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# Seven Steps to Building a Customer-First Revenue Organization

Insight-led Selling for Creating a Competitive Edge

2024



**"Obstacles don't have to stop you. If you run into a wall, don't turn around and give up. Figure out how to climb it, go through it, or work around it."**

**-Michael Jordan**

As competition intensifies in an uncertain economy, the need for immediate action to improve the competitiveness of your enterprise B2B revenue organization has never been more urgent. Tomorrow may be too late.

Differentiating from the competition requires dramatic action, and moving to a customer-first culture sets your organization apart. Your customers benefit from the new alignment with more targeted solutions for increased value due to a better understanding of their needs and goals.

Even though the ultimate goal is an enterprise-wide customer-first model, we recommend an incremental approach that starts with the revenue organization. Our objective for this eBook is to provide enterprise B2B revenue leaders with a guide to transforming your organization into a customer-first powerhouse.

## Seven Steps to Building a Customer-First Revenue Organization

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## **ENTERPRISE B2B SELLING - EVOLVE OR PERISH**

Customers are demanding more Personalization and Control

In today's enterprise B2B sales environment, change is the sole constant. In the past few years, the intensified pace of change has been largely due to a combination of digital transformation, societal disruption, economic uncertainty and increased global competition.

These forces have resulted in a seismic shift for B2B revenue organizations. In the past, enterprise sellers would concentrate their discussions around product specifications, features, speeds, and similar data points instead of the potential value to the customer. Furthermore, sellers played a significant role in driving the direction of the sales process. The dynamic has radically shifted - buyers are more informed and are now driving the process.<sup>1</sup>

**"Bring me something fresh from the outside - something I don't know. Show me that you've not only identified one of my problems, but you have a fresh solution that you've implemented somewhere else that will work for me too."**

**- Steve Clancy, CIO, Georgia Pacific**

A gauge of the problem is from the survey shown in Figure 1 taken at a recent FinListics webinar, where 81% of the revenue leaders responded that their salesforce promotes features and functions or struggles to align goals with the company's solutions.



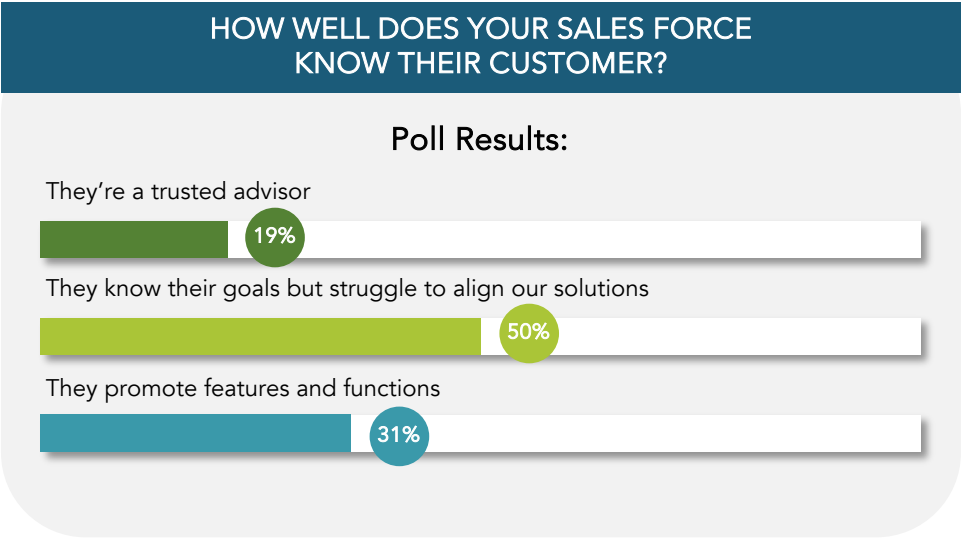


Figure 1 - How Well Does Your Sales Force Know Their Customers?  
Source: FinListics webinar poll results.

The ongoing enterprise buyer evolution is at the heart of the need to transform revenue organizations into a customer-first model. With the complexity, interconnectedness, and high stakes of enterprise relationships, a greater level of collective focus on the customer is required by your revenue organization. This increased attention will result in better business outcomes and a more efficient organization. Below are some additional reasons for aligning your revenue organization to a customer-first model:

**Competitive Differentiation:** With globalization and increased competitiveness, creating differentiation with competitors is even more critical. A customer-first approach and its emphasis on personalizing communications and tailoring solutions enhances the customer experience, encouraging loyalty and trust.

**Complex Decision-Making:** Aligning your entire revenue organization to a customer-first approach helps to identify and meet the variety of needs of the buyer’s increasing number of decision stakeholders.

**Customer Lifetime Value** - Because of the sizable investment in resources required for acquiring a new enterprise client, a customer-first model increases your likelihood of gaining repeat business and realizing a higher customer lifetime value.<sup>2</sup>

**Long Sales Cycles** - The complexity of solutions and the increased number of stakeholders in the enterprise buying process are resulting in longer sales cycles. Keeping your relationship with a customer strong and engaged throughout this period requires a consistent and aligned approach to your entire revenue organization.

**Risk Mitigation** - With the high stakes of enterprise B2B sales, mitigating your company's exposure to risk is crucial. Increasing your prioritization of customers' needs results in better anticipation, understanding, and mitigation of risks.

For enterprise B2B companies, transitioning to a customer-first orientation is becoming fundamental to sustainable success. In this eBook, we will be covering the seven steps to a customer-first culture:

1. Defining the "North Star"
2. Building the Revenue Team
3. Creating the Strategic Execution Playbook
4. Establishing Sales Competencies
5. Developing Industry Insights
6. Cultivating Customer Insights and Aligning Solutions
7. Ensuring On-going Nourishment

## STEP 1: DEFINING THE “NORTH STAR”

### Customer-First Goals and Measurements of Success



**North Star [nôrTH stâr] (n):** A star, in modern astronomy named Polaris, that is positioned along a line in space that aligns with the Earth’s axis of rotation. As the brightest star in its constellation, historically, it has served as an astronomical tool used by navigators, astronomers, and travelers as a navigation aid pointing towards the true north.

In building a customer-first organization, your “North Star” serves as the guiding principles for the revenue organization’s employees to rally around. It helps define the team’s mission, shape their objectives, and unite their efforts.<sup>3</sup>

A simple explanation of a customer-first approach is an organization that keeps their customers' needs “top of mind” and weighs the impact on them in all business decisions. Understanding the goals and priorities of customers should be at the core of any revenue organization's strategy. This approach necessitates a top-down buy-in across the revenue organization, starting with the CEO and cascading through all functions of the revenue organization.

Moving to a customer-first orientation requires significant changes in the impacted groups. As much as a customer-first approach demands new externally-focused mindsets, skill sets, and actions, internally, there are even more changes required to shape the culture.

Aligned Organizational Measures

Next up is installing organizational goals that better reflect activities and success in addressing your customers’ needs. The focus is on understanding and addressing the specific challenges of the customer and less on internal measures. Figure 2 provides a sampling of the measures that help reflect success in meeting your organization’s customer-first goals:

Sales Ratios	Description	Customer-First Impact
Closure Rate	The percentage of leads that become customers.	A customer-first model results in a more personalized approach, likely leading to more high-quality interactions and customer satisfaction. As a result, it usually results in a higher closure rate over time compared to a product-first approach.
Cross-sell / Upsell Rate	A measure of the ability to sell additional products to existing customers.	Customer-first companies should have an increased rate due to a correlation with higher customer satisfaction and loyalty.
Customer Lifetime Value (CLTV)	The present value of the expected future profits over the duration of a customer relationship.	The CLTV metric reflects the long-term value of relationship building and maintaining high customer satisfaction and loyalty, trademarks of a customer first model.
Customer Retention	Percentage of customers retained over a defined period.	Compared to a product first model, a customer-first approach concentrates more resources on meeting customers’ ongoing business needs.
Sales Velocity	The average amount of time required to close a sale.	In a customer-first environment, companies should see a drop in the time to close deals as sales teams are more aligned with customers’ goals and strategies.

Figure 2 - Customer-First Measures of Success

With the right objectives in place, you can more easily shepherd your team in the same direction. These metrics are interconnected, helping to create a holistic view of how successful your group is in building a more engaging customer journey and experience.

## **Customer-First Culture**

Hallmarks of a customer-first culture are being purpose-driven, proactive, and always putting the customer at the forefront of decision-making. Being customer-first is not a slogan but requires implementing fundamental changes designed to refocus your revenue organization away from internal activities to your customers. Below are three critical changes needed in your organization:

### **1. View your Business through your Customers' Eyes**

Customer-first companies diligently view their operations and interactions from the perspective of their customers and customers. Companies that are successful with a customer-first approach always prioritize how they can help their customers and weigh the impact on them of all their business decisions.

### **2. Know Thy Customers**

While having an understanding of the customer's journey through the buying process is critical, it is not sufficient in a customer-first world. Your team must understand who they are, and the best path is through developing buyer personas.<sup>4</sup>

### **3. Stay Agile**

As mentioned earlier, the one constant in the enterprise B2B selling environment is changing, so your organization must be agile. Additionally, the transition to customer-first will not be without necessary pivots as your group adapts to the customer-first model.

Now that you have established the "North Star," the next step is building (or reshaping) the Revenue team.

## STEP 2: BUILDING THE REVENUE TEAM

### Making Every Role a Customer Champion

An imperative for success with a customer-first strategy is entwining it into the vision and mission of your revenue organization. To drive this success, you need to create synergies between the teams and enable new levels of collaboration.



