The business challenges faced by executives today are more varied and complex than ever before. As they emerge from the economic downturn, many companies are looking to realize top-line revenue growth without taking on fixed costs. How can we cut product launch-time to get new products on shelves faster? How can we build and expand hospitals that deliver world-class health care at a reasonable cost? How can we integrate our field, web, and telesales channels to increase charge-card adoption and usage?

Often, there are no clear-cut answers for the customer executive. The best response to a complex challenge might involve a myriad of things: process changes, outsourcing, technology, new marketing campaigns, people development and training, and so on. Implementing any of these things would require investments of time, money, and resources. Wanting to avoid making big bets—and risking costly mistakes—the executive needs proof that one course of action makes the most sense before proceeding with it.

In markets and selling environments such as today's, the solutions provider has a tremendous opportunity to serve the customer by leading with ideas and providing thought leadership throughout the selling process. Customers value the ideas that a solutions provider brings to the table to the extent that these ideas address significant opportunities or problems they face. As the solutions provider moves higher in the customer organization, the importance of compelling ideas becomes even greater.

The challenge for sellers is significant. Senior executives are looking for more than just “your answer.” They are focused on the impact you can bring—not on the features and functions of the solution. In carpentry terms, customers are interested in the hole, not in the drill.

In addition, busy executives may not want to spend meeting time simply answering questions about their business. Their calendars are tight: Why should they spend their time educating you?

Today's solutions providers are borrowing a successful approach from management consulting firms seeking to sell higher in the organization. We call this approach point of view. It involves four stages of starting and growing a client relationship:

One way to think about point of view selling is to consider the customer's purchasing-decision process. (See the model at the top left of the following page.) Senior executives focus on the “why” question first: Why is this idea relevant to our business? To what extent are the idea and the solution(s) going to impact our performance? Is this a $50 million opportunity or a $50 opportunity?

The second key question is “how?” The buying executive, who has been persuaded that this is a significant idea, now needs to know the various alternatives that her company should consider if it is to realize improvement. She needs to believe that her organization can implement the alternatives. For instance, she needs to know whether
the “right” answer might involve process change, technology implementation, outsourcing, or training—or some combination of these.

Having explored the alternatives that answer the “how” question, the executive is now ready to decide “who” can deliver the right solution. Can the internal resources of the executive’s company act on the opportunity, or must the executive turn to an outside partner, and, if so, which partner?

When engaging a senior executive, your job is to begin with the “why” question, persuading him or her with education and dialogue that your point of view is worth pursuing. By first guiding the customer’s thinking about the value of the opportunity and concrete ways to pursue it, you establish a very early and highly influential position in the eventual purchase decision. This dramatically increases your chances of winning the deal when the customer is ready to decide on “who” can deliver the right solution.

Getting in early and guiding the customer’s decision is more critical than ever. With the proliferation of information on the Internet today, customers do a significant amount of research and due diligence on their own. A recent study by the Corporate Executive Board looked at customers’ purchasing-decision timelines. CEB’s findings showed that, on average, customers had moved 57 percent of the way through the timeline before they made first contact with their supplier.

In doing due diligence research, customers are determining their business case and their needs—that is, they are answering the “why” and “how” questions themselves. Vendors are left to compete on little more than price, often in an arm’s-length RFP process.

The point of view selling approach guides the customer through considering the three questions of the purchase-decision process by managing three stages of engagement with the customer:

- **Develop a Point of View.** Salespeople, and others assigned by the selling organization, generate insight for the customer on how to capture new business value or manage a looming risk by combining their knowledge of a customer’s business and industry with their own organization’s capabilities and experience. By introducing new information and/or a new framework for thinking about how to directly affect one or more of the customer’s business value drivers, the customer learns something that he or she may not have been aware of or may not have fully understood.

- **Provoke Interest.** Salespeople meet with a senior-level decision maker to succinctly and compellingly present their point of view on new value capture. They educate their customer and guide her to consider the significance of the point of view. If the customer agrees the point of view represents significant new value, the salesperson suggests a method to validate the idea within the customer’s business before offering a specific solution.

