

## **Learning to Communicate in the C-Suite**

Imagine moving to a foreign country to make a living where you do not know the language. Now imagine an article so powerful you can learn how to communicate at a level you never knew was possible. The central message in this article is three-fold:

1. Sales professionals will need to learn a new vernacular rooted in financial analysis because finance people are now involved in all strategic buying decisions.
2. The way corporations make strategic buying decisions has changed significantly.
3. Sales and marketing management will need to understand the value provided by their products and services and their impact on a prospect's C-Suite financial metrics.

In this article I teach you the language used in the C-Suite for making strategic buying decisions. I prepare you for the conversations you will be required to have and reveal the secret of creating a comprehensive value inventory and how it relates to a set of C-Suite metrics that will be used to correlate value to financial impact.

This article is focused on sales and marketing management that have a complex B2B sale. It is not recommended for B2C sales management or personnel.

I have spent the past six years formulating and perfecting some of the concepts (Value Inventory) in the article. I have written several books on the topic and in the past 12 months developed the C-Suite metrics concepts that are used to perform financial analysis done by C-level executives during a buying process.

The concepts are rooted from my book published in 2004, “ROI Selling” (Dearborn Publishing 2004). The added content, specifically the C-Suite metrics, and Discovery Questionnaires have been invented by me at ROI4Sales, Inc. My company has been building sales tools, ROI, TCO and Risk Assessment tools since 1998. I have worked with, HP, Microsoft, Oracle, Autodesk, Rockwell Automation, GE, Fiserv, Emerson and many other fortune 100 companies.

*Unedited version of the article & content:*

### **Learning to Communicate in the C-Suite**

C-level executives focus the majority of their time on strategic objectives. Their primary overall objective, however, is to sell more products and services and make their companies more profitable. Basic profit is determined by how much you sell in comparison to the cost of what you buy. When C-level executives make major buying decisions they take into account the cost to purchase and its effect on a set of simple metrics they use to help them determine such things as when to buy, method of payment, and value to the company versus the amount spent. In addition, **often times they will look into what effect this purchase will have on their financial statements and annual reports.**

Communicating with these decision makers (C-level executives) requires a different set of sales tools and selling skills, and a basic knowledge of their vernacular. I want to reveal the language they live by, the metrics they use to make buying decisions, and how to establish a foundation for building the tools necessary to succeed when selling to the C-Suite.

I begin with, “The C-Suite Effect”. This is where *C-level executives make buying decisions based on the strategic effect the purchase will have on a set of key financial metrics or levers.*

For example, let’s begin with a prospect’s Chief Financial Officer (CFO). A CFO is the originator of much of the information that is used to make most buying decisions in every organization. The CFO keeps all of this information in pockets to be used for analysis of such things as what to buy and when to make a buying decision.

Here is a revelation for you: *ROI is no longer the key metric the CFO really cares about in the buying decision process.*

The basic problem with ROI is that it is typically calculated (estimated) before purchase and implementation and rarely calculated (proven) after delivery. In addition, even when you do return to measure the value delivered, it is usually too late to make a move to correct issues that arose over the course of the project implementation.

This lack of measurement after implementation renders ROI calculations a useless tool for today’s sales professionals to rely on in the sales process. In addition, there are some instances where ROI is not achieved for several years. A more effective approach is to discuss your prospect’s issues, pains, and goals as they relate to your product’s value and its effect on the key financial metrics CFOs use to understand their company’s financial stability and make informed financial buying decisions—in other words, the C-Suite effect.

### **Major C-Suite Metrics**

There are more than twenty metrics that the C-Suite will use to monitor the financial health of their organization and calculate or track spending. In this article I am

going to focus on ten of the most popular metrics that are used in various ways to evaluate most strategic buying decisions within a corporation. If you have a basic understanding of what each metric means and its impact on the buying decision, then you have achieved the first step in effectively moving beyond selling using ROI, TCO (Total cost of ownership), or other financial analysis models.