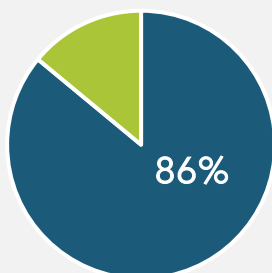
Figure 3 – Customer First Success Framework

Revenue teams can vary, but we will focus on four critical functions - **Sales, Revenue Enablement, Marketing, and Customer Success**. In addition, every employee in the revenue organization, not just the sales team, must thoroughly understand the company's go-to-market strategy, including vision and plans, targeted customers, customer problems solved, and why customers buy.<sup>5</sup>

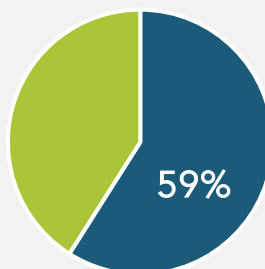
### Customer-First Gaps

Transforming your organization starts by identifying the gaps in your current approach versus the goal of a customer-first approach. We see many organizations that may have the right intentions regarding some of the precepts of customer-first but fail to implement holistically and then maintain discipline when the internal pressure is ratcheted up.

For example, a habit of many salespeople, especially under the stress of meeting a quota, is to fall back on what they are most comfortable talking about - a product's features and functions. Enterprise customers invest in your solutions based on the ability to help achieve business goals and implement strategies that ultimately improve financial performance. Features and functions are of limited or no interest.



**86%** of business buyers are more likely to buy if companies understand their goals



**59%** of business buyers believe sales reps do not take the time to understand them

Source: Salesforce's State of the Connected Customer Survey, 2023<sup>6</sup>

The typical gaps in instituting a customer-first approach can be summarized into four primary categories:

- **Compensation:** Performance incentives are currently focused on internal measures or "vanity metrics".<sup>7</sup>
- **Divergence:** Many companies' customer-facing functions are silos with their own mission and goals.
- **Management:** Leadership often quickly falls into an internal focus at month-end or in other stressful times.
- **Skill Sets:** Too often, salespeople have insufficient training in understanding the customer's business and financial performance, priorities, and goals.

## **Revenue Organization - 4 Pillars for Success**

Filling these gaps to build a strong customer-first team requires significant adjustments. Successfully constructing your revenue organization is built upon four pillars:

### **Alignment**

- Ensuring consistent communications with everyone in the organization to help align all groups.
- Disseminating the go-to-market strategy so all individuals understand the organization's mission, value proposition, and targeted market.
- Encouraging collaboration between the revenue organization departments for a cohesive customer experience.

### **Content & Assets**

- Content and messaging (external and internal) to support the go-to market strategy.
- One “gold standard” version of assets for all users, not multiple versions across teams.

### **Accessibility**

- Delivering the right material to the right external or internal person through the right channel at the right time.
- Facilitating learning opportunities for all teams to stay informed about customer updates, market trends, and products.

### **Tribal Knowledge**

- Formal feedback loop to assess the success of sales conversations and meetings.
- Making necessary adjustments based on what worked and what did not work.



Next, we will cover the changes required of the four groups in the revenue organization.

## **Sales**

As discussed above, the past few years have resulted in an unprecedented rate of change and disruption for enterprise B2B companies. Staying on top of the macro and micro forces driving these changes and their impacts requires your sales team to think and act in new ways.

These disruptions have exposed that most enterprise B2B sales teams spend far too little time on discovery. Discovery has moved past just being a step or phase and needs to be an on-going process. Executive buyers expect that when your team meets with them - they have a thorough understanding of the business, how they make money, and can offer thought-provoking insights on how your company can help. A proactive approach to better understanding a customer's need can be the competitive differentiation necessary to win deals.<sup>8</sup> We will focus further on the Sales team in Steps 4 - 6.

## **Revenue Enablement**

No longer focused on just feeding the sales team with tools and training, the revenue enablement group can now concentrate on helping prepare the sales teams with the customer information and relevant assets necessary for success.<sup>9</sup> Their focus expands to providing insights into areas such as the customer's industry, individual buying stakeholder's initiatives and operational key performance indicators (KPIs), and solutions business and financial benefits. The enablement group's mission should be to empower internal teams to provide customers with the best possible experience.

The modern revenue enablement function can be viewed as a "business within a business" with its own internal investors, supply chain, and customers.<sup>10</sup>

- **Investors:** Any stakeholders within the company willing to provide resources to the programs run by the enablement team, from budget to software.
- **Supply Chain:** Groups who want to put something in front of the customer, typically marketing and customer success, but also other groups, including product development, legal, and H.R. teams.
- **Customer:** The most vital relationship in the revenue enablement ecosystem is with their end customer - sales leaders, and the executive team. This strategic partnership is crucial because, without it, no number of resources or content can ensure effectiveness.

An initial step in your route to a customer-first model is to add outcome-based enablement KPIs like sales quota attainment, closure rate, deal closure speed, and average deal size.

### Marketing

For a customer-first strategy to take hold, there must be a deep understanding of the customer's needs, preferences, and pain points. The marketing team plays a crucial role in building this strategy, along with providing personalized communications. Below are some of the activities that marketing needs to drive:

- **Content Marketing:** Creating a variety of thought leadership content, including case studies, best practices, and industry trend summaries to help demonstrate that your company is invested in the customer's success.
- **Customer Journey Mapping:** Offering a comprehensive view into every customer interaction with your company and illuminating opportunities to improve their experience.<sup>11</sup>
- **Customer Research:** Developing industry acumen, buyer personas, customer segmentation, and other analyses to provide the foundation for customer insights.

- **Data Analytics:** Utilizing a data-driven approach to monitor and analyze customer behavior and preferences continuously and to make informed decisions on tactical adjustments.
- **Omnichannel Communications:** Providing customers with a consistent cadence of personalized communications through their preferred channels to keep them informed about your company.<sup>12</sup>

## Customer Success

In a customer-first model, the customer success group must flip their perspective from reactive, as in traditional customer support, to proactive customer assistance. Serving as the voice of the customer, the group needs to help ensure customers derive maximum value from your product through the following activities:

- **Account Health Monitoring:** Utilizing metrics and KPIs to monitor the account continuously, solution adoption, and proactively identify issues or risks.
- **Expansion and Upselling:** Helping to identify opportunities for account expansion, including recommending additional solutions or features.
- **Regular Check-Ins:** Scheduling periodic reviews with key customer stakeholders to discuss their experiences, solution value realization, challenges, and feedback.
- **Tailored Onboarding:** Creating personalized onboarding processes for customers based on their specific needs.
- **Training:** Offering regularly held training sessions, webinars, and workshops for the customer's employees.

Just as critical as the realignment of these roles is how they collaborate in a customer-first environment. On the next page are some best practices for building greater collaboration between the four groups:

## **Sales and Marketing**

The connection between Sales and Marketing requires a tighter alignment within a customer-first environment. In addition to helping feed the sales funnel, marketing must be engaged throughout the entire sales cycle. Another practice that has proven effective in improving alignment is for marketing team members to shadow sales personnel to learn how they manage customer leads, communicate, and address customer objections.

## **Sales and Revenue Enablement**

Enablement teams need to reorient their priorities from just pushing material to sales and instead focus on optimizing the customer's experience by equipping sales with materials and information to improve the buying experience. This realignment should also include in-depth training of your sales team on utilizing the resources and tools available.

## **Sales and Customer Success**

A paradigm shift for most companies moving to a customer-first approach is greater sharing of insights, feedback, and data between sales and customer success. This gives both groups a more holistic understanding of the customer's journey. To further boost revenue and incentivize the teams working together, you need to align their key goals. By setting clear, measurable goals for areas such as customer retention and satisfaction, you will be rewarding more teamwork and better alignment.

## **Marketing and Revenue Enablement**

Close alignment between these two groups helps to avoid potential pitfalls in a customer-first strategy. If Revenue Enablement acts as a communication filter for Sales, Marketing may struggle to distribute helpful and timely information and content to the sales team. Similarly, if Marketing bypasses the Enablement group and delivers content directly to Sales, sellers may lack the understanding of how or when to utilize the material. Marketing's tight alignment with Revenue Enablement is crucial in providing richer customer insights. This helps ensure that Sales has a solid understanding of the customer's challenges and priorities.

## Marketing and Customer Success

Customer success teams need to work closely with marketing, not only on content tailored for existing customers but also on sharing critical information and developing customer-focused activities, including:

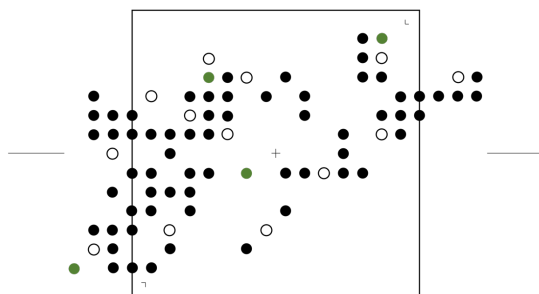
- Exchanging customer stories
- Organizing customer events
- Pooling customer information to drive strategy formation

The two groups can improve satisfaction, loyalty, and organic growth by aligning activities with the customer's journey.

## Customer Success and Revenue Enablement

Creating a more comprehensive alignment includes increased sharing of insights between these two groups, such as typical selling points and objections. This information can then be used to guide training and best practices for a more cohesive customer journey. Additionally, customer success needs to consistently provide the latest feedback on the challenges that customers are facing.

As we continue along on our path to a customer-first culture, the next step is reimagining the legacy sales playbook into a strategic execution playbook.



## **STEP 3: CREATING THE STRATEGIC EXECUTION PLAYBOOK**

### **Your Sales Playbook on Steroids**

An imperative for success with a customer-first strategy is entwining it into the vision and mission of your revenue organization. To drive this success, you need to create synergies between the teams and enable new levels of collaboration.

