

“INSIGHT”. The key to sustainable customer relationships.

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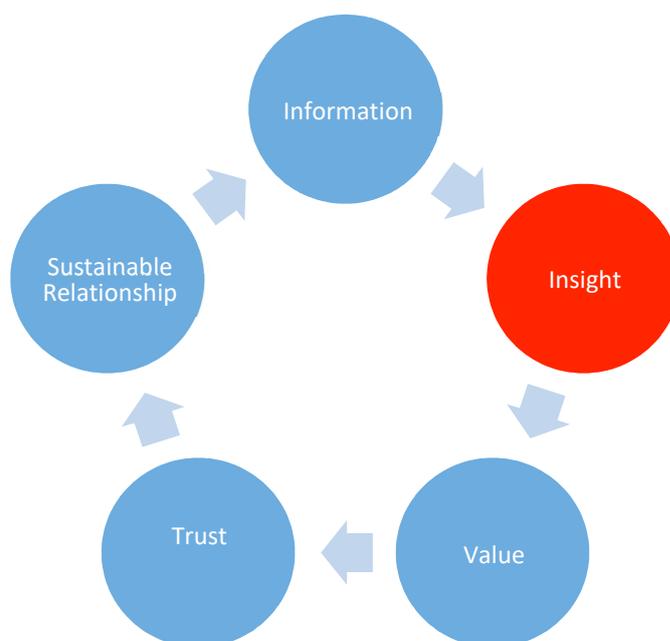
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The need for customer centricity to achieve business success in 2018 is generally accepted. Ranjay Gulaty, professor of Business Administration at Harvard Business School, stated, in the Harvard Business Review (April 2010)¹: “It will be difficult to find a CEO who would tell you that his company is not yet customer centred”. However, Gulaty immediately adds that “this is exactly where mass delusion begins for most companies.

Customer centred organisations build their customer relationships from the vision and reality of the customer. This means they develop “insight” in the customer, his organisation, his business, his value chain, his strategies, his position etc. This is achievable through a high degree of empathy with the customer at all levels of your organisation. A customer centred sales organisation forms an indispensable link for his game.

In a customer centred organisation the starting point is the process of the customer and the goal a sustainable profitable relationship with the customer. This means that the relationship in and of itself, as well as the Customer Life Time Value (CLTV) are key issues. Developing insight in the customer’s organisation is a core competence of any commercial organisation. From a sales point of view, the question is how sales can contribute to the development of sustainable customer relationships.

The model used next is inspired by the model of Acclivus Corporation² and it shows the building blocks which form a sustainable relationship, a relationship that can be influenced by sales people.



¹ <https://hbr.org/2010/01/creating-a-customercentric-bus>

² www.acclivus.com

The model is fairly self-explanatory. It can be universally applied through the sales organisation, but it applies to the sales manager and the sales crew as well. The degree to which a commercial team can turn information into “insight” and “insight” into “customer value” will be essential to the established of trust within the relationship. This trust is required in order to receive and gain information. The three essential building blocks of the cycle are: information, insight and customer value.

Focusing on this cycle will automatically lead a company to more opportunities. Once a customer sees you as a trusted party, he will inform the company of any opportunities or he will ask the opinion of the company for solving problems, among others. This opinion asking is independent from whether the customer thinks the company can provide a solution or not. It is simply a show of established trust. The company’s insight, then, will enable it to see issues, problems and identify opportunities concerning its customers.

Many leaders in sales development theories, such as Neil Rackham (SPIN- selling theory) or Miller Heiman (Strategic selling theory) point out the importance for a company to develop one or more sponsors (“champions”) in a customer’s organisation. Champions are people in the customer organisation who are prepared to supply you with the information you need.

How to develop these relationships within an account is a question frequently asked during my courses on account management and opportunity management. The answer is: applying the cycle mentioned above automatically leads to the development of such relationships. Of course, gaining a champion and establishing new relationships doesn’t happen overnight, as opposed to losing a potential sponsor or champion.

Acclivus defines insight as “looking beyond the obvious”³. Being able to gain access to such extensive information from the customer, especially concerning those areas where customers struggle to find solutions, should therefore be a core competence of the company’s commercial team. They should develop interviewing strategies and methods that give them access to information. This information allows the organisation an in-depth understanding of the goals, the problems and the implications of the customer as an organisation. A commercial team with this kind of information can influence the purchase of products and services by the customer at as much levels as possible.

We developed our own interviewing strategy to support such an in-depth interview: the GCIV® approach. GCIV® stands for: Goals, Challenges, Implications and Value. The basic idea is that the organisation should understand the goals of the customer both at an organisational level as well as at a personal level. If an organisation contributes to the achievement of the customer’s goals better than the customer’s alternatives, this generates an added value.

Once the organisation has identified a goal, it can identify the challenges the customer perceives to achieve that goal. Possibly, the organisation can identify other issues than the customer does. At such a moment, the organisation is actually the one providing insight to the customer, which is practically always perceived as valuable by the contact person.

Understanding the implications of a problem allows the organisation to understand the importance of solving that problem and it gives an idea of where the organisation can deliver the most value. For more information concerning the GCIV® approach, I kindly refer you to my paper on the subject, which you can find on my website: www.petercoeckelbergh.be .

³ www.acclivus.com

I am convinced that each salesperson nowadays applies this model, every single day. The key question to ask is: do they snorkel, or do they scuba dive? It is not a question of whether or not an organisation applies this principle, but to which degree it is applied. Does the organisation's commercial team develop relationships in such a depth that it can actually make a difference?

A critical issue for many organisations these days is not to train the individual salesperson, but how to assure that all intermediaries of the customer share the information collected by the commercial teams. Assuring that this information share happens is an important role for Key Account Managers. Unfortunately, this role is often overlooked. Again, for more information on this subject, I kindly refer you to my website, where you will find a paper on Key Account Management. In there, I also developed a methodology that helps to get an overview of what information you have, about your customer and what information you don't have.

Altogether, what is mentioned above may seem like obvious information. In reality, however, it is an extremely complex matter. Exactly this complexity is what grants the organisation so many opportunities. The deeper one digs, the more value one can identify for the customer, and the more competitive advantage one gets. It is not only applicable to the relationship between organisations. It is even more true for the relationship between people involved in the buying process. The organisation's commercial team should become part of the product or service and this way become valuable for as much as possible by buying influence.

The more people are involved directly or indirectly in the buying process, the more complex this "game" becomes. The organisation needs to gain insight in what is valuable for buying as much influence as possible, even influence of customers the commercial staff may never have met. Very often these are the final decision makers. In-depth discussions with those people who are in favour of the organisation should help to complete the picture. You will notice that in this document I never speak about selling process. That is because we believe that the role of a salesperson is to facilitate the customer in their buying process. On my website, you can find more information on this subject in the paper "How to use the buying process to sell more".

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