- **Catalyze Decisions.** The implementation of a point of view can be complex and may require significant customer investment and effort. And since the solution to a point of view often involves elements the customer may not be deeply familiar with, the salesperson can and should help the customer navigate such a complex decision. Prior to presenting a detailed proposal for a solution, the skillful salesperson leverages his or her position as an expert advisor to guide the customer in developing a framework for decision making—including the right stakeholders, considering viable alternatives, and selecting decision criteria. By jointly creating a decision framework with the customer the salesperson enables the customer, to more confidently evaluate and act on the point of view.
Points of view can derive from a number of sources:

Note that, in some organizations, a separate internal unit takes responsibility for gathering ideas and developing points of view. Other organizations take a collaborative approach, across functional units, to articulate ideas and solutions.

Let’s look at a couple of companies that have put point of view selling into practice:

In the 1990s, IBM transformed its go-to-market approach from selling hardware to selling services that “pulled through” hardware over the course of the customer engagement. This sales transformation, which began in the tenure of Lou Gerstner, turned around the performance and perception of IBM. Once a money-losing dinosaur, it was now the world’s largest provider of computer software, services, and hardware.

An example of IBM’s point of view selling approach can be seen in its go-to-market strategy for solutions focused on radio-frequency identification (RFID) technology. Rather than leading sales conversations with a description of RFID’s features and benefits, IBM’s Global Business Services group starts with a customer problem or opportunity. For example, in Europe, Global Business Services cites the challenges and costs of counterfeit shipping containers to wholesale distributors. The problem results in significant lost revenue and excessive maintenance costs; an RFID-based solution might be an approach to solving it. Now that is a story a distributor company COO might be interested in exploring—as opposed to discussing the RFID technology itself. Interestingly, hardware sales per rep at IBM have doubled since the early 1990s, when hardware was the company’s primary offering in the market.

In 2001, GE Healthcare created its Performance Solutions group to sell consulting services wrapped around the company’s traditional hardware offerings, such as MRI equipment. The company took this action in order to increase margins in the face of price pressure from government as well as managed health-care organizations.

The Performance Solutions group took a point of view selling approach to starting new customer conversations, for example, with COOs of newly built hospitals in the United Arab Emirates, who wrestle with bed-utilization rates as low as 20 percent. The typical strategy for combating this problem involves throwing money at it by making brick-and-mortar and technology investments. In engaging the COOs, the Performance Solutions team led with a new idea: low bed-utilization rates are a result of failing to focus on underlying clinical and administrative processes that deliver outstanding care and so drive patient satisfaction and loyalty. To address this issue, GE Healthcare often starts by delivering process improvement solutions (using Six Sigma and other methodologies)—before addressing core hospital technology solutions. U.A.E. hospitals, such as Sheikh Khalifa Medical Centre in Abu Dhabi, reported improvements in room utilization and productivity as a result of taking GE’s approach.

Point of View Selling Works for the Customer and for the Solution Provider

For the Customer

- Provides insight into my most important problems—or presents new opportunities I had not thought of
- Introduces a “thinking partner” to whom I can turn for advice—not another vendor trying to sell me something
- Reduces my risks as I choose an implementation partner

For the Solution Provider

- Helps me to sell higher in the organization
- Helps me gain customer insight and build customer intimacy
- Positions me as a business partner and trusted advisor—not just a vendor
- Enables me to price products and services at favorable price points; minimizes the time I spend in “RFP mode”

Point of view selling promises to significantly differentiate those who learn to apply it from their competitors. It can position them as trusted customer advisors and generate larger, more profitable deals. It is suitable for most commercial sales organizations in all kinds of companies around the world, from very young industries to the most mature ones, from hot innovators to so-called commodities suppliers. Point of view selling is a game-changer.
Endnotes

3. “Container Centralen: Fighting counterfeiting—and transforming an industry in the process.” IBM case study (http://tinyurl.com/63s7riv)
5. Sheikh Khalifa Medical Centre in Abu Dhabi, U.A.E. GE Healthcare customer testimonial (http://tinyurl.com/6gztso2)

Further Reading:
The Basis Group. “Thought Leadership Is the New Sales Pitch” (http://tinyurl.com/6etb6px)

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