



The end of solutions: What top executives expect in the era of business partnering

By Richard Hodge

president

The Real Learning Co.

and Lou Schachter

senior vice president

The Real Learning Co.

Imagine you are finally meeting with the c-level executive you have been trying for months to see. After greeting you and settling in, she leans back in her executive desk chair and turns off her Blackberry. She's ready to talk. You are well-prepared, and a great deal is riding on this conversation. How can you use the few minutes you have with her to maximize your position? How do you advance the account relationship? What can you do to stand out from your competition?

For four years we have sought answers to those questions by interviewing 96 corporate vice presidents and c-suite executives about their decision-making processes. We recently published a book detailing our findings.¹ The

interviewee list includes VPs at *Fortune* 500 companies in every sector along with execs from other slightly smaller companies. We also have talked to more than 100 strategic account managers and other salespeople in the course of our research.

Our main conclusion should not come as a surprise to in-the-field SAMs: The era of solution selling is coming to an end.

The notion of selling integrated solutions rather than point products has been so widely adopted that it no longer serves as a differentiator. Business leaders do not care about solutions as such. Customers in our research told us loud and clear: They seek account managers and salespeople

who can help them accelerate their business results.

"To provide value to me," a corporate president told us, "you've got to know the background of my company, what's important to us, our culture and what we're looking for to drive success in our business."

A chief medical officer at a health insurance company said, "You need to understand our business drivers to know why the value you are selling is relevant to us."

The CEO of a company in the paper business said, "The business drivers are levers on my ability to impact revenue, expenses and cash flow."

Executives want SAMs to help them deliver on their business goals faster. That's less about selling solutions and more about being a business partner. The pathway to a partnership begins with asking the right questions of executives and gaining knowledge of customers' businesses. It begins with understanding the mind of the customer. Let's look at how account managers at three companies – Symantec, UPS and Time Warner Retail – have moved beyond talking about solutions to pursue deeper business partnerships with their customers.

Symantec: The SAM and the engineer

It had just started to snow at LaGuardia Airport in New York City when a Symantec SAM and systems engineer arrived there after a training session. The snow kept coming, and the airport was shut down. The two salespeople decided to rent a car and drive to Baltimore to catch a flight to Atlanta for an important meeting. Unfortunately as they drove south they heard on the radio that another storm



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was approaching Baltimore. At that point they decided to drive the full 18 hours to Atlanta.

With a lot of time to talk on the road trip, their conversation turned to the upcoming meeting in Atlanta with a company that was one of their top five strategic channel partners. The pair had been frustrated by a series of prior meetings with the partner company's technical team and had worked for months to get a meeting with the chief technology officer. Their training session in New York had focused on aligning conversational topics with the interests of the specific person they were speaking to, and they were eager to apply what they had learned at the upcoming meeting with the CTO.

For strategic account teams at Symantec, maintaining top-of-mind presence with its critical channel partners is a key goal. As a world leader in computer security software, Symantec's products range from the Norton brand of consumer software to widely deployed enterprise platforms. Like other companies in its space, Symantec sells both directly and through channels. Its SAMs are paired with systems engineers who add technical expertise to the sales process. As they drove slowly in the snow along interstate highways, the pair realized that their approach with this client had focused too much on technical issues. They had not keyed into the client's value proposition.

While chatting in the car, they reviewed everything they knew about their partner's value proposition, and this changed their whole approach. First, they identified one of their offerings that would add significant value to the channel partner's relationships with its own customers. Next, they developed a series of high-impact questions that would allow them to explore the partner's value proposition during the meeting with the CTO. They also created a visual model they could draw on the spot to position themselves more strategically in the context of what the partner cared most about.

As they drove farther south the weather cleared, and at last they reached Atlanta. A day later it was time for their meeting with the CTO. When the meeting started, the CTO launched into a discussion about technical solutions, asking specific questions about Symantec's certifications program. The Symantec team held to its plan and gently redirected the conversation to broader topics. The salespeople used thoughtful questions to uncover the CTO's strategic direction and partnership approach. Suddenly the CTO's demeanor changed as he realized that this was a different type of meeting from those he was accustomed to.



For the Symantec team members, the meeting started to seem a lot like the conversations they had role-played during training in New York. The CTO was talking about *his* customers, *his* business challenges and *his* objectives. The Symantec team asked the CTO more questions about how his company goes to market. At last the CTO revealed the underlying business problem he was struggling with. The CTO thought his company's partners generally perceived his company's customers to be "point solution" purchasers. The CTO defined a point solution purchaser as one who buys one product at a time, often from different providers. Much to the CTO's

ongoing frustration, he continually spoke with account teams from partnering companies who just assumed that his customers were point solution buyers. As a result, he continually had conversations with service providers that went nowhere because they did not understand his customers. They did not grasp that most of the CTO's customers were integrated solution purchasers seeking to buy packages of products that work well together and integrate well with existing hardware and software.

The Symantec team now felt comfortable describing how its offerings would help the CTO's company respond to its customers' buying preferences. The discussion ranged beyond security issues to non-technology challenges, too. The CTO was impressed and invited the team back to review the Symantec product line in more detail. At that later meeting, Symantec displaced several competitors on the partner's vendor list. In addition, the CTO cleared the way for Symantec to assume a position as one of his company's three designated strategic partners for the upcoming year.