Below are ten of the major C-Suite metrics (financial levers) used to make strategic buying decisions:

- Return on Asset (ROA)
- Return on Equity (ROE)
- Earnings
- Operating costs
- Net and Gross Profit margin
- Payroll as a percentage of sales
- Sales per employee
- Debt to Equity
- EBITA margin
- Days Sales Outstanding (DSO)

### **The Value of Metrics in Selling to the C-Suite**

The key to using the metrics above in the sales process is to understand the importance and relevance of your products or services to your prospect's financial levers that lead to strategic buying decisions.

For example, if you sell a product that has a significant impact on DSO's (Days Sales Outstanding), it is critical to:

- Understand the meaning of DSO
- Understand the calculation for DSOs
- Articulate your value as it relates to lowering DSOs

The C-Suite effect takes place when you are able to communicate your value as it positively affects your prospect's C-Suite metrics. For example, an uninformed sales professional might say, "Gee, Mr. Customer, we can lower those DSOs for you, no problem." A better approach would be, "In the past we have lowered our customers DSOs by as much as 10 days. In fact, last week I was talking to ABC Company and we helped them reduce DSOs by almost three weeks." Note that in the second statement you are specific as to the impact and provide proof of your success at other customer's sites.

Let's try another example. An uninformed sales professional might say, "Our products can help you sell more." A better approach is, "We have increased revenue as much as 10 percent in the past, leading to higher earnings and an increase in net profit. When you talk to our customers, you will hear them talk about the 5 – 10 percent increases in profit margins."

When you are initially identifying a prospect's issues, pains or goals (what we call "pain discovery"), it is more important to direct your discussion toward metric impact like net profit margins, earnings, and operating costs than to revenue increases or cost reductions. The financial levers C-Suite executives rely on are based on the metrics, not the total revenue increases or cost reductions. Remember that the pain defined has a direct impact on the metrics the C-Suite is using to make a strategic buying decision.

Your conversation may sound something like this, “I understand your issues with rising labor costs and its effect on your financial reports. However, our automated system can help you with labor cost reduction and put *more profit to your bottom line, reducing your operating costs and increasing your net profit.*” This statement better defines your value as it relates to your prospect’s financial goals and levers. Your impact is not only labor cost reduction, but operating cost reduction and increases in net profit margin leading to higher earnings potential.

The fact that you mention the effect on your prospect’s strategic financial levers will set you apart from competitors who are still selling features, benefits, and ROI. With a new focus on impact to the C-Suite, you will be able to shift the paradigm from you as a sales professional to you as a consultative sales expert.

### **Building Your Value Inventory**

In his *Little Red Book of Selling* (Bard Press, 2004), Jeffrey Gitomer wrote that “Why do people buy is a billion times more important than how do I sell.” I often wonder why organizations spend millions of dollars on teaching their sales professionals how to sell, but very few spend a dime on helping them to understand why their customers buy. This question is where we begin the journey of creating our value inventory.

Building a high quality value inventory takes time and effort, but the payback comes tenfold. It is crucial to engage people from sales and other areas in this effort. I believe anyone who interacts with their customers should participate in this value inventory building process if possible. They probably will have an opinion as to why customers bought your products and services in the first place, as well as how they are using and deploying them. The exercise is designed to collect data on your customers so

that you can use it to better understand your market and its issues, and your value as it relates to the problems you solve for customers. Building your value inventory will serve as the foundation for correlating value to the C-Suite metrics as discussed above.

### **Creating a Value Inventory Matrix**

To begin the value inventory build process, create a Matrix in a spreadsheet program like Microsoft Excel®, with the following headings: Why Buy?, Business Issue, Desired Outcome, Stakeholder, Solution, Metric, Value Proposition and C-Suite impact.

Why Buy	Business Issue	Desired Outcome	Stakeholder	Solution	Metric	Value Proposition	C-Suite Impact

Completion of this Matrix is the foundation for building and deploying sales tools for each phase of your sales process. The diversity of the participants in this exercise is important. Differing views of the same issue will add much insight into why your customers do what they do. Let's begin with the first column of our Matrix.

#### **Why Buy?**

The first step in building your value inventory is to put yourself in your customer's shoes. (Pick the customer stakeholder you deal with the most.) Ask yourself why "you" bought in the first place. When you try to think like your customer, you are

able to provide a unique perspective based on your position within your organization.

