

Vaisala: Value-based Selling

Title: Defining, Quantifying and Communicating Customer Value – A Multi-Case Study from B2B Markets

Abstract: Customer value and value creation have been shown to be key determinants for success in various management research contexts. Organizations everywhere speak about creating value for their customers, and yet very few have the knowledge and the readiness to demonstrate to their customers the value they actually provide for them. The ability to reliably determine and understand the value creating logic for the customer, and being able to quantify and communicate this value solidly, is especially important in mature markets with price-lead competition as well as for blue ocean businesses and offerings.

This case describes the establishment of a managerial process for conducting value assessment and best practices in value quantification. The case, dealing with the meteorology and airport services businesses of the instrument technology company Vaisala is crammed with recommendations for managers regarding value-based selling and value management.

Keywords: Customer value, quantification, value assessment, value-based selling, customer-desired value, customer-perceived value

Theoretical and/or analytical framework: Value-based selling, value management

Companies: Vaisala

Industries: High tech, instruments and measurement

Context: Total solution selling, solution based

Sales management focus: Value-based selling, service sales

Date of production: June 25, 2009

Authors: Nora Rosendahl, Petri Parvinen

Metso Automation vs. ABB Services: Calculating Customer Business Cases

Title: Calculating the Customer Business Case and Using It in B2B Sales: A Multi-Case Study in Industrial Services

Abstract: Value is a widely used term in everyday business language. However, only rarely are companies able to quantify the value of their offerings for the customers, let alone use it as a key selling argument. Due to the critical importance of selling, companies have kept their value-based selling practices to themselves—particularly in competitive markets. This case shows how value may be used as a selling argument in selling industrial services. The study describes and analyzes two companies: Metso Automation and ABB Services. The focus is on developing a framework for understanding value elements and a managerial tool for value-based selling to the pulp and paper industry. This case indicates that the overall understanding of the value-based selling process is essential, where the importance of mutual step-by-step processes and relevant references in practical selling are highlighted, as value calculations alone do not sell. The value-based mindset must be present during the whole selling process and at all levels. The calculation models created must be as simple as possible and focus only on a few key value elements.

Keywords: Value, customer perceived value, value-based selling, customer business case

Theoretical and/or analytical framework: Value elements, value-based selling process

Companies: Metso Automation, ABB Services CustomerCo (large multinational pulp and paper enterprise)

Industries: Pulp and Paper

Context: Continuous industrial services on service component level

Sales management focus: Value-based selling, service sales

Date of production: May 25, 2009

Authors: Ilkka Heiskanen, Petri Parvinen