Due to the change in orientation and the requirement to align the team, a customer-first organization has an increased need for what we call a strategic execution playbook. In a customer-first environment, you need to expand on traditional sales playbooks - a document to serve as a single source of truth regarding the revenue team's strategies, processes, tools, and best practices. We believe the name better reflects the needs of the entire revenue organization and facilitates all team members' understanding and execution of customers' strategic priorities.

### **The Then and Now of Playbooks**

When transitioning to a customer-first model, you must put significant time and resources into aligning the entire revenue organization around the customer's needs and journey rather than traditional sales processes. While there is some overlap with the legacy version, the objective of the new playbook changes dramatically. Figure 4 is a comparison of attributes in a strategic execution playbook versus a traditional sales playbook.

Seven Steps to Building a Customer-First Revenue Organization

Playbook Comparison	Strategic Execution Playbook	Traditional Sales Playbook
Perspective	Customer-facing	Internal-facing
Targeted Internal Audience	All groups in the revenue organization	Focused on the sales team
Types of Questions	Primarily strategic	Primarily tactical
Nature of Questions	Open-ended business- and financial-focused customer questions	“Yes-No” questions on features and functions-based
Solutions to Propose	Recommendations on aligning customer’s business situation – priorities, needs, and challenges – with potential solutions	Product-focused suggestions
Goals and Strategies	Customer’s goals and strategies for improving performance	N/A
Go-to-Market (GTM) Strategy	Details of the company GTM strategy <sup>13</sup>	N/A

Figure 4 - Comparison of Strategic Execution and Traditional Playbook

Playbook Comparison	Strategic Execution Playbook	Traditional Sales Playbook
Financial Performance	Performance trends; peer and industry benchmarking; and value of gaps in performance	N/A
Buyer Personas	Personas of typical executive stakeholders, areas of financial performance they help manage, initiatives supporting company-wide goals, and operational KPIs	N/A
Operational KPIs Benefits	Financial benefits for KPIs improved by recommended solutions	N/A
“Point of View” (POV)- the solution’s business and financial value to customers	Framework for developing clear POV statements on how solutions align with goals, strategies, and initiatives; and customer and potential financial benefits	N/A
Discussions on Customer Insights	Guidance on how to have business focused discussions regarding customer insights like knowledge of goals, financial performance, and solution benefits.	N/A
Customer Journey Mapping	Describing the interactions with customers during their buying process, a vital element of the playbook <sup>14</sup>	N/A
Customer Segmentation	Defines customer segments, including needs, behaviors, opportunities, and challenges.	N/A

Figure 4 - Comparison of Strategic Execution and Traditional Playbook

Our next step is bolstering the sales team’s financial and business acumen, a critical component of a customer-focused sales approach.



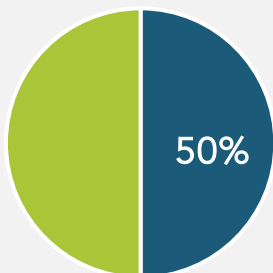
## STEP 4: ESTABLISHING SALES COMPETENCIES

Building the Business and Financial Acumen Required for Success

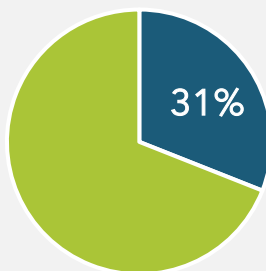
**"A seller should know my company's financial performance. Before they try to sell me something, they have to understand my financial position and what's going on in the company's business functions that could impact it. A seller who knows the financials knows what I'm focused on right now."**

**- Candy Conway, former V.P. Global Operations, AT&T**

To succeed in a customer-first model, your sales team must step up their game and move beyond a product focus to be competent at conversing with customer executive teams on their strategies, operations, and financial performance.<sup>15</sup> The sales group's conversations must also include industry trends and issues and be tailored to specific executives. Without a basic level of business and financial acumen, your salespeople will struggle to understand the customer's needs clearly.



**50%** Companies that struggle to align their solutions to customer goals



**31%** Enterprises that still focus on promoting features and functions

Source – FinListics Survey

Long-Term Relationships Start with Insightful Conversations

In our experience, we have seen too many salespeople unable to have insightful conversations with senior leadership about their business and finances. In addition, the discussions are often too low in the organization and do not reach the decision-makers. Support for this view comes from a recent poll shown in Figure 5, with nearly 85% of respondents stating that their seller’s financial competency is average to below average.

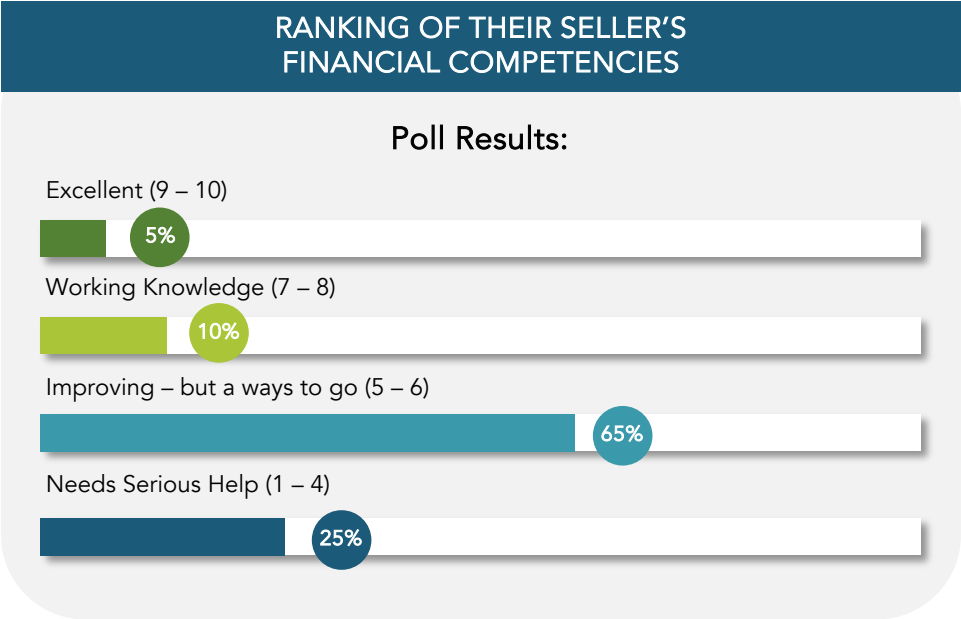


Figure 5 - Sellers’ Financial Competencies  
Source: Poll of attendees at the 2023 SES conference

Establishing a foundation of fundamental financial and business knowledge in your team is essential. Sales teams often struggle to explain how solutions can help customers financially achieve their objectives. To start, these explanations should be in straightforward business language, not framed through the lens of features and functions. Next, the message needs to be relevant, describing how the solution impacts the KPIs the executive is focused on improving. Plus, referring to examples of similar solutions implemented for other customers in the industry, along with metrics, adds significantly to the credibility of the pitch.

## Business and Financial Competencies Framework

Figure 6 below offers a competency framework with the levels of proficiencies required of revenue organization personnel.

- Starting at the bottom are the foundational elements, improving general financial and business acumen among your salesforce and understanding your customer’s industry for building essential insights.
- Leveraging that foundation, the intermediate step is about developing customer-specific insights and aligning solutions and their benefits to goals and strategies.
- Finally, there is the advanced level, which focuses on using the accumulated knowledge from the foundational and intermediate levels in executive conversations. Plus, how to build a compelling business case tailored to customer’s priorities.

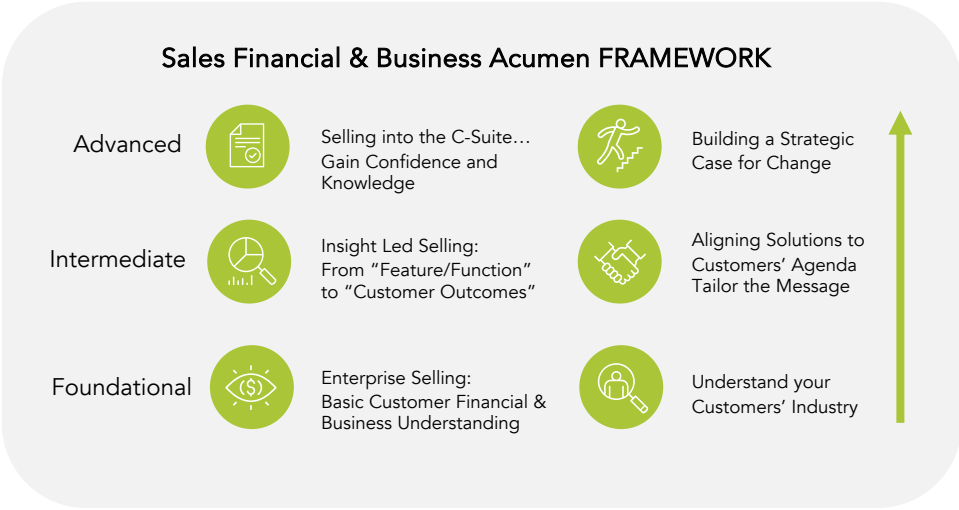


Figure 6 - Sales Financial and Business Acumen Framework  
Source: FinListics Solutions

The following provides more details on outcomes and recommended topics for each competency level.