This is the primary reason you want customer-facing personnel in this exercise, to gather the point of view of as many stakeholders as possible. (More on how important this is later.) Each person in this workshop should select a stakeholder they communicate with regularly and “put themselves in their shoes.” The premise behind this concept is to be emotional about your issues, pains and goals. Begin each sentence with “We” (or “I”) and answer the following question: *Why buy products and services like yours?* Typical responses might be:

- “We need to lower our labor costs.”
- “We need to reduce our overhead costs.”
- “We need to reduce shrinkage.”
- “We need to stop discounting so much.”
- “We need to stop coming in second place so often.”
- “We need to sell more and expand our market share.”

Keep it emotional in the first column (Why Buy?). Don’t over think the process.

Keep it simple and use fewer than 10 words to describe why you (the prospect) would buy products and services like the ones you sell.

*What about having customers participate when building your Value Inventory?*

Our experience has been that this can be somewhat revealing as to product weaknesses and potential service issues. The Value Inventory workshop is intended to first capture your value from your customer’s point of view and second, focus your team on that value. Exposing a limitation in your products or services could be harmful to your relationship with the customer sitting in on the meeting. If however, your relationship with this customer is one of trust and understanding, it is a great idea to have them participate.

As you begin to complete the value inventory be aware of duplication in the why-buy statements. Try to limit the discussion to the top 25 or so answers. Be sure to get answers from everyone involved in the process because you want as much diversity as you can possibly get.

Below is an example of a Value Inventory based on one of our customers:

Why Buy	Business Issue	Desired Outcome	Stakeholder	Solution	Metric	Value Proposition
We need to lower our DSO's						
We need to reduce our labor costs						
We need to reduce discounting						
We need to reduce customer attrition						

Notice the simplicity in the why-buy statements. They are short, to the point, and emotional in nature. Remember to always begin your sentence with “we” or “I.” This will keep you pointed in the right direction and force you to use emotion when entering the answer.

### **Business Issue**

The next column is Business Issue. The Business Issue begins to narrow down the why-buy response to something more measurable. Read the why-buy sentence aloud and tack on this phrase, “...because of what reason?” For example, using the value matrix from our customer above, “We need to reduce our labor cost, because of what reason?” A typical response might be, “because our burden, overhead and/or inflation have caused

our labor costs to continue to rise.” Or perhaps, “because our labor costs are taking up too much of our total budget.”

The key to an acceptable Business Issue statement is the ability to articulate the answer to why buy with a measurable pain. In other words, can you identify the pain and establish a cost for it based on the Business Issue statement? Below are the Business Issue answers from our customer’s value inventory. Review the completed table of Business Issues below:

Why Buy	Business Issue	Desired Outcome	Stakeholder	Solution	Metric	Value Proposition
We need to lower our DSO's	because we are losing interest income					
We need to reduce our labor costs	because our labor costs continue to rise					
We need to reduce discounting	because we are losing revenue					
We need to reduce customer attrition	because we are losing revenue and our cost to acquire new customers is rising					

Once again notice the simplicity in the answers. Each sentence begins with “because...” and includes a reason and something that can be a measured. (The actual measurement in numbers or percentages will come later.) Remember the most important part of your answer to business issue is a measurable response. See table below:

Why Buy Statement	Unit of measure (cost metric)
Need to lower DSO's	Loss of interest income
Need to reduce labor costs	Constant increase in labor costs
Need to reduce discounting	Loss of revenue

Need to reduce customer attrition	Loss of revenue
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**Desired Outcome**

The Desired Outcome column is our last attempt to capture the unit of measure (cost metric) when identifying pain. Remember, what you want to accomplish when you are done is to be able to take this document and create a financial-based pain discovery questionnaire, Total Cost of Ownership (TCO) program, Value Estimation model and/or other financial based sales tools. Therefore, it is crucial that you get this column correct now. When entering the data for Desired Outcome you will want to read the Why Buy and Business Issue statements out loud in the form of a sentence. For example, “We need to reduce our labor cost because it is taking up too much of our total budget.” Next add the words, “...therefore I want to achieve what?” The key to a successful Desired Outcome statement is your ability to state the issues in terms of quantity of pain at this moment, and what you want as a desired result in the future.