For the SAM and engineer at Symantec, the training in New York, snowstorm and long car ride gave them an opportunity to prepare for the meeting with the CTO in more detail and with greater clarity than they had ever experienced. In Atlanta they were fully ready to seek out and respond to the CTO's primary business concerns.

UPS: A one-to-one approach

UPS is the world's largest package delivery company and a leading global provider of specialized transportation and logistics services. Over the last few years it has transformed its relationships with its customers. As CEO Mike Eskew said recently, package delivery used to be a relatively simple business with regulated rates and simple service offerings. "Those days are gone," he said. "Long gone. The business model today is just the opposite. It's all about what the customer wants—and what the customer

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wants, the customer gets.”

UPS has adopted a new approach. “We call it being a ‘one-to-one’ business—a business that treats each customer, each package and each transaction as if it were the only one we have,” Eskew said.

That approach is more than a tagline. It has transformed the way SAMs and other salespeople at UPS interact with customers. SAMs are responsible for creating one-to-one linkages that bring the company into its customers’ business processes. This is achieved by integrating technology tools, creating and enhancing a broad product portfolio and leveraging UPS’ supply chain capabilities.

SAMs at UPS have become experts in their customers’ businesses. They have done that by mastering their customers’ supply chains. Everything from sourcing components through manufacturing and distribution to customers is included in the supply chain. Even the management of returns is critical. And the supply chain is not just about moving goods; it’s about distributing information and transferring funds, too. So SAMs at UPS now focus on more than a customer’s package delivery needs. They help companies synchronize their supply chains to reduce costs and increase revenues. That changes the nature of their sales discussions and the access they get to executives at their strategic accounts.

How do they do it? First, every SAM at UPS now is required to develop the skills to analyze and map his customers’ supply chains. By taking a broad view of all of a customer’s supply chain activities, SAMs find new operational efficiencies for the customer and new sales opportunities for UPS. Second, SAMs deploy the full range of UPS’ new capabilities. After a series of acquisitions, UPS now has one of the most powerful offering portfolios in the supply chain world. SAMs have become experts in everything from

warehouse consolidation to international trade compliance.

Finally and most importantly, SAMs address each business objective in partnership with the customer. Cookie-cutter approaches are not allowed. With SAMs’ intimate knowledge of customer supply chains, they analyze critical customer business processes and identify opportunities for synchronization. Choosing from their wide portfolio and significantly leveraging technology, they deploy customized approaches that markedly improve those business processes.

As the days of solution selling draw to a close, the SAMs at UPS are particularly well-positioned to lead the change to approaches that focus on accelerating the achievement of the customers’ desired business results.

Time Warner Retail: A B2C company gets into the information game

Time Warner Retail (TWR) supplies both Time Inc.-owned and client publications to supermarkets, drug stores, mass merchandisers, newsstands, airport terminals, convenience stores and other classes of trade. Among the magazines distributed are *People*, *Sports Illustrated*, *InStyle*, *Time*, *Consumer Reports*, *FHM* and the full line of Ziff Davis, Meredith and

Primedia magazines. SAMs and their equivalents at TWR call on major chains like Wal-Mart, Stores Inc., The Kroger Co. and CVS.

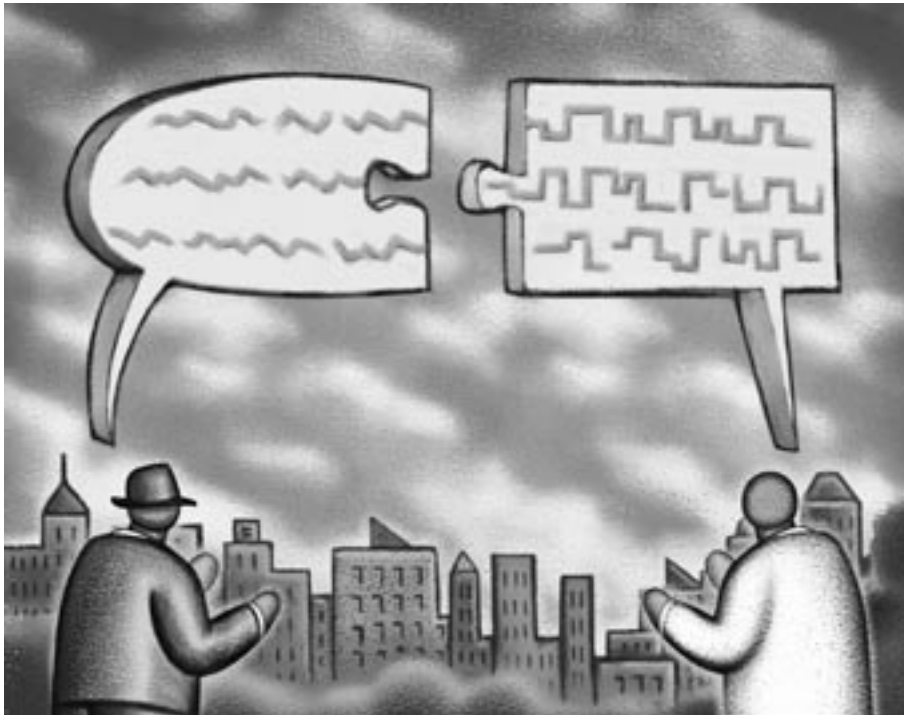
The job of TWR’s account teams is to negotiate prime display space for the magazine titles they represent. Like all companies in its market space, TWR offers promotions, racking systems, optimization software and other tools to its customers. Display space near cash registers is limited, and the increasing use of self-checkout technology has made the job much harder. This spurred Time Warner to implement a more information-based approach to selling.

