

IBM:

Large Account Prioritization

Title: Key Account Prioritization Process in Key Account Management

Abstract: In the face of tight competition and increased demands for customer-specific customization, sales functions face ever increasing pressures. Particularly in large account management, companies have introduced key account management programs where clients are divided into different groups according to their importance. Key account management is less and less benevolence of any kind, but is widely considered to be an investment in the most important clients, from which the supplier wishes to get the best profits in return. This case outlines the conceptual approach employed by one of the global forerunners in programmatic large account management: IBM.

Keywords: Large accounts, key account management, process, prioritization

Theoretical and/or analytical framework: Supplier-perceived value, key account value, share-of-wallet

Companies: IBM

Industries: IT, outsourcing, solutions

Context: Large account business, long sales cycles, Finland, telecoms

Sales management focus: Key account management frameworks

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ABB:

Piloting Solution Sales

Title: Product development of solution business and solution sales on the basis of existing products

Abstract: The current business case provides an interesting and concrete example of the business opportunities offered by solution sales for product companies operating in mature markets. The review examines the domestic Product Sales Unit of ABB Finland, a unit that, alongside traditional product sales, successfully developed a sales model in which products and services from different families were combined to obtain solutions satisfying clients and influencing their performance. The situation is interesting for ABB because, although it is well known for its implementation of projects worth millions, the operating approaches familiar from these major projects are not suitable for selling smaller solutions. Smaller solutions do not enable support from the same kinds of teams and inputs as large projects, and management of sales costs takes on a key role.

ABB's sales model highlights three important elements. First, building solutions including products and services from different product families made it possible for domestic product sales to operate as a separate profit center. The organizational structure places all products, as it were, under the same roof, and the problems typical of solution sales, such as transfer prices and disputes related to internal distribution of profits could thus be averted. Second, salespersons came up with the idea of using telemarketing in their customer contacts. This approach, seldom used in the field, kept sales costs and saved considerable amounts of time for sales representatives. The third important element was associated with the mode of thinking about selling and the targets of sales. In product sales, it is

assumed that productization into comprehensive product packages that will attract the interest of engineer-led buyers is possible. Solution sales, in turn, approaches the buyers responsible for business operations and highlights business opportunities they are not yet fully aware of, which provide possibilities to improve their profits.

ABB's energy efficiency solution for power plants is an indication of how the smaller solutions can be developed and sold profitably with the existing resources alongside ordinary product sales.

Keywords: B2B product business, sales, transformation of sales from product business to solutions business, business growth, management of sales costs, energy efficiency solutions.

Conceptual/analytical framework: The sales process, sales organization, creativity of the management

Company: ABB Finland Product Sales Unit

Industry: Power and automation technology

Context: Small-and medium-sized energy efficiency solutions

Focus of sales activity: Solution sales, management of sales costs, transformation of sales

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Nokia Siemens Networks: Transformation to Solutions Selling

Title: Persistence and vigilance in turning the ship: An enterprise-wide transformation from product-oriented to solution-centric business

Abstract: This case steps into a setting where a major multinational company manufacturing wireless telecommunications infrastructure, Nokia Siemens Networks (NSN), is in the midst of corporate-wide transformation from a product-oriented company to solution-centric business. Solutions are often regarded as a mere synonym for advanced products, marketing jargon, or contemporary sales tactics. Recent developments in the telecom infrastructure markets, however, necessitate a professional, CXO-level attention to the issue at NSN – with profound strategic and organizational implications. The company operates in an industry that has recently entered a stage of maturation, characterized by declining growth, product commoditization, intensified price competition, and strengthened buyer power. At the same time, NSN and other incumbents continue to be organized on the basis of a product orientation that has deep historical roots. A relevant option, often the only viable one, is to carry out an extensive sales-driven transformation from selling products to offering solutions that enable customers to improve their business results. The present case identifies managerial challenges accompanying such transformation processes and illuminates possible solutions.

Keywords: Product commoditization, solution selling, solution-centric strategy, sales process design, organizational design, corporate-wide transformation, marketing alignment, incentive structures, competence development

Theoretical and/or analytical framework: Solution-centric sales process and organization

Companies: Nokia Siemens Networks

Industries: Wireless telecommunications network infrastructure

Context: Large project business

Sales management focus: Solution selling, large-scale organizational transformation

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