## **Foundational -- Enterprise Selling: Basic Customer Financial & Business Acumen**

### **Outcomes**

- Move away from a feature and function mindset
- Build confidence in interacting with customer executives
- Engage in more business-focused executive conversations

### **Topics**

- Executive decision-making
- How customers make money
- Sources of funding
- Business model vs. strategies vs. goals vs. business processes
- Customer executive perspective on financial statements and performance
- Key areas of performance
- Trend; and peer and industry comparison
- Cash flow
- Role of business functions and their relevant KPIs
- Relationships between areas of financial performance and KPIs
- Insights on how solutions help customers better manage their business

## **Foundational – Understand Your Customer’s Industry**

### **Outcomes**

- Understand the environment in which customer executives make decisions
- Communicate with customer executives in industry-specific language
- Know where solutions potentially add the greatest benefits

### **Topics – Focusing on Targeted Industries**

- Description of targeted industries
- Unique industry speak (e.g., Retail – Buy Online Pickup In-Store (BOPIS), Foot Traffic, and Average Transaction Size)
- Common goals, strategies, and initiatives for improving performance
- Trends, Disruptors, and Risks
- Process maps linking areas of financial performance to business functions and their activities, tasks, and KPIs
- Key areas of financial performance
- Insights into where solutions deliver the greatest business and financial benefits

## **Intermediate – Insight-Led Selling: From “Features / Functions” to “Customer Outcomes”**

### **Outcomes**

- Think like customer executives -- goals and strategies, financial performance, and KPIs driving their behavior
- Elevate skills and confidence in selling value to customer executives
- Continue the journey from features and functions to a customer-first mindset

### **Topics**

- Customer’s company-wide goals and strategies
- Executive compensation
- Financial performance assessment
  - Areas getting stronger / weaker
  - Value of gaps in performance
- Identify potential areas of opportunities using knowledge of goals, strategies, and financial performance

## **Intermediate – Align Solutions to Customer Agenda**

### **Outcomes**

- Discuss the solution’s business benefits as they relate to the customer’s goals, strategies, initiatives, and financial performance
- Share the solution’s potential financial benefits earlier in the sales cycle to motivate customers to move faster.
- Tailor sales messages for individual business functions (stakeholders) in their language.

### **Topics**

- Identify business functions:
  - Supporting company-wide goals and strategies
  - Initiatives
  - Operational KPIs
- Review open-ended business-focused questions to conduct more meaningful and effective discovery.
- Explore a framework for aligning solutions and benefits to customer goals, strategies, initiatives, and operational KPIs
- Develop high-level financial benefits of potential solutions
- Tailor sales pitches in the language of individual stakeholders
- Having customer-first conversations when sharing solutions business benefits

## **Advanced: Gain the Insights & Skills to Speak Your Customer's Language**

### **Outcomes**

- Create a POV from industry and customer insights
- Engage in more meaningful conversations with customer's executives
- Better show solutions business and financial benefits

### **Topics**

- POV framework
  - Financial priorities
  - Strategic priorities
  - Individual stakeholder's initiatives
  - Executive compensation alignment
- Emotional / ego connection
- "Personal brand" promotion
- Framework for preparing for executive conversations
- Extensive role-playing

## **Advanced: Building Case for Change: From Value Proposition to Business Case**

### **Outcomes**

- Enhance skills and confidence in describing the solution's business and financial benefits.
- Create a comprehensive case for change
- Motivate customers to move faster

### **Topics**

- Value Proposition vs. Business Case and when each is used in the sales cycle
- Elements of a Value Proposition
  - The business problem
  - How your solution addresses the problem
  - The benefits of making the change now
  - Qualifications and experience
  - Framework for prepping to discuss Value Propositions

- Elements of a Business Case
  - Executive summary
  - Project Overview
- Alignment with strategic and financial priorities
- Qualifications
- Risk assessment
- Financial benefits
- Project summary and timelines
- Motivating customers to move faster – Cost of Delay
- Engage in a discussion vs. presentation
- Extensive role-playing

**“Make the value proposition crystal clear. Don’t make it hard for me to figure out why your solution is worth my time. I love one-pagers. I’m much more impressed with a one-page business case than a 100-slide PowerPoint deck. Summarize everything I need to know on a page and show me that you know what you’re talking about. Put everything else in the appendix .”**

**- Steve Clancy, CIO, Georgia Pacific**

## Sources of Business and Financial Information

So where can your revenue team go to start developing insights on customer's financial and business performance and strategies? There are many readily available sources of information for them to gather financial and business facts and general intelligence on publicly traded U.S. companies, including:<sup>16</sup>

- Company Website: This will be your primary source for much of the information you require.
  - "Investor Relations" section is your starting point. It includes:
  - Annual Report - your team's best source to begin analyzing a company's goals and strategies.
  - CEO's "Letter to Shareholders" - provides an overview of the company, prior achievements, and future priorities.<sup>17</sup>
  - Investor Presentations - Companies typically break down their goals and strategies into initiatives that can help identify stakeholders.
  - Proxy Statement - Offers information on executive compensation, board of directors, and any declarations by management.<sup>18</sup>
  - Other shareholder reports, such as the quarterly 10-Q report.<sup>19</sup>
- The "News" section includes press releases and media articles highlighting management changes, M&A, and other recent developments.
- Other areas to review include the leadership team, product portfolio, customer listings, and strategic partners.
- Social Media: Review various platforms for recent updates on company news, management videos, and other information about the company.
- Other Financial Data Sites: Variety of popular financial sites are available, plus the SEC's EDGAR database, to gather insights on publicly traded companies.<sup>20</sup>

In our fifth step, we review the actions required in discovery to analyze the customer's industry closely.



## **STEP 5: DEVELOPING INDUSTRY INSIGHTS**

### Understanding Your Customers Operating Environment

In a customer-first environment, your revenue organization does not need to be experts on their customer's customer industry, but team members must have a solid understanding of the industry's common challenges and trends. The primary focus here is knowing the competitive landscape, and as Ken May explains in the nearby quote, "...understanding where I'm weak, and someone is strong and helping me to close that gap."

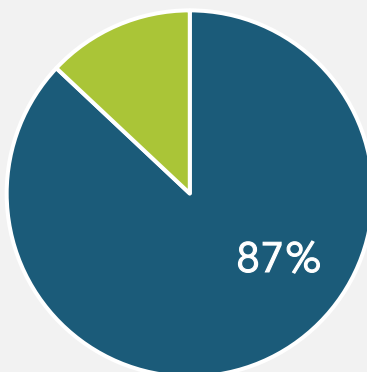
In addition, team members must understand the significant trends and risks running through the industry and how companies seek to solve them. With this knowledge, your team can provide richer insights to customers on industry trends to help them stay ahead of the curve.

**"A seller doesn't have to know everything I know about my business or my industry, but they should know a good portion of what I know. And they must understand the competitive landscape. They should know my strengths and my problems—and those of my competitors. That's how they can sell to me: by understanding where I'm weak and someone else is strong and helping me to close that gap."**

- Ken May, former CEO, Top Golf and former Chief Operating Officer, Krispy Kreme Doughnuts

The three primary benefits of the revenue organization having a deeper understanding of a customer's industry include:

1. **Better Communication:** Industry-specific knowledge enables your revenue team to speak the customer's language. This facilitates smoother communication and builds rapport, as they can discuss industry challenges, trends, and solutions more effectively.
2. **Problem-Solving:** Familiarity with industry pain points, and challenges help them better anticipate your customer's needs. They can proactively offer solutions or suggestions to address customer problems, positioning your organization as a trusted advisor.
3. **Competitive Edge:** In-depth industry knowledge allows your team to highlight unique selling propositions and differentiate your offerings from competitors. Your pursuit team can showcase how your solutions align with industry trends or regulations.



**87%** Business buyers expect sales reps to act as trusted advisors

Source: Salesforce's State of the Connected Customer Survey, 2023<sup>6</sup>

## Recognizing the Trends, Risks, and Disruptors of Customer's Industry

Developing industry insights includes researching a broad range of areas, including external factors, business models, market disruptors, and risks. When pursuit teams do their due diligence on a customer's industry, it not only helps provide insights into the customer's operating environment but also helps establish your team as a knowledgeable and consultative partner. Figure 7 provides examples of the Consumer Products industry.

### External / Macro Factors

- **Climate Focused and Sustainable Sourcing Practices**  
Companies are committed to sustainability-focused objectives such as investments in reusable packaging and bottles, deforestation prevention initiatives, sustainable palm oil sourcing efforts, and climate-smart farming practices.
- **Regulatory Compliance**  
Regulatory compliance plays a significant role in the CPG industry, as governments and consumer protection groups monitor the safety and environmental impact of products.
- **Consumer Preferences**  
Companies are focused on meeting changing consumer preferences with unique, healthy, natural, and ecofriendly products, that are a good value with omnichannel availability.
- **Hybrid Workplace**  
The pandemic has forced employers to rethink their workforce model. Companies are embracing the hybrid in-office/remote workplace to ensure employee satisfaction and retention.

### Market Disruptors and Trends

- **Digital Transformation**  
Industry leaders enlist emerging technologies to transform operations and omnichannel strategies. AI, digital consumer engagement, and automation are some of the trending tools.
- **Big Data & Advanced Analytics**  
Operations are leveraging data analytics to quickly analyze digital behavior and execute cross-channel digital marketing campaigns designed to engage, upsell and cross-sell to consumers.
- **Cloud Computing**  
Companies are adopting cloud or hybrid computing platforms to analyze the massive amounts of data collected, enable digital transformation, and support visibility into supply chains.
- **Artificial Intelligence**  
Businesses are utilizing AI for customer service chatbot technology to provide answers 24/7, assist orders, and influence buyer decisions while improving speed of service and lowering costs.
- **Innovative Packaging**  
To meet consumer demands for sustainability and personalization, companies are researching trends such as smart bottles with sensors, or eco-friendly edible packaging.

Figure 7 - Consumer Products Industry External and Internal Factors, Trends and Risks  
Source: FinListics Solutions

## Seven Steps to Building a Customer-First Revenue Organization

### Business Model / Internal Factors

- **Product Development**

Leaders capture market share in this fast changing industry, with new and unique products, tailored to consumers, that will build brand loyalty and customer retention.

- **Cybersecurity**

Companies are upgrading cybersecurity systems and leveraging data analytics and predictive modeling to address the complexity of connected equipment and systems to mitigate risk across the organization.

