If you are competing on the basis of helping your customer run their businesses better (helping them deliver a clean, Green, sustainable facility at the lowest cost), address new opportunities, and grow, then you are worth many times more than price differential a competitor might provide.

How much are you worth? Does your customer know? If they don't, you are missing a tremendous opportunity!

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