WHAT DO CUSTOMERS VALUE?

THERE IS A HOLE IN THE COMMERCIAL OPERATIONS SYSTEM:

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By Jerry Alderman

VALKRE

THERE IS A HOLE IN THE COMMERCIAL OPERATIONS SYSTEM:
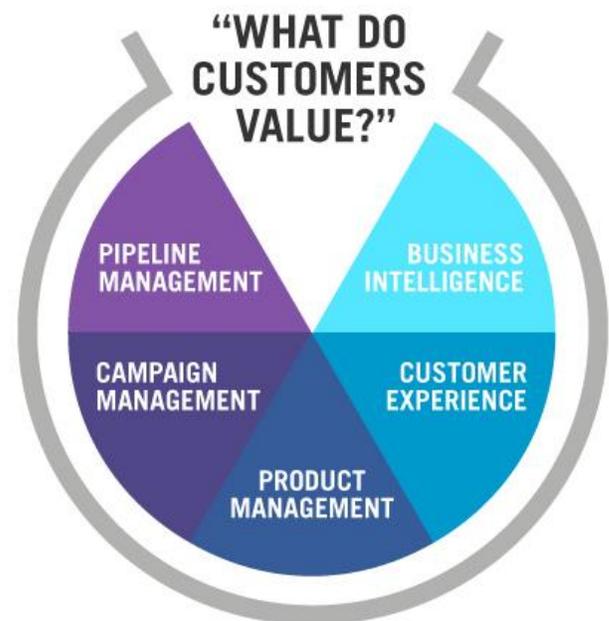# WHAT DO CUSTOMERS VALUE?

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According to Sirius Decisions, aligning selling operations and assets with the Customer and what they value can have significant impact on business performance:

19% FASTER REVENUE GROWTH

15% HIGHER PROFITABILITY

Those numbers should get attention and they do. Companies know they don't do an adequate job aligning selling ops and assets with what customer's value. The reason they struggle to get this system in alignment is because there is a hole in their Commercial Operations Tools Landscape and it is: "What Do Customers Value?"

The following graphic captures how we and our customers think about the Sirius Decisions claim.

THE COMMERCIAL OPERATIONS SYSTEM

There are a ton of process tools for aligning selling operations and assets. But when it comes to making the connection to a "Customer" there is a gaping hole in the system; "What Do Customers Value?" Until companies treat this hole in their Commercial Operations System with the same process and tools rigor as they do with the rest of the system they will not realize the revenue and profit growth opportunity described by Sirius Decisions.

THERE IS A HOLE IN THE COMMERCIAL OPERATIONS SYSTEM:
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Our customers asked us to help them fill this gap and it has guided our work of building enabling software tools for the past few years. Long enough to have learned many lessons from great companies such as GE, Owens Corning and Cox Automotive about the necessary processes and tools required to fill the gap and connect to the rest of the system. From this amazing crucible we have landed on fundamental insights.

> **VALKRE'S VALUE**
> According to our customers:
>
> *It gives us a place; there is no place in any of our other system tools to do this work. Since there is no place the work winds up being done along a string of one-offs that are inconsistent and have the feel of always starting over…actually really sad.*

INSIGHT 1: 3 CRITICAL PROCESSES

There are 3 critical processes sitting in the "What Do Customers Value" bucket that are not enabled with modern tools and connected into the digital threading of the Commercial Operations system. The 3 processes are:

1. **Value Props: Build, test, and improve, awesome quantified Value Propositions.** We've enabled this process because nothing about "What Do Customers Value" works without the Value Prop as a manageable data object. The Value Prop is where our customers build and house the Value Story, Differentiation to Competitors, Impact to differing customer roles, Customer Metrics impacted, Value Calculators to drill down to quantified customer outcomes and more. With the Value Prop as a data object we can now manage it in a very basic and profoundly different way than in its current state as a static piece of content.

2. **Value Intelligence: Develop a Value Intelligence "source of truth" and integrate with Sales and Marketing.** Process #1 is about building Value Props one at a time with many people. The focus of Process #2 to ensure the Value Props along with supporting files and links (collectively Value Intelligence) are available and used by the Sales and Marketing masses to communicate customer value. The core idea is managing a source-of-truth on "What Do Customers Value". Value Intelligence is the most important data when interacting with customers and our aim is to ensure every sales and marketing function is armed with the source-of-truth.

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VALKRE'S VALUE
According to our customers:

It is the Database: with the Value Prop as a data object we can now change the source and have those changes automatically propagate to the many stakeholders who need the intelligence. This allows us to bridge from having a place to build awesome value props to being able to manage 100's, 1000's of value props and related value intelligence.

VALKRE'S VALUE
According to our customers:

Enables the Work: there is no other tool that enables the actual work of value creation with customers. Valkre is able to help our organization understand that the Account Plan is a small part of the process of value creation with customers.