- **Omnichannel Strategy**

Industry leaders are implementing omnichannel strategies to reach the consumer across channels, gather valuable data, and ensure a seamless customer service experience.

- **Strategic Partnerships**

Companies seek strategic partnerships and suppliers to drive expansion into new markets, develop a successful portfolio of products, and move into profitable areas that align with business goals.

### Risks

- **Economic Conditions**

Uncertain global economic conditions may adversely impact demand for products or cause customers/business partners to suffer financial hardship, which could adversely impact business.

- **Trade Partnerships**

Success is dependent on relationships with retail trade customers, which includes terms that are mutually acceptable and aligned with pricing and profitability targets.

- **Failure to Innovate**

Companies must adapt to changing consumer trends, such as eCommerce, subscription models, and innovative products. Failure to adapt to changing consumer preferences increases risk.

- **Supply Chain Disruption**

Interruptions in global supply chains or subcontractor performance can affect CPG companies. If access to materials/goods decreases, production rates and financial results may be impacted.

- **Competition**

Companies face disruptions from start-ups along with the threat of local and global competitors in new channels, such as online marketplaces and private label partnerships.

Figure 7 - Consumer Products Industry External and Internal Factors, Trends and Risks  
Source: FinListics Solutions

Once these factors, trends, and risks are compiled, your team can use the information to:

- Pinpoint those areas of the business where your solutions can help customers better manage their business
- Use as a framework to identify potential areas of opportunities
- Tell customers something they likely do not know based on experiences with other companies in the industry

Understanding Industry Performance

How the customer’s industry is performing financially is a primary driver of their performance. Knowing the industry’s performance helps revenue organizations to:

- Discover potential industry-level marketing and solution opportunities
- Assess a customer’s relative financial performance
- Identify potential customer-level opportunities

We will use as our example - gaining an understanding of the Consumer Products / Personal Care Products industry. Figure 8 shows the trend and quartile assessment of profitability for the segment.

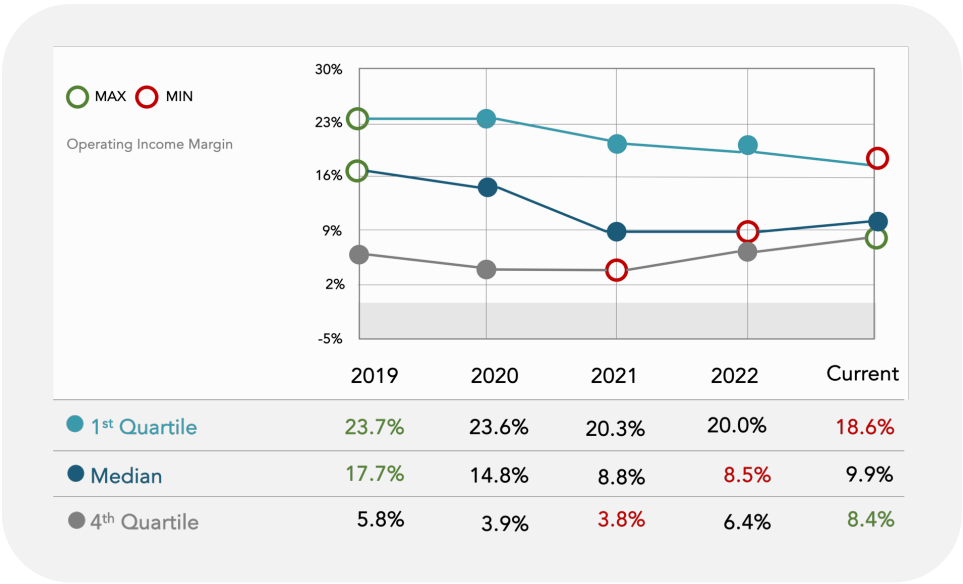


Figure 8 - Assessment of Profitability for Personal Care Products Industry  
Source: FinListics Solutions

The graph shows that profitability has overall declined for the Median and 1st quartile (better performers), whereas it has increased for the 4th quartile (least-best performers). From an industry-level perspective, three questions to answer are:

- What is causing the overall drop in profitability?
- How have solutions been applied to help companies in the industry improve profitability?
- What opportunities exist to leverage this information for marketing, sales, customer success, and even product development?

Research reveals that the overall drop in profitability was primarily driven by increased 1) materials, 2) logistics, and 3) labor costs. If your solutions help better manage any of these three costs, marketing campaigns can be created highlighting their impact on profitability and how your solutions can improve profitability.

But what if your solutions do not help manage these costs? Suppose your solutions enable better management of indirect procurement or IT costs. Call-to-action campaigns could still be created discussing why industry profitability has dropped and how your solutions can help offset some of the declines by providing benefits in other areas.



### CUSTOMER FIRST TIP

**We have found that often, a major source of disconnect in understanding the customer's operating and financial dynamics occurs during the discovery phase. Pursuit teams focus on the answer they want to hear or fail to dive deeper with follow-on questions. Not "double-clicking" on an answer to delve further into the customer's response is usually a reflection of failing to sufficiently understand the customer's business, priorities, and challenges.**

## Crafting Industry-Specific Questions

Unlike in the past, when a generic question to a buying company executive, such as "What keeps you awake at night?" was deemed penetrating, your team needs to craft precise questions about the customer, their industry, and the individual stakeholder.

Let's start by reviewing how your team can use industry financial performance in conversations with a customer. The following is a sampling of primary and follow-up questions and potential actions your revenue team could include in discussions with the customer:

- How does the customer's trend performance compare to the industry trend?
  - What is the customer doing differently or not doing?
- How does the customer compare to the quartiles' performance?
  - The most common observation is that the customer's performance is close to the Median.
    - Share with the customer what they have seen from better performing companies.
  - What are the customer's goals relative to the industry?
    - Share how your solutions have helped other companies in the industry improve profitability.

Below is a sampling of additional questions on various key industry related topics that the revenue team needs to be asking themselves:

### General

- How do companies in the industry make money?
- What is the growth rate of the industry?
- What are the key trends in the industry?
- What are the common pain points for businesses in this industry?
- What are the applicable industry benchmarks for comparison to the customer?

### Digital Maturity

- How digitally mature are companies in the customer's industry?
- What are the typical digital transformation initiatives taking place in the industry?
- How is digital transformation transforming the competitive landscape?

## **Economic Conditions**

- What are the potential effects of an economic downturn on the customer's industry?
- How resilient is the industry to significant economic fluctuations?
- What are the financial pressures that companies face during economic uncertainty?

## **Product Development**

- What factors are driving innovation in the industry, and how are companies adapting their product development and operational strategies in response?
- What are the significant technology trends that have impacted product development?

## **Supply Chain**

- How dependent is the customer's industry on global supply chains, and what are the associated risks?
- Are there common bottlenecks or single points of failure in the industry's supply chain?

## **Strategic Partnerships**

- What are the most common and influential types of strategic partnerships in the industry, and how do they typically add value?
- What objectives do companies in the industry typically seek to achieve through strategic partnerships?

## **Regulatory Compliance**

- How do companies help ensure compliance with industry-specific regulations?
- What impact does the cost of compliance have on the industry?

After answering the above questions and others, the team can build a robust industry assessment, including leading competitors and industry benchmarks. Once your team has researched and compiled the above information and analysis, the next step on the to-do list is gathering insights into the customer's business and financial performance.

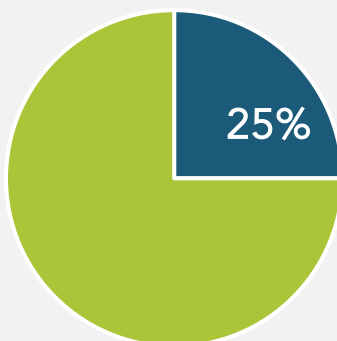


## STEP 6: CULTIVATING CUSTOMER INSIGHTS AND ALIGNING SOLUTIONS

### The Framework for Success

If your business is going to build your decision-making around customers, it only makes sense that your revenue organization better thoroughly understands them. No longer is a rehearsed pitch about your company and products sufficient. To succeed, your team has to be deeply conversant in the buyer's vision, financial performance, objectives, and pain points. From our experience, executive buyers expect the following from enterprise sellers:

- They have done their homework.
- "Tell me something I don't know."
- The focus is on their company, not product features and functions.
- Demonstrate the expected business outcomes of solutions.
- "Make my life easier".



**25%** Percentage of revenue organizations that make developing customer insights a part of their sales process

Source: FinListics survey results

To address these buyer requirements, your pursuit team needs to research the buying organization thoroughly. The cornerstones for your team to build differentiating customer insights are:

- Discover goals and strategies
- Know how executives are compensated
- Assess financial performance
- Tailor sales messages for individual stakeholders

Once these insights are garnered, a point of view is created on how solutions help achieve goals, implement strategies and initiatives, and improve performance. Now, let's further explore the cornerstones of customer insights. We will use examples from a company operating in the Personal Care Products industry.

### Goals and Strategies

Customers primarily invest in your solutions to deliver business outcomes associated with their goals and strategies. There are many benefits to having an in-depth understanding of a customer's goals and strategies. Some examples are:

- **Strategic Alignment:** Knowing a customer's goals and strategies helps your salespeople align your efforts with theirs. This alignment ensures that your solutions complement and support their overarching plans, making your company a valuable partner in their success.
- **Building Relationships:** When you understand a customer's priorities, you can establish a deeper connection by demonstrating your commitment to helping them be successful. This fosters trust and strengthens the business relationship.
- **Competitive Edge:** With an understanding of a customer's goals and strategies, your revenue team is better equipped to outperform competitors. Tailoring your approach based on their priorities can give our business a competitive edge.

As we mentioned earlier in Step 4, company goals and strategies are often found in Annual Reports, Investor Presentations, company websites, and social media. In addition, Step 4 provided recommendations for helping revenue organizations improve competencies related to identifying and using a customer's goals and strategies.

