



Kyboko

IMPROVING BUSINESS
DEVELOPMENT

Selling innovations and innovative selling

General Managers Meeting

October 2010

What did you choose for your PC...?

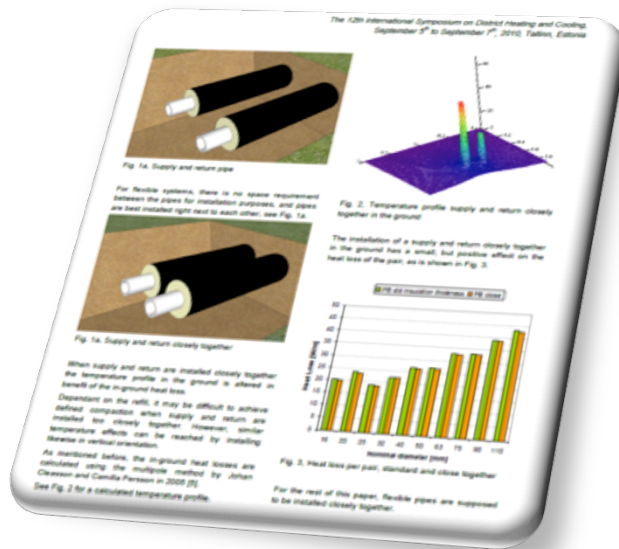


Why...?

What customers choose...



... is not about inside ...



... but about benefits

Conclusions

Flexalen FlexaLink – the cost efficient and safe Solution:

- Reducing the installed cost up to 30%
- Increasing the speed of installation 4-5 times
- Reducing disturbance for neighbourhoods

Confirmed by practical experiences in NL



Confirmed by practical experiences in NL

Different users, different needs



Also for you



Different customers...

End user (e.g. hotel manager)

Owner of real estate
(e.g. municipality)