The SAMs at TWR review investor presentations that are now publicly available on corporate Web sites as a result of the Sarbanes-Oxley laws, and that’s not all that’s available. A wealth of information on customer companies is on the Internet to be studied and utilized by SAMs. (See Figure 1.) TWR’s account managers examine the reports of Wall Street analysts covering TWR’s customers’ companies, and then TWR does its own analysis. A typical 10-Q report can be a hundred pages long and displayed in a font that will send you out for your first pair of reading glasses. The trick is to laser in on the numbers that really matter. TWR identifies at

Figure 1. Sleuth: Probing a customer’s strategic focus

| Resource | What to explore | |
|----------------------------------|--|--|
| Annual report | <ul style="list-style-type: none"> • Letter to shareholders • Year in review | <ul style="list-style-type: none"> • Management’s discussion and analysis |
| 10-K | <ul style="list-style-type: none"> • Overview / business • Outlook | <ul style="list-style-type: none"> • Management’s discussion and analysis |
| 10-Q | <ul style="list-style-type: none"> • Outlook | <ul style="list-style-type: none"> • Management’s discussion and analysis |
| Presentations to analysts | <ul style="list-style-type: none"> • Strategy, goals, objectives | |
| News stories | <ul style="list-style-type: none"> • Quotes from executives • Quotes from analysts | <ul style="list-style-type: none"> • References to corporate strategy |
| Press releases | <ul style="list-style-type: none"> • Quotes from executives | <ul style="list-style-type: none"> • References to corporate strategy |
| Analyst reports | <ul style="list-style-type: none"> • Highlights • Analysts | <ul style="list-style-type: none"> • Strategy, goals, objectives • Forecasts |

Source: The Real Learning Co.



THE WAY TO A PARTNERSHIP INVOLVES ASKING EXECUTIVES THE RIGHT QUESTIONS.

least four critical financial benchmarks for the retail industry: same store sales, gross margin, inventory, and return on net assets.

The outcome of TWR's work is a heightened focus on where customers are not meeting their financial goals or where they are behind industry averages on the key benchmarks. Next, TWR evaluates how each of its offerings could bring value to customers by improving their financial performance. The account teams quantify the value each of its offerings provides. But this isn't some dense ROI analysis. Instead TWR creates selling tools it can customize on the spot during a meeting with a customer executive. Rather than making general assumptions, the SAMs insert the customer's own numbers.

TWR articulates how the offering will impact the financial benchmarks most important to that customer, and its account managers do all of this

without using Microsoft PowerPoint or convoluted ROI reports. This new focus on their customers' financial performance and the new selling style that accompanies it are

changing TWR's relationships with its customers. These tactical and strategic discussions are opening up new access into TWR's customers' executive suites.

Conclusion


To most SAMs, it is no secret that solution selling has been eclipsed by a new approach. Because of their unique customer base, SAMs have been the first to notice this new trend and adopt the new mindset. Some strategic account teams are well ahead of the game, significantly changing their approach to customers. The winning SAMs do these things exceedingly well:

- They evaluate their customers' quarterly financial reports and quantify the impact their solutions will have on the numbers each customer cares about most.
- They transform sales meetings with executives by shifting from

presentations about their own value proposition to conversations about how their solution will improve the customers' value proposition.

- They customize offerings that enhance the productivity of customers' unique business processes.

We have found that it all begins with asking good questions. In their meetings with executives, SAMs must begin by querying executives on business issues, and these cannot be questions that the SAM can have answered elsewhere. They must be thoughtful inquiries that spur the executive to think in new ways. World-class SAMs use the questions they ask during the first few minutes to demonstrate their understanding of the customer's customers, products, value proposition and needs. These leading SAMs begin to demonstrate the ability to meet those needs, often by quickly referencing successes in similar situations.

SAMs who can demonstrate how their solution impacts business drivers are the most sought-after people among executives. They are seen and treated as an important resource and not a disruption. The phrase "consultative selling" has been bandied about for a decade. But account managers must go beyond consultation. Consultants give advice. What executives at strategic accounts want today is not advice—they want business results. 

Richard Hodge is president and Lou Schachter is senior vice president at The Real Learning Co. (www.reallearning.com), a sales training firm based in Scottsdale, Ariz. Hodge can be reached at 800-500-0024, and Schachter can be reached at 212-203-2230 or lous@reallearning.com.

¹ Richard Hodge and Lou Schachter, *The Mind of the Customer* (McGraw-Hill, 2006).