### **The following are examples of Goals and Strategies for Colgate-Palmolive:**

#### **Goals:**

- Long-term organic sales growth of 3% - 5%
- Gross operating margin expansion
- Generate savings to reinvest for growth and improve bottom line (annualized saving \$90M - \$110M)

#### **Strategies:**

- Accelerate frictionless commerce
- Streamline company's supply chain
- Advance cloud platforms for marketing, advertising, technology, and analytics

#### **Questions Your Team Needs to Answer**

Now that we have information on the customer's goals and strategies, the revenue team must answer the following types of questions:

- Which of our solutions aligns with their goals and strategies?
- Where have we helped other companies in the same industry with similar goals and strategies?
- What is our value proposition, e.g., "How" have our solutions delivered business outcomes and "How Much" cash flow was delivered?

Your team needs to continue this process of drilling down with their questions to provide richer, more thought-provoking insights for customers.

## Executive Compensation

A critical element in developing comprehensive customer insights is knowing how executives are compensated since it drives buying behavior. Yet research by FinListics Solutions shows that only about 10% of revenue organizations use executive compensation as part of their sales process.

The benefits of knowing how customer executives are compensated include:

- **Customizing Value Propositions:** By understanding what incentivizes executives, your team can frame your solutions in a way that directly addresses their motivations. Highlighting how your solutions can positively impact their compensation-linked goals can make your pitch more persuasive.
- **Negotiation Strategies:** Knowing how executives are compensated financially can inform your team's negotiation strategies. You can structure deals or proposals that not only benefit their organization but also resonate with their individual compensation, potentially leading to quicker decision-making.
- **Identifying Opportunities:** Insight into their compensation structure can reveal areas where they lack incentives or need additional support. You can then position your solutions, showing how they fill these gaps and creating opportunities for further collaboration.

For companies domiciled in the U.S., this information is available in the SEC Form DEF-14A Proxy Statement.<sup>21</sup> This information is often reported in a company's annual report in other countries. Look for the sections on remuneration or compensation.

For instance, figure 9 displays the components of Colgate-Palmolive's executive compensation bonus structure:

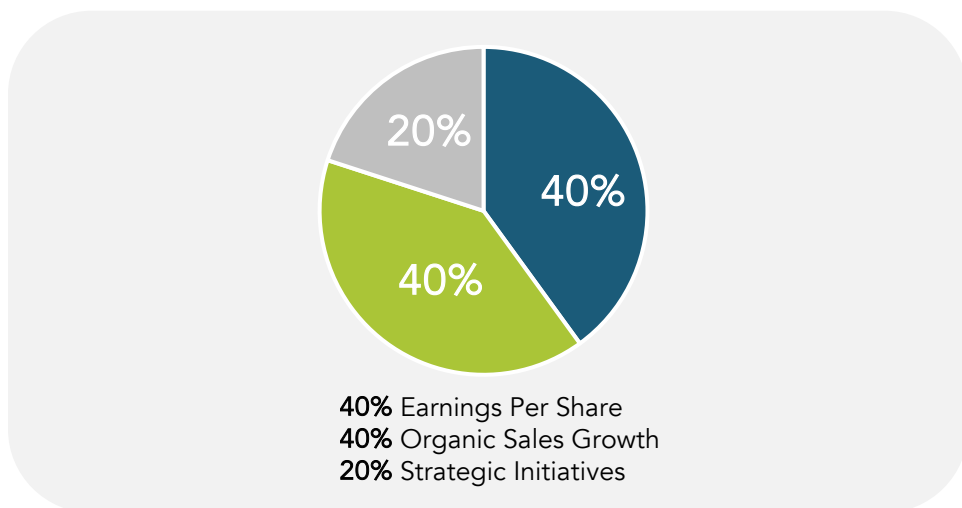


Figure 9 - Executive compensation bonus structure at Colgate-Palmolive  
Source: Colgate-Palmolive 2022 Proxy Statement – DEF 14A

### Best Practices - Discussing Compensation in Executive Conversations

Knowing these compensation components, the questions to answer are similar to those mentioned earlier regarding the customer's goals and strategies. Salespeople often ask how to use information about compensation with customer executives best. It is strongly recommended that they do not explicitly say something like,

*"I conducted some research and discovered that you are bonused on ...".*

Even though this information is in the public domain for publicly traded companies, this approach will likely not be well received. Instead, it is suggested that your revenue team make the components of compensation part of the discussion with executives. For example, using Colgate-Palmolive as an example, you could say:

*"We would like to explore ways to work with you and improve your financial performance by focusing on areas like Earnings Per Share and organic sales growth."*

You have not explicitly said you know these are some of the metrics on which they are bonused, but they will know you have done your homework and separated your company from many of your competitors.

Also, it is recommended that your group include the impact of your solutions on the relevant compensation metrics in proposals. Suppose you are working with a customer like Colgate-Palmolive to develop more frictionless commerce, which will increase their revenue and profits. Your proposal will include the traditional financial criteria like net cash flow, ROI, and payback, but to make it more relevant, your team should explicitly show the dollar increase in EPS and sales.

Another question salespeople often ask is whether you should use the compensation information when you are not engaged directly with senior executives. Yes, this information is still useful since a senior executive's compensation metrics and goals will influence their decision-making and flow down to those reporting to the executive.

## **Assessing Financial Performance**

Managing the company's financial performance is one of the most critical responsibilities of a customer's executives. That is one of the reasons they expect revenue organizations to know how they are performing. The following are just some of the crucial benefits that accrue to your organization when your team provides financial insights into your customers' performance:

- **Building Trust:** Being knowledgeable about their financial performance demonstrates your company's interest in their success beyond immediate sales. It builds trust, as your business is seen as a partner who cares about their overall business well-being.

- **Value Proposition:** Being aware of their financial position enables your team to demonstrate the value of your solutions in clear financial terms. You can show where solutions deliver the greatest value, like increasing revenue growth, expanding profitability, and increasing utilization of assets, making your proposition more compelling.
- **Identifying Growth Opportunities:** Knowing a customer's financial performance may highlight gaps in performance areas that your solutions can help close. It may also highlight areas they are investing in or growing. This insight can guide your team to offer complementary solutions that support their expansion plans.

The objective of developing and using financial insights with a customer executive is not to provide a financial history lesson. The executive knows the company's performance. The aim is to demonstrate that your revenue team has done the homework and can communicate in the language of finance, which is the language of business.

As shown earlier in Figure 5, most revenue organizations have gaps in their sales competencies. Additionally, Step 4 provided recommendations to help close these gaps. Below are additional questions for your revenue team to answer when assessing a customer's financial performance:

- How is the customer performing over time compared to its peers and industry?
- What is management referencing in their discussion of performance?
- What areas of performance does the customer have an advantage?
- What areas of performance does the customer have a gap? What is the value of the gap?
- What are the critical business functions for each area of performance that your solutions can help the customer better manage?
- How do your solutions help better manage performance?

Let's answer some of these questions using Colgate-Palmolive as an example. Figure 10 shows Colgate-Palmolive's growth in profitability.

## Seven Steps to Building a Customer-First Revenue Organization

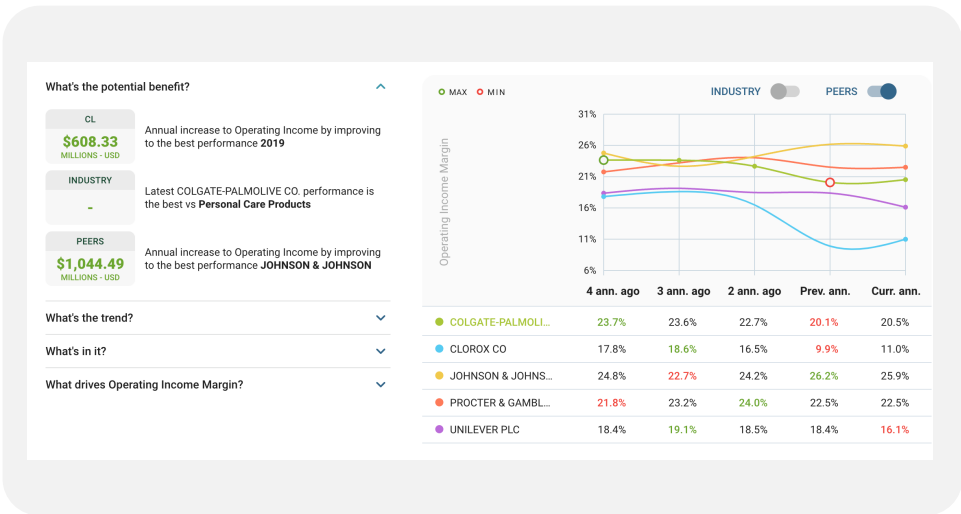


Figure 10 - Assessment of Profitability for Personal Care Products Industry  
Source: FinListics Solutions

### How is the Customer Performing?

Figure 10 shows that on a trend basis, profitability has been dropping over time from a high of almost 25% to a low of just over 20%. Note that profitability is dropping year-over-year, suggesting that there are systemic factors at play, like changes in product mix, pricing, and increasing costs. Insights into the profitability trend are found in the Company's Annual Report in the Management and Discussion section. In the most recent Annual Report, one of the items highlighted was higher raw and packaging costs. Therefore, several insights can be garnered when comparing Colgate-Palmolive to its peers:

1. The company's profitability compares favorably to most of its peers.
2. There seems to be an overall trend of declining profitability, with the exception of Procter & Gamble.
3. Although not shown, Colgate-Palmolive is in the top quartile (better performers) in the industry.