For example, “We need to reduce our labor cost because it is taking up too much of our total budget”; therefore, “We want to reduce the percentage of labor costs from our operating budget.” This may be a bit wordy; however it achieves the goal of being able to identify a problem, measure the current impact of that problem, and then return at a time in the future and repeat the effort. The reason for this is if you identify pain and measure the current cost, it establishes a baseline to measure the value you have delivered in the future (*basically an ROI calculation*). See the completed Value Inventory below that includes the Desired Outcome column completed:

Why Buy	Business Issue	Desired Outcome	Stakeholder	Solution	Metric	Value Proposition
We need to lower our DSO's	because we are losing interest income	therefore we want to increase our annual interest income				
We need to reduce our labor costs	because our labor costs continue to rise	therefore we want to reduce our labor costs				
We need to reduce discounting	because we are losing revenue	therefore we want to reduce our average discount rate				
We need to reduce customer attrition	because we are losing revenue and our cost to acquire new customers is rising	therefore we want to recapture lost revenue, and lower our cost of new customer acquisition				

Why Buy statement	Unit of measure (cost metric)	Baseline measurement
Need to lower DSO's	Loss of interest income	Current annual interest lost because of extended DSO's
Need to reduce labor costs	Constant increase in labor costs	Current labor cost – payroll as a % of total revenue, revenue per employee
Need to reduce discounting	Loss of revenue	Annual revenue lost due to discounting
Need to reduce customer attrition	Loss of revenue	Annual revenue lost due to customer attrition

Notice the baseline measurement for reducing labor cost is, “current labor cost”. However, we listed some additional metrics that we believe are important to know about. When you want to affect the labor cost of an organization, you need to look beyond the cost factor. Metrics like payroll as a percent of revenue or revenue per employee are as important a metric as the actual cost of labor. Labor cost reductions or labor cost avoidances will affect the metrics in positive ways. A small reduction in labor cost can

have a big impact on the C-suite metrics. Senior executives will respond positively to any cuts in labor costs now or down the road.

## **Stakeholder**

The Stakeholder is a key component to the usefulness of this exercise. You need to know who in the strategic decision-making process is affected most by your products and services. At the beginning of this exercise we told you to, “Put yourself into your customer’s shoes?” Now the time has come to tell us who you are. The Stakeholder process is designed to tie problems to people. This step will enable you to understand who within an organization has the power to buy from you and who can make it difficult for you to sell.

In addition to identifying the Stakeholder, we suggest you create a list of stakeholders who will share the pain based on the problem defined. This string of stakeholders identifies your allies and your enemies in your prospect’s organization that each line item in your value inventory affects most. Who has the most to gain or lose by making a decision to buy from you? For example, if the stakeholder is the CFO, then the decision to buy from you may affect the Chief Technology Officer (CTO), Human Resources (HR) Director, and other executives within an organization. The additional executives may have the ability to stop a purchase in its tracks and they likely have their own set of metrics that they track.

This exercise forces you to understand the concept of, “selling broad and deep” within a prospect’s organization. Please see below that displays a completed stakeholder column.

Why Buy	Business Issue	Desired Outcome	Stakeholder	Solution	Metric	Value Proposition
We need to lower our DSO's	because we are losing interest income	therefore we want to increase our annual interest income	CFO, CEO			
We need to reduce our labor costs	because our labor costs continue to rise	therefore we want to reduce our labor costs	VP HR, GM, CFO			
We need to reduce discounting	because we are losing revenue	therefore we want to reduce our average discount rate	VP Sales, CFO, CEO			
We need to reduce customer attrition	because we are losing revenue and our cost to acquire new customers is rising	therefore we want to recapture lost revenue, and lower our cost of new customer acquisition	VP Customer service, VP Sales			

Problems are tied to people. You need to know who is affected most by the purchase of your products and services.