Wholesaler

Installer

... have different needs, for example

Lower energy bill

Lower cost of installation and
maintenance

High margins, ease of selling

Training, advise, speed of installation

Different needs, different solutions



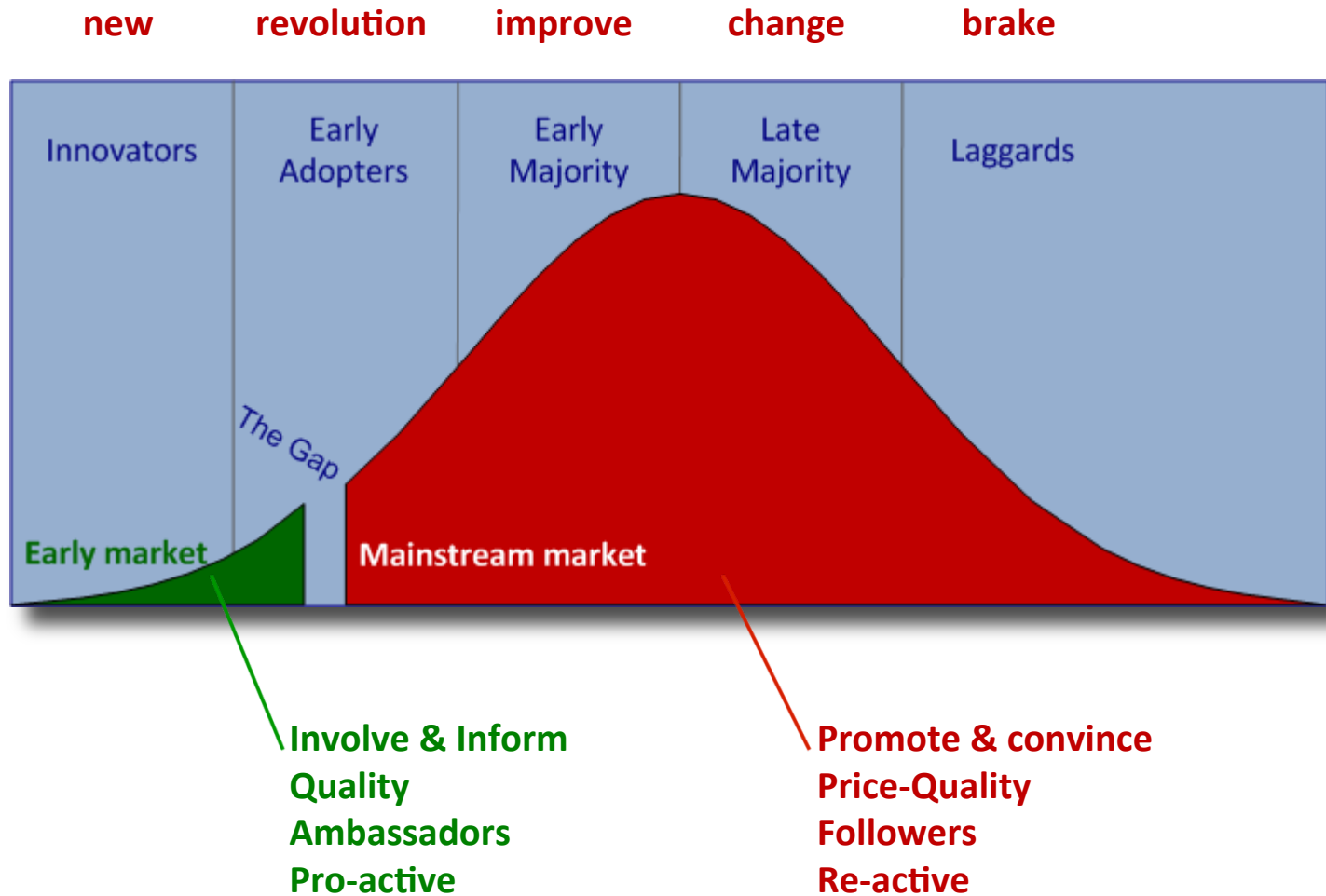
Needs do not change...

... but solutions DO !



Different reactions to change..

Innovation adoption life cycle



Not all markets are equal



They go through phases over time

Unaware of opportunity/problem

Aware of opportunity/problem
but unaware of solutions

Aware of solutions

Need for a solution

Selection of solution

Example

“Finance called about our energy bill being higher than last year”

“Our isolation is rubbish, we loose too much heat”

“I have read this article on reducing waste heat from Nuon”

“Can Nuon help us cut our energyspendings?”

“Nuon advised us Let’s meet them”

Different **phases** need different **approach**



The phases over time

Unaware of opportunity/problem

Aware of opportunity/problem & unaware of solutions

Aware of solutions

Need for a solution

Selection of solution

Possible approach

General information on waste heat (facts & figures)

What does waste heat do to energy consumption and energy costs? (business perspective)

General information on methods & technologies to reduce waste heat

Specific information on how waste heat reduction can affect bottom-line results

Product specifications and -advantages

If you want to sell innovative solutions



Identify

- Problem/opportunity
- The owner
 - Adoption phase?
- The decision making process
- The decision making unit



Assist in their buying process

- Tailor made
- Reducing buying risk
- Benefits instead of features
- Comparison to current solution



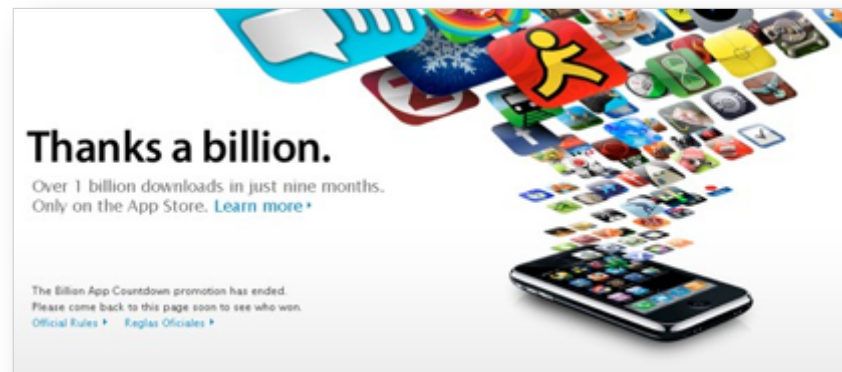
Example: I-pad



Competing with ...?