INSIGHT 2: A DEFINED PIECE OF THE COMMERCIAL OPERATIONS SYSTEM

"What do Customers Value" is its own tools bucket in the Commercial Operations Landscape. Here are the reasons:

3. **Co-Create with Customers: Collaborate with customers on Value Creation and track value delivered.** This very foundational idea of Value Prop and the collaboration between customer and company to understand and improve Value Prop has long been a glaring gap with traditional account management tools. There is no account management tool in the market that gives anything more than a text box worth of focus on understanding quantified customer outcomes…the single biggest determinant of success and growth. We have taken all of the functionality around **Build, test, and improve, awesome quantified Value Propositions,** added what we've learned as best-in-class workflows of Account Management and offer an end-to-end workflow for account managers to use in the value creation process with their customers.

1. **Internal and Customer Facing User experience:** The internal power users who manage these 3 processes want an experience that enables and aligns with their work. The nature of working on "What do Customers Value" needs to be customer facing. The information coming out of the system has to be ready to share with customers or accessed directly by customers. Other tools in the Commercial Operations system are not built to offer this use experience as they do not view the idea of managing customer value as something they enable.

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2. **Database:** The entire "What Do Customers Value" tool incorporates a Database that is unique in its architecture relative to other system tools. This is a database that contains customer metrics, data elements of the value story, data elements necessary to quantify value, data on customer perspective, value calculators that leverage this data, etc. Housing this in a purpose built database is the only way to bridge over from static content that gets lost in the system to content that is dynamically wired into the system. This is very different and far more powerful than often used files management approaches.

3. **Everyone Uses It:** The "What Do Customers Value" data is needed in each element of the Commercial Operations system. It is just as important to Product Development and Marketing Campaigns as it is to the Selling Pipeline. The Customer Value data is needed regardless if Salesforce, Marketo, MS Dynamics, or any of the other common systems are deployed. So the logical path has been to build a standalone SaaS engine that can enable digital threading within the Commercial Operations Landscape regardless of a company's specific tools.

> **VALKRE'S VALUE**
> According to our customers:
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> *Gartner 2015 Cool Vendor: Gartner chose Valkre as a 2015 Cool Vendor because of our "capabilities that link go-to-market plans with marketing campaigns and with sales execution techniques." Valkre customers agree with Gartner's assessment.*

INSIGHT 3: INTEGRATING INTO THE COMMERCIAL OPERATIONS SYSTEM

If you can't make it work within the commercial operations landscape then it doesn't work. This is a journey and there are not two companies who deploy the same digital threading in their commercial operations. Or who are focused on the same challenges. To make this work it has been a requirement to have an Industrial Strength SaaS engine that can stand shoulder to shoulder with other Commercial Operations tools:

1. **Modular:** Everything needs to be modular so the system works without too many dependencies. For example we need to be able to enable Process #1 without necessarily addressing Processes #2 or #3.

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2. **Configurable:** The tool needs to be configurable and flexible to match the language and work process of a particular company.

3. **Integrating into the Work:** The Industrial Strength tool requires everything an organization needs to integrate "what the customer Values" into how they work: Mobile, CRM Integration, API's, Apps, etc.

VALKRE'S VALUE
According to our customers:

One of our Partners, Baker Tilly, sums up this point well, "across the board, we see high cohesion in all things we do in the domains of Sales Effectiveness and Marketing Effectiveness with Valkre." The point being whether you are working in Sales Effectiveness or Marketing Effectiveness you can use the Modular, Configurable and Integrative nature of Valkre to start wiring the Commercial System together.

VALKRE = "WHAT DO CUSTOMERS VALUE?"

We have built the "What Do Customers Value" element of the Commercial Operations System.

We have done this through a multi-year, intense collaboration with our customers and partners. Though the work we have landed on 3 major insights that we and our community view as being required:

INSIGHT 1: 3 Critical Processes
We've coded them into a powerful SaaS engine

INSIGHT 2: A Defined Piece of the Commercial Operations System
We've defined this gap in the Commercial Operating System and our customers are using Valkre to fill the gap

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INSIGHT 3: Integrating into the Commercial Operations System
We built the system to be Industrial Strength so it can legitimately connect to the Commercial Operations System

WHAT'S IN IT FOR OUR CUSTOMERS?

It is what Sirius Decisions research finds: aligning selling operations and assets with the Customer and what they value can have significant impact on business performance:

19% FASTER REVENUE GROWTH	15% HIGHER PROFITABILITY

These are clearly game changing numbers. Our experience is that in order to achieve them you must treat the "What Do Customers Value?" component of the Commercial Operations System with the same rigor as is accorded the rest of the system.

There is a growing community who support our perspective. Gartner agrees and in 2015 named Valkre as one of 3 cool new companies in Sales and Marketing tools (view here). The Strategic Account Management Association, which is the standard bearer for best-in-class Strategic Account Manager practices agrees and has chosen and incorporated

Valkre tools into their training and coaching curriculums (view here). GE agrees and purchased a lifetime license to Valkre (view here). Cox, Sabre, Varian, Philips and others agree.

If you are interested to learn more:

Web: valkre.com
Video: valkre.com/solutions
e-mail: info@valkre.com