### **Solution**

Notice throughout this process you haven't been asked about your product or service. This is by design. The objective when creating a Value Inventory is to capture information based on your customer list and prospects, not your features and benefits. By focusing on the issues, pains and goals, and not the solutions, you are forcing more credibility into your analysis and more objectivity into your process. As you work your way through this exercise think about the value you can deliver as you discuss the issues your customers and prospects are facing.

For this column focus on a solution, not necessarily a single feature or benefit. Solutions may include many features, benefits, modules, or perhaps products and services you sell, either on their own or in combination. A key point regarding solutions is that they must be measurable. Your solution must reduce a cost, help avoid a cost, (like the need to hire additional personnel) and or increase revenue. (more on this in a moment.)

(Note: Because of the complex nature of the solutions you will come up with and the fact that they are unique to your company's products or services, we will simply insert placeholders into the Solution column on our sample Value Inventory to avoid confusion. When you are filling out the Matrix for one of your own customers, of course, you will go through the full range of possible solutions in order to determine the best one for any given situation.)

Once you identify and document your solution (keep it short) you are going to have to provide the solution's value metric and value proposition delivered.

Why Buy	Business Issue	Desired Outcome	Stakeholder	Solution	Metric	Value Proposition
We need to lower our DSO's	because we are losing interest income	therefore we want to increase our annual interest income	CFO, CEO	Solution A		
We need to reduce our labor costs	because our labor costs continue to rise	therefore we want to reduce our labor costs	VP HR, GM, CFO	Solution B		
We need to reduce discounting	because we are losing revenue	therefore we want to reduce our average discount rate	VP Sales, CFO, CEO	Solution C		
We need to reduce customer attrition	because we are losing revenue and our cost to acquire new customers is rising	therefore we want to recapture lost revenue, and lower our cost of new customer acquisition	VP Customer service, VP Sales	Solution D		

## **Metric**

The value metric identifies the solution's value as it relates to solving the issue, pain or goal. In this column you will enter one or more of the following: Reduce a Cost, Avoid a Cost, and/or Increase Revenue.

A "cost reduction" reduces an existing cost customers are currently incurring as part of their daily business activity. Examples of cost reductions include:

- Labor costs
- Material costs
- Reduced fines or penalties
- Supplies
- Shipping or transport
- Overhead or operating
- Depreciation
- Tax liability
- Shrinkage

A "cost avoidance" provides customers with an opportunity to "avoid" incurring an additional cost to what they are currently paying. Examples of cost avoidances include:

- Avoid hiring additional personnel
- Avoid purchasing additional materials
- Avoid physically shipping documents, parts, equipment, etc.
- Avoid paying fines or penalties

Finally, “revenue increases” are additions to the customer’s bottom line revenue.

Examples include:

- Increase in average sale amount
- Increase in number of products sold per customer
- Increase in margin
- Reduction in discounting, adding to additional revenue
- Reduction in attrition, increasing what was lost revenue in the first place
- Eliminating discounts, thus adding to revenue

**Key Point:** The goal of this exercise is to identify pain, tie the pain to a stakeholder, and establish a solution that is measurable.

Ultimately this document becomes your foundation for building financial-based sales tools that are capable of measuring cost reductions, revenue increases, or cost avoidances. The key to filling in the Metric column is to realize your prospect’s problems can be measured and your solution can be valued. At this point, stick to these three options, reduce a cost, avoid a cost, or increase revenue and stay away from “profit” for now. (We will deal with it later.)

One last point to remember is to improve your margin you must either reduce a cost or increase your revenue. Sometimes you are able to do both and see an even larger increase in margin. See our Value Inventory below:

Why Buy	Business Issue	Desired Outcome	Stakeholder	Solution	Metric	Value Proposition
We need to lower our DSO's	because we are losing interest income	therefore we want to increase our annual interest income	CFO, CEO	Solution A	Increase Revenue	
We need to reduce our labor costs	because our labor costs continue to rise	therefore we want to reduce our labor costs	VP HR, GM, CFO	Solution B	Reduce Cost	
We need to reduce discounting	because we are losing revenue	therefore we want to reduce our average discount rate	VP Sales, CFO, CEO	Solution C	Increase Revenue	
We need to reduce customer attrition	because we are losing revenue and our cost to acquire new customers is rising	therefore we want to recapture lost revenue, and lower our cost of new customer acquisition	VP Customer service, VP Sales	Solution D	Increase Revenue, Reduce Cost	