## Value of the Gaps

A common internal practice at many companies is to measure the value of the gap in current performance against the best-performing year, peer, and industry top quartile. It is recommended that revenue organizations also measure a customer's gap in performance to identify potential areas of opportunity.

Without going further into how the gap is calculated, Figure 10 shows:

**Trend: \$826 million** going from the current year (20.1%) to best performing year (24.7%).

**Peer: \$435 million** going from the current year (20.1%) to best performing peer (22.5%).

Knowing the size of these gaps helps us understand, in part, why one of Colgate-Palmolive's goals is to realize annual savings of \$90 million to \$110 million. Knowledge of the gaps should also motivate the revenue team to think about what solutions could be proposed to close as much of the gap as possible.

## Business Functions Managing Performance

It is essential to know which of the buyer's business functions are most focused on the different areas of financial performance. This helps your team think like a customer executive when assessing performance and to know which business functions they should be targeting.

Figure 11 provides examples of what buyers are focused on and which areas of financial performance.

**FINANCIAL PERFORMANCE:  
BUYER'S CONNECTION**

**Revenue Management | Relevant Buyers**

**Revenue Growth**

- Customer Service, Marketing, and Sales
- Information Technology
- Operations
- Product Development

**Expense Management | Relevant Buyers**

**% Cost of Goods Sold**

**%SG&A**

- Operations
- Customer Service, Marketing, and Sales
- Procurement
- Human Resources
- Finance & Accounting
- Information Technology

**Asset Management | Relevant Buyers**

**Days In  
Inventory DII**

**Days Sales  
Outstanding DSO**

**Days Purchases  
Outstanding DPO**

**Fixed Asset  
Utilization**

- Information Technology
- Finance & Accounting
- Operations
- Information Technology
- Finance & Accounting
- Information Technology
- Information Technology
- Operations

Figure 11 - How Well Does Your Sales Force Know Their Customers?  
Source: FinListics webinar poll results.

Let's apply this to Colgate-Palmolive. We know that profitability has dropped year-over-year. The cost of goods sold is a significant driver of profitability. Executives in Production, which is part of Operations, would analyze changes in profitability in terms of items they control, like materials, labor, and overhead. Executives in Distribution and Logistics, which is also a part of Operations, are thinking about factors like transportation and warehousing costs.

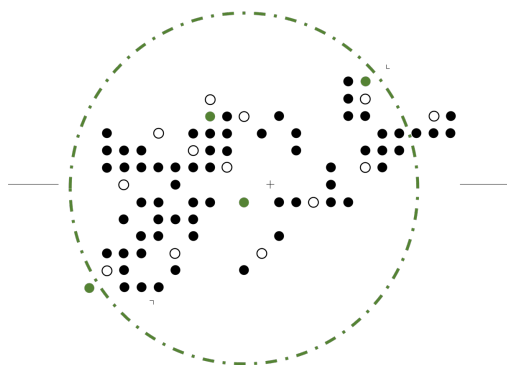
## Tailor Sales Messages for Individual Stakeholders

Stakeholders in the buying process continue to increase, and it's essential that your team understands their:

- Initiatives supporting company-wide goals and strategies
- Measures of success – including Operational KPIs

The benefits of understanding this information include:

- **Tailored Messaging:** You can communicate more effectively in their language. Directly addressing the initiatives of each stakeholder, demonstrating how your solutions directly support their initiatives.
- **Tailored Solutions:** Understanding individual stakeholders' initiatives allows your group to align your solutions to their specific needs, making them more relevant and effective.
- **Cross-Selling Opportunities:** Insights into stakeholders' initiatives can uncover opportunities for cross-selling or upselling. If your solutions can benefit multiple functions or address different stakeholder needs, you can position them as comprehensive solutions.



Tailoring sales messages for individual stakeholders is crucial to selling to large buying teams. Yet, as Figure 12 highlights, the survey result showed that over 70% of respondents rated their sales teams as poor to average in tailoring sales pitches, clearly demonstrating the need for improvement.

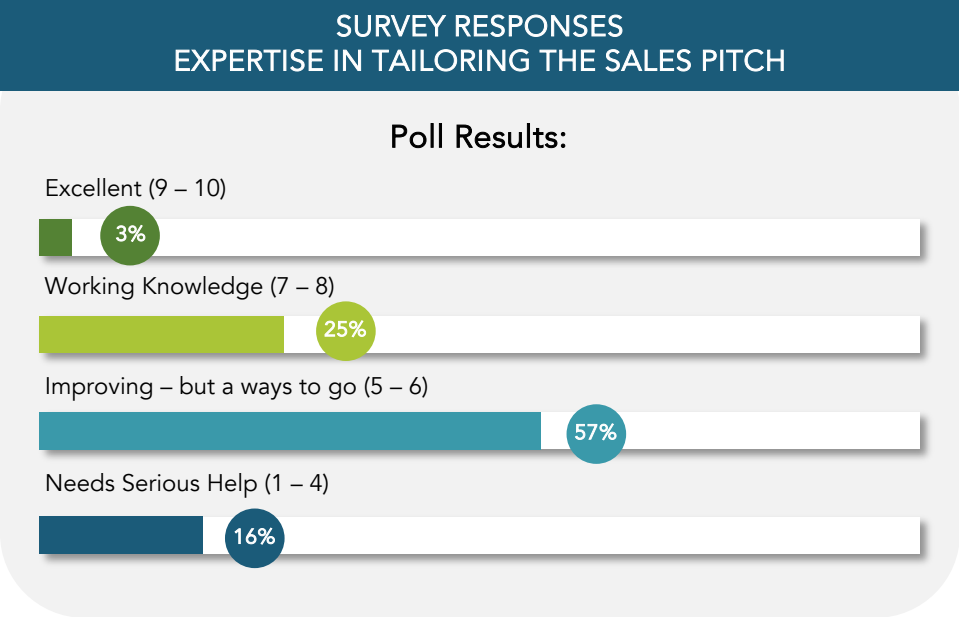


Figure 12 - Sales team’s expertise in tailoring sales pitches to customers.  
Source: SES session poll results

**Expertise in Tailoring Sales Message**

Developing tailored sales messages should be a team effort involving the entire revenue team and possibly other functions. Better tailoring of messages to stakeholders can immensely boost your company’s odds in hotly contested pursuits.

It may sound like the team has a lot of work to do, but the good news is that the framework is scalable. Within an industry, goals, strategies, initiatives, and KPIs tend to be the same across companies.

To illustrate, we will use Colgate-Palmolive's goal of growing revenue by 5% to 6% through pursuing a strategy to Accelerate Frictionless Commerce. Figure 13 provides examples of some of the stakeholders that would be included in the buying process.



Figure 13 - Who is in the Buying Group?  
Source: FinListics Solutions

Next, continuing our example of the Colgate-Palmolive Frictionless Commerce project is understanding how each stakeholder supports and impacts the initiative. Figure 14 shows examples of initiatives and KPIs for Marketing and Distribution & Logistics.

Stakeholders	Marketing	Distribution & Logistics
Initiatives	<ul style="list-style-type: none"><li>• Deploy cross-channel campaigns to engage, upsell, and cross-sell with targeted offers</li><li>• Use data analytics to gather customer insights across channels to continuously refine and optimize the omnichannel strategy</li><li>• Capture growth of direct-to-consumer and subscription services via digital marketing/social media platforms</li></ul>	<ul style="list-style-type: none"><li>• Localize operations to more effectively access and serve new markets</li><li>• Develop a direct-to-consumer strategy, e.g., shipping friendly packaging, warehousing, and fulfillment capabilities</li><li>• Manage reverse logistics and maximize the value of returned inventory</li></ul>
Operational KPIs	<ul style="list-style-type: none"><li>• Customer Churn</li><li>• Cross-Sell/Upsell</li><li>• New Customers</li></ul>	<ul style="list-style-type: none"><li>• Sales orders delivered on time</li><li>• Perfect order completion</li><li>• Stockout losses</li></ul>

Figure 14 - Examples of Marketing and Distribution & Logistics Initiatives and Operational KPIs Supporting the Goal of Growing Revenue with a Strategy of Accelerating Frictionless Commerce  
Source: FinListics Solutions

Notice how the two stakeholders are supporting the same goal and strategy, but their initiatives and operational KPIs are very different. Tailoring the sales message requires that references be made to their individual initiatives and KPIs. **One size does not fit all.**

Marketing, for example, does not want to hear about how your solutions can localize operations and reduce stockouts, and Distribution & Logistics has limited interest in hearing about how your solutions can help deploy cross-channel campaigns and reduce customer churn.

**Power of One - Potential Financial Benefits**

Today, buying groups are much further down the buying journey before engaging with your revenue organization. They want insights into your solutions’ potential financial benefits much earlier in the sales cycle. These benefits should be part of the tailored sales messages providing insight into the benefits for the individual stakeholder’s operational KPIs.

Typically, your revenue team will be challenged by the fact that early in the sales cycle, the current value of the individual operational KPIs is not known, and without further discovery, the financial benefits often lack credibility. To address these challenges, we recommend estimating the financial benefits using industry averages and showing the benefits for a 1% improvement, which we refer to as the “Power of One”.<sup>22</sup> The industry averages and Power of One is applied to the customers’ revenue.

In Figure 15, the Power of One applied to the Marketing stakeholder in the Colgate-Palmolive scenario shows an impact of approximately \$54 million in revenue.

Marketing Operational KPIs	Industry Average	Power Of One (In Millions)
Customer Churn	7%	\$13
Cross-Sell/Upsell	9%	\$16
New Customers	14%	\$25
Total	N/A	\$54

Figure 15 - Power of One for Marketing Operational KPIs  
Source: FinListics Solutions

Utilize the Power of One after understanding how the solution aligns with the marketing stakeholders' initiatives and operational KPIs, plus how the solution has been applied at other companies in the industry. Next, share the Power of One to provide a financial focus for the customer. Below is an example of the conversation:

*"I have shared with you how our solutions have supported others in your industry with similar marketing initiatives and KPIs. For a company of your size, we estimate for each 1% improvement in Customer Churn is close to \$13 million, Cross-Sell/Upsell \$16 million, and New Customer \$25 million for a total benefit of \$54 million."*

In presenting the Power of One, **do not** make it sound as though it is a promise. It is not. Not enough information is known to make such a promise.

