

Book Review

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“WHAT THE CUSTOMER WANTS YOU TO KNOW”

How everybody needs to think differently about sales

Author: Ram Charan

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About the Author

Ram Charan, a business guru is a world-renowned advisor to business leaders and corporate boards, a best-selling author, and an award-winning teacher. He is known for his keen insights into business problems and his real-world practicality in solving them. For nearly four decades, Ram has advised some of the world's most successful business leaders on far-ranging issues, from corporate governance and CEO selection to changing corporate culture at companies like General Electric, Verizon, Dupont, and Colgate. His solutions are highly pragmatic, largely because of his field research approach, observing real-life actions and extracting what works.

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BRIEF REVIEW OF THE BOOK

Ram Charan, the author has explained the steps involved in Value creation selling in a very prodigious way. He has taken the narration so well that every reader must understand the flow of the book and the meaning involved in it. It explains the transformation of the Traditional sales method to a Value creation selling method by giving an enormous example of companies' ideologies and salespersons' adaptability in a new approach.

After implementing the value creation selling, how sales transition happens, and how the company is successful in the market, stay ahead of the competitors and long-term trusted partner for their customers.

1) Problem with sales

The author has explained how the salesperson was eager to get the order when he tried a lot to make that happen and he had been anticipating that order for a long time, but suddenly when he came to know he lost that order even though he had a known contact at the

customer's company. But his all efforts vanished in the water and he lost the big order. Here the author explains what went wrong in the conversion. The competitor company has used the new modern method of value creation selling. The author says that the traditional method of selling is depleted.

Earlier the salesperson only intermediate between vendor and customer, the price was the only factor. But now in the modern era competitors have increased and a customer wants more and expects more in all corners. As a seller company, they need to know the customer insights, their business methods, financial benefits, Returns, competitors, and their customer's customer and end-user requirements. As a salesperson, he must align all his particular departments such as finance, legal, supply chain, Purchase, and Manufacturing employees with the customer company employees to know their requirements. So then only seller companies understand much better about the customer and they can be able to add value to the selling process.

2) Fixing the Broken Sales Process

After the company lost the order, the CEO realized where they lost the order and found that they were still following the old method of selling and had not upgraded to the new modern method. Here the author explained that when the salespeople are in contact with only the Purchase department in the customer company. But the decision-makers are beyond that level, so the salespeople should get training to develop their skills to reach beyond the real decision-makers in customers' companies and they should be involved in all the processes of design, manufacturing, and cost analysis process because they are the front people to face and know the customer requirements. The most important is what salespeople are leaving in the customer's place and how they create value and benefits for the customer.

3) How to become your customer's trusted partner

Sturgis CEO decided to follow a new method, he thought it should be a customer-centric process that is called Value creation selling. Adapting and implementing the new process requires information about the customer in depth to make any decisions and changes.

To become a customer-trusted partner, the company should know the customer's set of opportunities and the anatomy of competitive dynamics. They should

know about the customer's competitors, the decision structure of the customer, and the customer's company culture, Values, Goals, and Priorities. The customer information that is shared with his vendor is the responsibility to protect and is the key to trust.

4) The Value Account Plan (VAP)

For Value creation selling, the seller company must prepare the Value Account plan, that defines the value proposition and the business benefits the customer can expect. The Value Account plan has both Quantitative measures such as cost reduction, revenue growth, and cash flow improvement, and Qualitative measures such as sustainable market share and brand image. So, the VAP provides a roadmap to make the translation and is the central tool for this new approach to selling. In creating a Value account plan the seller should know customer snapshots like information, and customer business methods. In terms of creating that, salespeople should act as Team leaders, make social relationships between the selling organization and customers, and ensure that people talk often and openly.

The VAP is made to determine the Total Value of ownership that states what the customers gain if they opt for the plan or what they lose if they oppose it. Here salespeople should be ready with the customer needs and give resolution to the problems they face, which should be stated in the VAP. Here the author has given an example of MeadWestvaco company, how they created VAP and help their customers by knowing the issues and giving the solution of new technology.

5) Developing the value creation Salesforce

For developing Value creation selling, the sales team should be more precise, skilled, and Personal attributes to understand and execute the new approach. The sales team must be enthusiastic about the transformation. The right staff will be encouraged to adopt and the company should hire a person who is ready to adapt to new methods.

The sales team should be ready to conceptualize problems and solutions, they should have the tenacity to understand the type and depth of the customer. The difficult part in VCS is salespeople should act as business acumen for the customer. To achieve the VCS successfully, the training should be from the top level, so they should guide the people who work below them.

There were some metrics and mechanisms to measure the VCS strategy, the salespeople should know the customer's wallet, benefits, trust, Internal collaboration, certification, and Idea generation. so that the company will come to know how much they implemented and followed the VCS strategy.

6) Making the Sale

After many months of introducing a new approach, Sturgis felt that they had adopted the VCS method successfully and the salespeople were certified with value creation selling. Their approach towards the customer is completely different, they are now more focused on value-based questions and the deep insights of the customer company to understand much better. They are ready to present in front of the customer by giving not only a simple presentation but how Sturgis will create benefits and values for their customer, so that the price will come at last in the customer's mind, but the customer will have little doubt on that process, but the seller must be trustworthy to follow what they promised.

7) Sustaining the Process

After Sturgis made a successful way by adopting VCS, sustaining that process is very important for any organization, and top management should follow that. Otherwise, it will fade out. VCS required a major shift in people's mental orientation. CEO should tackle the team performance in VCS from the top level to the bottom level to sustain the process.

VCS is a team selling process, so the sales team must align with all other departments to make it successful and build credibility within the organization, all the departments should work under one theme to achieve the goal of the company. Reviews are the most noticeable part of VCS, reviews from the customer give brief ideas about their insights and expectations.

Of course, VCS is a time-consuming and money-burned process, it should require a lot more things like training, skill development, and more people to be involved in the process compared to the old traditional method, but VCS builds trust with the customer and long-term relationship. So, VCS is a process to run the business successfully and to stay ahead of the competitors.

8) Taking Value creation selling to the Next Level

After Sturgis was successful, many companies approached the CEO to join hands with them, to take

value-creation selling to the next level by adopting new technologies. The CEO of Sturgis has even attended one of the company meetings, in that he understands how technology should be indulged in VCS and how the customer will benefit from that. The CEO noticed and pointed out that a customer summit is a good idea so that both seller and customer meet at a venue and share their insights and developments about the future.

CONCLUSION

The Author has tremendously done his work on explaining the Value creation selling method. He briefly explained the steps involved in the Value-creation selling that is required for the modern age. Author has mentioned the sales process is not only meant for the salespeople, but it requires involvement from all the departments like finance, legal and marketing, technology, and manufacturing. So, all departments should be part of the sales process in making social contact with the customer employees. In doing those salespeople should act as team leaders to frontend the process. They should be trained for the VCS method to adapt and implement.

Value creation selling (VCS) gives the seller company and customer company both will be beneficial, it will create trust, long-term bonding, and value-based product selling. So when the company makes profit and revenues, their employees will be more beneficiaries and welfare of the society.

The PowerPoint presentation of this book review can be viewed/ downloaded from [here](#)