## Value Proposition

The next step requires you to define what the Metric specifically refers to that you entered into the value inventory. In other words, if you are reducing a cost, what cost are you reducing? If you are increasing revenue, what type of revenue is being increased? (See sample reductions and increases above.) Situations arise where your value extends to both increases in revenue and reductions in cost. It is okay to document that too. For example, in the bottom column of the Matrix below, customer attrition can drive an increase in revenue by recapturing lost customers and reducing the cost to acquire new customers.

Why Buy	Business Issue	Desired Outcome	Stakeholder	Solution	Metric	Value Proposition
We need to lower our DSO's	because we are losing interest income	therefore we want to increase our annual interest income	CFO, CEO	Solution A	Increase Revenue	Interest income
We need to reduce our labor costs	because our labor costs continue to rise	therefore we want to reduce our labor costs	VP HR, GM, CFO	Solution B	Reduce Cost	Human capital
We need to reduce discounting	because we are losing revenue	therefore we want to reduce our average discount rate	VP Sales, CFO, CEO	Solution C	Increase Revenue	Capture lost revenue from discounting
We need to reduce customer attrition	because we are losing revenue and our cost to acquire new customers is rising	therefore we want to recapture lost revenue, and lower our cost of new customer acquisition	VP Customer service, VP Sales	Solution D	Increase Revenue, Reduce Cost	Recapture lost revenue, reduce cost per customer to acquire

The completed sample above will help you better understand the requirements to develop a solid Value Inventory. Keep in mind one of the assets of a Value Inventory is the ability to identify pain and quantify the pain defined. In addition, the Value Inventory gives you the opportunity to identify a solution to the pain. This is important to understand because a value matrix is typically not developed by product, it is developed by solution. Look at your market and say to yourself, what problems do we solve? If you can keep focused on solutions and not products you will be better served by the results.

### **C-Suite Impact**

Now that you have completed your Value Inventory we suggest you share the results with your company's CFO (Chief Financial Officer), VP of Finance, Controller, or financial advisor. Ask them if they can help you identify the C-Suite metrics that are impacted by the value (Metric column) you established you can deliver (solution column). Have your financial advisor explain why each metric is affected and in what way. In other words, if you can help a prospect reduce its labor cost, then be sure you understand the impact on operating cost reductions, or net profit increases, or perhaps

earnings impacts. Work through each line with the financial person and discuss the C-Suite impact of your solution.

Be sure to document these discussions in the last column called “C-Suite Impact.” Later we will discuss the actual impact calculations and how to use this information to position your product or service when talking to your prospect’s C-level executives. The table below shows the completed Value Inventory, including the C-suite impact.

Why Buy	Business Issue	Desired Outcome	Stakeholder	Solution	Metric	Value Proposition	C-Suite Impact
We need to lower our DSO's	because we are losing interest income	therefore we want to increase our annual interest income	CFO, CEO	Solution A	Increase Revenue	Interest Income	Earnings, Operating Cost, Net Profit
We need to reduce our labor costs	because our labor costs continue rise	therefore we want to reduce our labor costs	VP HR, GM CFO	Solution B	Reduce Cost	Human capital	Operating costs, Net Profit
We need to reduce discounting	because we are losing revenue	therefore we want to reduce our average discount rate	VP Sales, CFO, CEO	Solution A	Increase Revenue	Capture lost revenue from discounting	Net Profit, Earnings
We need to reduce customer attrition	because we are losing revenue and our cost to acquire new customers is rising	therefore we want to recapture lost revenue, and lower our cost of new customer acquisition	VP Customer service, VP Sales	Solution D	Increase Revenue, Reduce Cost	Recapture lost revenue, reduce cost per customer to acquire	Net Profit, Earnings, Operating costs

**Key Point:** It is not necessary to learn and memorize the meaning and calculations for all of the C-Suite Metrics. It is, however, necessary to learn the metrics that apply to your Value Inventory. Keep these definitions close as you work through the steps in this book.