Market introduction



Extra challenge

Complexity of

- Decision Making Unit
- Decision Making process



Example Copying Machines

Product type	Printer
	Printer/scanner
	Printer/scanner/copier
Segments	Government
	Regional
	National
	International
DMU	CFO
	CIO
	Facility manager
	Employees



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Product Market Combinations

Different commercial approach for every combination !

Value chain for each PMC



**48
PMCs**

DMU's

Knowledge - Attitude - Behaviour

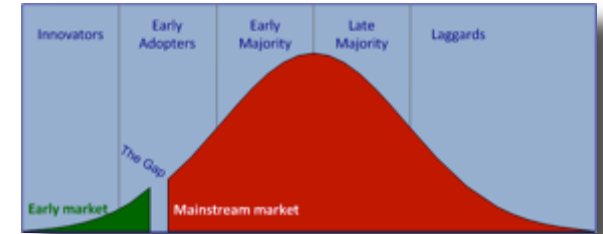


Alternatives - Competition - Regulation

Segmented Sales & Marketing approach













- Know the customer
 - Which PMC?
 - Which phase in innovation adaption?
 - What is their opportunity / problem?
 - How can DMU/DMP be influenced?
- Develop targeted approach
 - Messages & Media
 - Relationship & Ambassadors
 - Solution & Sales



Example: Microsoft Office

Segmented on user needs

	 Office Home and Student¹ <i>Managing home and homework just got easier</i> Buy now	 Office Home and Business <i>The freedom to do it all, virtually anywhere work happens</i> Buy now	 Office Professional <i>Best-in-class tools to grow your business</i> Buy now
 Word 2010 Transform your ideas into professional-looking documents.	✓	✓	✓
 Excel 2010 Achieve valuable insights with powerful analysis tools.	✓	✓	✓
 PowerPoint 2010 Turn your ideas into impactful presentations.	✓	✓	✓
 OneNote 2010 Collect your information in one easy-to-find place.	✓	✓	✓
 Outlook 2010 Stay connected to your world with our most up-to-date e-mail and calendar tools.		✓	✓
 Access 2010 Track and report important information with easy-to-use database tools.			✓
 Publisher 2010 Create professional-quality publications and marketing materials.			✓