Many customers conduct analyses internally, like the Power of One, but using their actual numbers. They will be impressed that your company has also performed a similar analysis even though industry averages have been used.



### CUSTOMER FIRST TIP

While your team needs an in-depth understanding of customers, they should be selective in choosing a customer's areas to place their focus. We have witnessed teams trying to "boil the ocean", which resulted in them spending an inordinate amount of time yet missing the bigger picture of the customer's business dynamics.



## **Constructing the Point of View**

The final action for your pursuit team is completing their POV. The POV is their path to providing the buyer with fresh insights - "telling them something they don't know."

Your revenue team needs to know the answer to the critical questions discussed earlier before ever setting foot in the customer's office or joining a video call with them. Answering critical financial and business questions about the buyer is imperative for revenue teams to fine-tune their approach and solutions to what is relevant for the executive buyers.

## **A Commitment to Continuous Coaching**

Lastly, as a revenue leader, with the changes a customer-first approach requires and to make the impact sustainable, you must coach your team to get out of their comfort zone. For example, they can no longer be content just to call on someone in IT or other functions they are most comfortable interacting with. In enterprise sales pursuits, they must work their way into other areas to gain new perspectives on the customer and also potentially explore additional opportunities.

Additionally, the sales team must be coached to aim as high as possible in the customer's line of business. They need to reach the senior leaders who are setting strategy. The roles below will follow the executive's lead but without the decision-making ability. Without talking directly to the senior leadership, the likelihood of the deal getting pushed is raised exponentially.

## STEP 7: ENSURING ON-GOING NOURISHMENT

### Keeping the Revenue Organization in Alignment

A customer-first approach requires consistent encouragement of employees to stay aligned, proactive, and fresh to avoid any divergence in focus. This starts by ensuring that everyone, from senior leaders to the members of the revenue organization teams, understands the company's North Star, and it is reflected in all their interactions with customers.



### CUSTOMER-FIRST COMPANY SHOWCASE

**Company:** Leading US-based Technology Company

**Mission:** Be the leading customer-centric tech company

**Background:** From its beginning, the company had instilled a customer-first culture and focused on making its customers the #1 priority in every decision. Their revenue organization is tightly integrated and customer-centric to maximize value and improve the experience. Additionally, they have actively created a strong customer community through conferences, forums, and similar events, building tremendous loyalty.

**Results:**

- Based on a recent third-party survey, the company had a Net Promoter Score over 3X higher than the tech industry average.
- Nearly 90% of respondents said the company is “easy to work with”.
- 80% said they “prioritize customer needs”.

Next is keeping a watchful eye on actual and potential misalignment occurring in your organization. The dynamics of enterprise B2B sales and demands of a customer-first approach will undoubtedly mean on-going course adjustments for your organization. To help cement your customer first environment and prevent drift, below are some suggested actions:

### Account Planning

- Moving to a customer-first approach requires your account planning efforts to adapt and be more strategic and less tactical.<sup>23</sup> The process becomes less about knowing renewal dates and more about understanding the customer's long-term goals and recent financial performance.

### Customer Journey

- Aligning the revenue organization to work collaboratively throughout the customer's journey is central to a customer-first strategy, including:
  - **Defining:** Clearly stating what value means for the customer.
  - **Delivering:** Ensuring the promised value is consistently delivered throughout the customer journey.
  - **Quantifying:** Measuring and demonstrating how the solution contributes to the customer's success in tangible terms.
  - **Recognizing:** Actively seeking to understand and acknowledge the customer's achievements and milestones.
  - **Communicating:** Effectively demonstrating and communicating the value provided to ensure the customer is aware of the benefits received.

### Quarterly Business Reviews

- An excellent vehicle for reinforcing the customer-first approach and keeping your revenue organization aligned is QBRs. However, the meeting structure needs to change, as they can no longer be inward facing with retroactive analysis but need to be customer-facing and forward-looking.

## Performance Measures and Objectives

- One of the more sizable challenges in moving to a customer-first environment is changing the performance measures for sales and other customer-facing employees. Primarily, this involves implementing measures and objectives related to customer-facing efforts and eliminating or deemphasizing internal-focused activities.

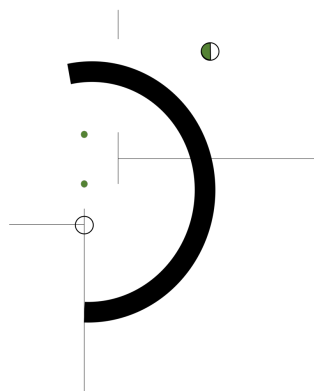
## Roles and Responsibilities

- Clearly defining and aligning roles in the revenue organization is a must to ensure a consistent customer experience. By aligning the teams, you can ensure everyone is marching towards the same “North Star”.

## Sales Pursuits

- During sales pursuits in a customer-first environment, the pursuit team must stay aligned and focused on solutions that address the customer’s needs and challenges and not fall back on features and functions. The activities should be based on creating value for the customer rather than just narrow-mindedly pushing for a sale.

Congratulations! This marks the last of our seven steps in building a customer-first revenue organization. However, you need to be realistic and prepared to overcome the potential obstacles in sustaining your early momentum. Lastly, we examine the mitigation efforts to help address these challenges.



## OVERCOMING CHALLENGES AND OBSTACLES

### Sustaining the Customer-First Momentum

As in most people-intensive change initiatives, the real challenges of shifting to a customer-first approach will likely appear after a few quarters, or if fortunate, a few years, when senior leadership's focus has been trained elsewhere, the initial discipline and communications have waned, and employees start reverting to old habits. As a revenue organization leader, you need to implement the below measures to mitigate any backtracking and make customer-first an indelible part of your culture:

- **Strategic Communication Waves:** While it may feel like overkill, intensifying your regular cadence of communications regarding the progress of your customer-first transformation is the most effective means to help keep your group informed and focused.
- **On-going Training Sessions:** With continual training, you help drive home the practices and actions required of your new approach and help prevent team members from falling back into old comfort zones.
- **Silo Prevention:** Tearing down silos should include instituting regular cross-functional meetings to share strategies, lessons learned, and success stories to help prevent teams from working alone and not collaborating.
- **Culture of Transparency:** Building trust and aligning your organization amid an organizational transformation requires transparency. In addition to the items mentioned above, leaders must also share all relevant data across teams.
- **Change Management:** If the changes you made are slow in taking hold or there is an expectation of significant issues, a wise investment can be internal or external resources to assist with implementing change management best practices to help employees transition to new ways of working.

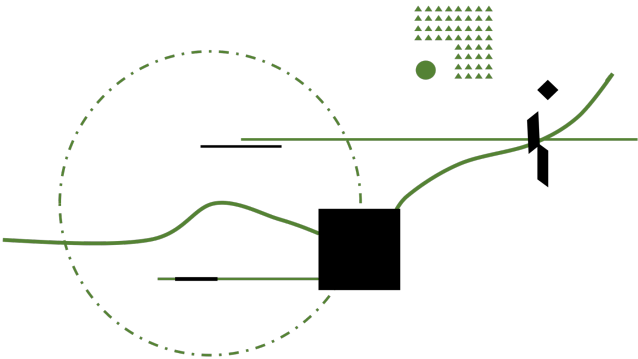
Reaping the rewards of a customer-first approach and sustaining the initial momentum takes active leadership, a willingness to adapt, and making tough, sometimes unpopular decisions.

**Today's the Day: Seize the Moment for Customer-First Success**

The most important point we can convey regarding a customer-first approach is to get started. Even if you start by taking on just some of what we have discussed and then add the other elements later, the important point is getting started.

Building success in a customer-first environment requires the hard work to go beyond the comfort of features and functions to develop a deep understanding of the customer’s needs and goals. Plus, the discipline to not fall back to the old silos and instead institutionalize internal collaboration across your organization.

Putting the customer at the heart of your business operations is a proven means to accelerate revenue growth for enterprise B2B companies. Do not wait any longer; start building a customer-first culture today.



## ABOUT THE AUTHORS

**Dr. Stephen Timme** - Founder and President of FinListics Solutions, where he is responsible for the company's strategy and vision. Before founding FinListics in 1992, Stephen was a Professor of Finance at Emory University, Georgia State University, and an Adjunct Professor at the Georgia Institute of Technology.

His passion for finance led to the creation of a consulting practice that focused on helping companies improve financial performance. The practice morphed into the FinListics Solutions that we know today – the leading solution for business and financial analytics that empower Insight-Led Selling. Over the past two decades, FinListics has helped dozens of companies in over 30 countries and thousands of sales professionals boost their knowledge of finance and business goals.

**Sheevaun Thatcher, CPC** - As VP of Strategic Enablement for Salesforce, Sheevaun manages a global team of enablement professionals. Widely recognized as one of the earliest pioneers in sales enablement, she has been recognized multiple times for her contributions to the field. In 2019, she received a Lifetime Achievement for Sales Enablement Award, and Sales Enablement Pro named her its 2022 Enablement Mentor of the Year.

At Salesforce, her Strategic Enablement group takes a multifaceted approach to driving business growth that encompasses various elements, such as the re-imagining of traditional sales practices, strategic cross functional partnerships, innovative thinking, and experimentation as force multipliers. Sheevaun's expertise extends to coaching, management, and effective communication, making her a sought-after resource for organizations and individuals seeking to improve their performance and collaboration.

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