Organizations spend millions of dollars training sales professionals how to sell and very little or nothing on understanding why their customers buy. How can you expect to be successful selling when you don’t understand why people buy your products or services?

Creating your Value Inventory is a big step toward selling to C-suite executives.

Properly completed, it will help you:

- Create financial-based sales tools
- Understand industry issues and how your value relates
- Tie people to problems—enhance your focus on stakeholders
- Drive confidence within the sales force that your products and services will solve real issues and pains
- Bring your team members together on the same page
- Provide new hires with a training tool

When building your Value Inventory, be sure to invite your top sales professionals, marketing personnel, direct support team, and consulting group—and don't forget your sales and marketing management. Customer-facing personnel will enrich your effort to get a diversity of opinions as to why people buy your products and services.

Your Value Inventory should always begin with emotion. “Why buy?” is an emotional question. Once you have exhausted the emotional responses, move on to more logical and measurable responses such as the business issue and desired outcome. Finally, focus on the stakeholder. Stakeholders are a key component to the sales process. You will need to identify those with the most to gain and most to lose within your prospect's organization. Too often we get comfortable with one or two stakeholders and never move beyond looking for those who do not want your solution. Remember your need to sell broad and deep within an organization.

I tried to provide several examples of cost reductions, cost avoidances, and revenue increases. The most confusing area is the difference between reductions and

avoidances. Measuring cost avoidances is not always that simple. Focus on your ability to help your prospect “avoid” having to invest money to fix a problem, as opposed to reducing the cost of money already being spent.

Remember, ultimately your Value Inventory becomes your foundation for building financial-based sales analysis tools.

Finally, your Value Inventory will help you bridge the gap between your sales process, methodology, and training. The Value Inventory can be used for:

- New hire training
- Pre-call planning
- Elevator speech development
- Updating your web site and marketing literature
- Identifying areas to focus marketing campaigns
- More effectively identify and target stakeholders
- Bonding exercise with sales and marketing
- Building confidence within your team regarding your value proposition

Once you have completed your Value Inventory and the foundation is established, you are able to move on to the next step—creating the questions that will drive your prospect back to you for the value you are able to deliver.

## About the Author

# Biography for Michael J. Nick

Michael Nick is president and founder of [ROI4Sales](#), Inc. and author of *The Key to the C-Suite* (AMACOM Books 2011), *ROI Selling* (Dearborn 2004), *Why Johnny can't sell* (Kaplan 2006) and *How to Create the Perfect ROI* (2002 eBook). He is a nationally recognized expert in value estimation and ROI and conducts several public workshops and seminars throughout the year. Michael has published a research paper on selling to financial services markets, and several white papers on ROI including ROI in your sales process, ROI after the sale (360 Degree ROI), The ROI on ROI, and a paper sponsored by Microsoft Dynamics that became the most downloaded white paper in Microsoft history, (over 20,000 downloads) and title of his book, "Why Johnny Can't Sell."

Michael's work has been written about and published in national publications including *Software CEO*, *Software Success*, *Sales Recruits.com*, *Sales and Marketing Management Magazine*, *Selling Power* (Feature), and *The SalesAdvantage*. His nationally acclaimed book *ROI Selling* received rave reviews and has been translated into several forms of Chinese, and Russian. As a member of the National Speakers Association, he is a featured speaker at major industry events including *Software Business*, *Marketing Executive Networking Group (MENG)*, *Software University*, *Chicago Software Association*, *Software Success Selling series*, *Selling Across America*, *Sales Rep Radio*, *NetBriefings*, *Progressive Business*, and a frequent guest on several public SPI sales seminar workshops.

His expertise has extended internationally with companies like Oracle, Great Plains, Hewlett Packard, AutoDesk, MacGregor, Rockwell Automation, GEAC, FISERV / CheckFree Corporation, Comdata, TSYS, NextGen and S1 Corporation and has ten's of thousands of sales people worldwide using *ROI Selling* tools and techniques from ROI4Sales, Inc.

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