2nd Challenge - Internal

How to copy succes
from country A to country B



How to translate
(fundamental) research studies
to commercial succes

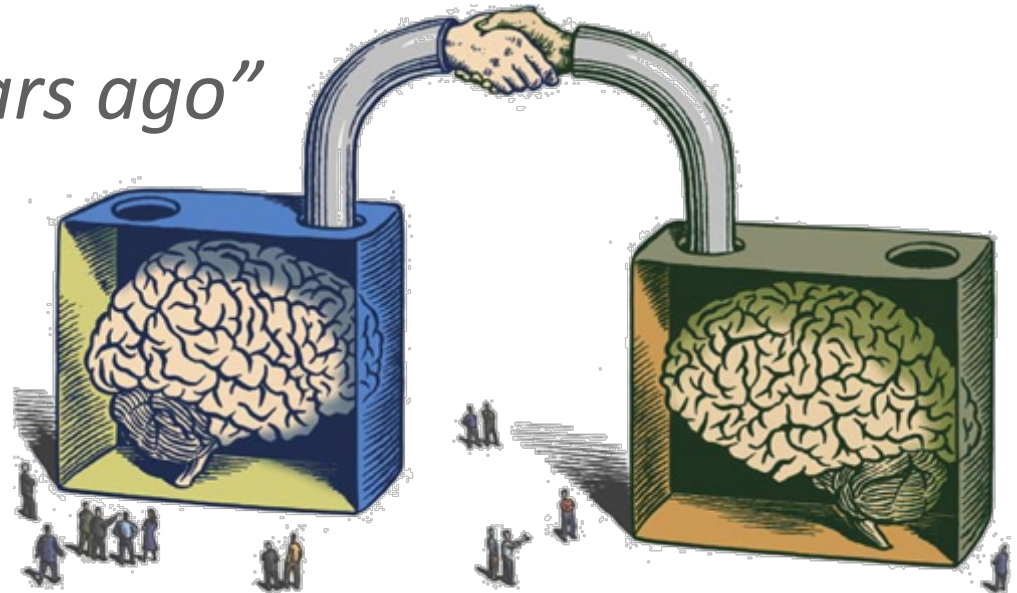
Not invented here

“That will not work in our market”

“Our customers are different”

“Our business culture will not accept this”

“We tried that 5 years ago”



How to put **vision** into €€€?

How to develop solutions marketing for you

Sustainable solution: People



People x Process = Performance

- People want to be part of / contribute to success
- Provide guidance & training
- Give them room & responsibility
- They will share & multiply successes

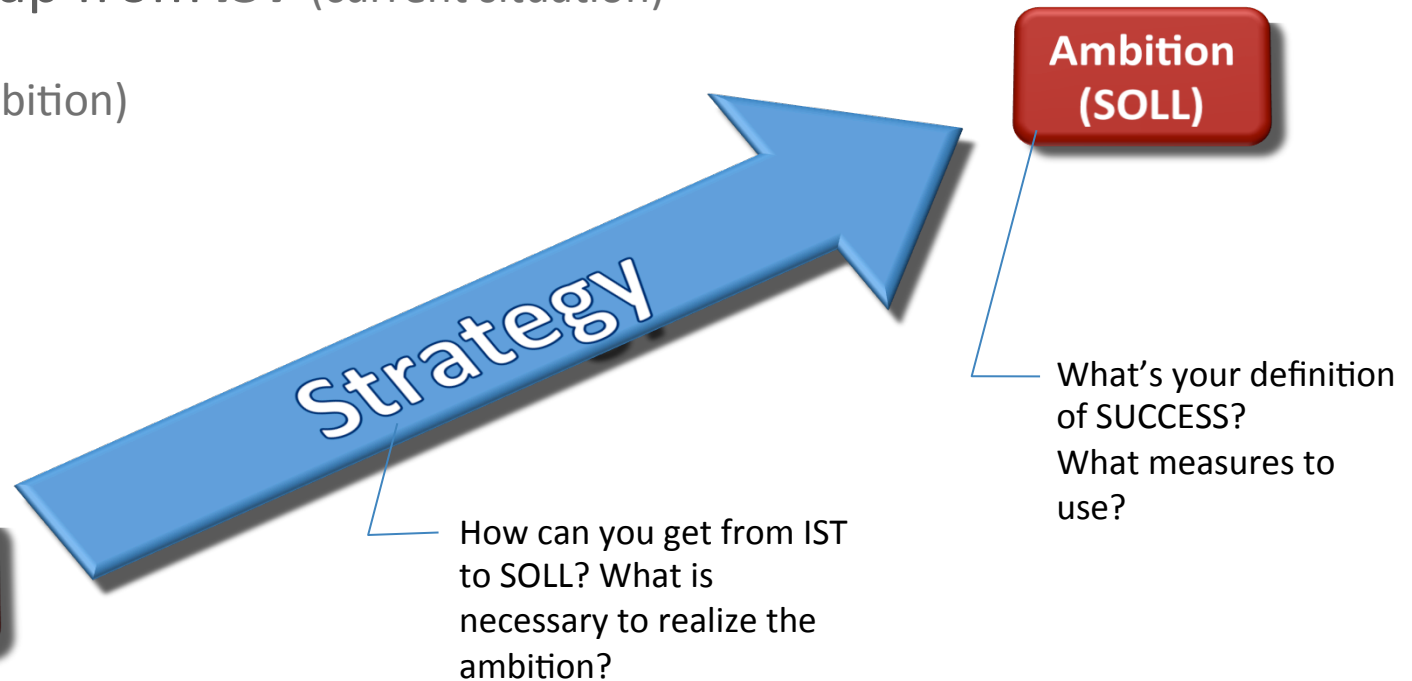


Mindset

- Don't look to differences, look to similarities
- Share customer problems first, solutions will follow
- Every long journey starts with first step
- You'll cross that bridge when you get there

Strategy ...

The roadmap from **IST** (current situation)
to **SOLL** (ambition)



Where do you stand now on solution marketing? What are we good/weak at in Marketing & Sales? How come? What can we learn from our success, and from our failures?

3 phase approach for marketing & sales



Think

Where do we want to go / our ambition?

Where are we now/how good are we?

Market Research

Customer Mapping

Segmentation



Build

Develop a plan: what, why, how, who

Build that plan: processes, new 'toolbox' to execute

Develop messages, instruments & processes



Operate

Execute the plan

Monitoring of results

Learn from success & failures

Improve our thinking, building, operating

Recommended steps (Think)



- To solve a problem, you need to know

Customer mapping

- The problem owners (sector, size, business model, knowledge/experience)
- How they perceive their problem (technical, financial, process)
 - What are the priorities in the problem (must haves, nice to haves)
- What do they expect from solution

Research

- Which target groups have which problems

- Evaluate each segment (business attractiveness, revenue potential, opportunity to serve etc)
- Prioritize & select segments

segmentation



Recommended steps (Build)



- Do your homework: match your product to the problem
 - Which elements of product will solve which element of problem
 - What extra advantages can you offer
- Define the value chain
 - Which parties are involved between you and your end user
 - What is their role/contribution to value chain
 - Which stakeholders influence value chain behavior
 - e.g. customer demand, supplier pressure, government regulations, public opinion, potential revenues)
- Develop Toolbox for all possible segments
 - Approaches, messages, instruments, processes, best practices, training & workshops, etc.

must haves & nice to haves



Recommended steps (Operate)



- Start marketing & sales

already done

- Identify target groups and segments and their behavior
 - Buying & decision making process
 - Information needs throughout buying process
- Start communications & develop relationships with
 - Decision makers and influencers within selected segments
 - Relevant (external) stakeholders (policy makers)
- Lead generation & qualification
- Proposal & contracting
- Delivery, installation, service

Sales process

- Management

- Measuring & evaluating results
- Learning
- Implementing improvements



Be aware...



- Developing and building a new process (“machine”) also needs properly trained “operators”
- Well trained staff is hygienic (necessary) factor in improving customer focus of marketing & sales
- Marketing & sales staff should for example be trained on
 - Knowledge of customers, their demands & needs
 - Skills to identify the question behind the question
 - Attitude to serve customers beyond the agreed contract

Not a limitative list
List of possible subjects: to be discussed

Conclusions

- Do not sell your solution
assist the buying process
- All customers go through adoption life cycle
 - Be aware & be proactive
- Solutions without a clear opportunity /
problem are nothing
- Segmenting your target market is step 1
Segmented commercial approach is step 2
- $\text{People} \times \text{Process} = \text{Performance}$



Voor meer details of vragen



Dirk Heuff

Kyboko is een gespecialiseerd advies- & trainingsbureau voor business development van innovaties.

Bedrijven schakelen ons in voor structurele verbetering van hun klantgericht denken & doen, market entry planning, en efficiënte integratie van de sales- & marketingtaken. Die leidt tot betere klantrelaties en verbetering van omzet en marge.

Onze klanten waarderen Kyboko niet alleen om de vakinhoudelijke kennis en ervaring op het gebied van *business development*, maar ook om de pragmatische manier van opereren.



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