

How to create value with sales through service

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- ▶ Retention through service strategies are fundamentally flawed
- ▶ Creating additional value is seen as the responsibility of the sales force
- ▶ Service staff have to accept their role in creating value
- ▶ The sales/service continuum.



How to equip your service people with the skills to create real customer and sales value at every customer touch point; every time.

A recent survey of senior managers found that a time of economic strain, more than 80% of companies are still firmly focused on holding onto existing clients than actively going after new business. No surprise there, perhaps. For many organisations, their 'retention through service' strategy is fundamentally flawed as it is not feeding through to clients.

By far the most common source of frustration with suppliers – and thus the most likely reason for customers to switch – was poor customer service, cited by 39% of respondents, followed by lack of understanding of my business (24%) and lack of responsiveness (21%). Get this right, however, and the benefits are substantial as more than 90% of respondents confirmed that, as clients, they would buy more from a supplier as a direct result of receiving high quality service beyond their expectations.

Easy to say, much harder to achieve. This requires the organisation to put sales at the heart of the business – to be a commercial philosophy rather than a department. If vendors of any product or service are to go beyond simply adding value to creating value – truly understanding clients and anticipating their needs –

everyone within the organisation needs to appreciate their role within the sales process and how their behaviour can impact positively on the bottom line.

Yet, as the survey showed, firms are far from recognising the importance of a company-wide approach as only 27% of respondents confirmed that staff outside the sales department see themselves as contributing to the sales process.

Value creation

Historically, responsibility for sales creation has sat with the sales force. Yet, what happens when times get tough? What happens when, because of economic uncertainty, or lack of liquidity, customers simply stop seeing sales people at all? If sales personnel don't have the opportunity to create value, the answer must be your service personnel.

Whatever your industry or sector, the chances are that there are people from your organisation who have regular and frequent customer contact, even in hard times. These people have many roles and job titles, from the obvious – sales engineers or customer service agents, for example – to the less so, such as audit clerks, nurse practitioners or consultants. Almost every selling organisation has some group of customer-facing people who are not in a sales role and, in most cases, you will have more of these service people than sellers. And, when times are tough, these are the people with the most regular and frequent access to your customers.

In addition, it is important to remember that it is not only senior managers or procurement professionals that influence buying decisions. Indeed, when every pound spent is being scrutinised, it is your day-to-day contacts – the customers your service people meet – who are the real judges of your quality, the value you create and the real key influencers when it comes to buying.

However, opportunity is only one of the things needed to create value. Whilst service may have opportunities in abundance, they may lack the other necessary attributes. So what are these other things your service people need?

Recognition and willingness

Many service people, quite reasonably, see their role as simply that: service. They deliver the services wanted by the customer, be it repairing equipment, giving legal advice or giving patient care, to a pre-agreed level. They deliver value in this way but see creating additional value as the responsibility of the sales force. So step one is getting service personnel to accept they have a role in creating value and to create an understanding of the role that service plays.

Unfortunately, recognising the need for a role and committing to fulfilling that role are not the same thing. Many service people may recognise the need to create value at an intellectual level but when it comes to putting it into practice, simply cannot bring themselves to do it. Step two therefore is to create a willingness within the service population to become more sales-orientated.

Capability

Knowing what to do is a start and being willing to do it helps but unless you know how to do it, you'll still not succeed. It is unreasonable to expect service people to have any, let alone well-developed, value creation skills, so equipping service with the skills they need to be actually more sales-focused is essential. Step three is, therefore, equipping the service population with the skills and tactics it needs to have a positive sales impact.

So are we advocating that you turn your service people into sellers? Not at all. The reason many service people work in service is precisely because they enjoy customer contact but they don't want to sell. They have often made a conscious decision not to move into sales and are completely happy with that choice, so the chances of turning your service people into sellers is virtually nil.

Fortunately however, sales/service is not a binary state. You don't have to be one or the other, as there are shades of grey – what we at Huthwaite call the sales/service continuum. As service operations progress along this continuum, they create more value for both customer and seller. The key is that each organisation – and, if necessary, each individual – can progress as far as their capabilities and willingness allow. Service does move closer to sales but only as far as each person is both comfortable and willing to go.

So what are the stages along this continuum?

- **Service:** At its simplest, the customer gets what they have asked for; They get the value they expect and the seller gets the agreed return. Any additional sales value – for example, the goodwill generated by a job well done – is intangible.
- **Outstanding service:** Giving the customer something above and beyond their expectations, often called 'going the extra mile'. The customer gets more value and the sales value (whilst still intangible) may be higher, such as the customer telling a friend or associate of their good experience. For some, giving good service in the hope that you get more sales as a result may be enough. However, this is still rather passive and the vendor organisation can go further.

- **Sales awareness:** At this stage, the service person begins to look beyond the immediate service issue and actively seeks to create or at least capture, potential tangible sales value. This may be fed back to the sales department to add further to their sales intelligence and perhaps to generate a sales lead. The customer gets at least the same value as before and, by spotting potential problems or new benefits before they have been recognised by the client, there is the potential to create new, real customer value too.
- **Sales through service:** Here the service person begins to move to a more explicit sales role, not only looking for and identifying additional customer needs but also offering solutions to them. The key is that the additional solution is sold, not simply given free to the customer. The sales value is tangible and real - an extra sale - and, by fulfilling a previously unrecognised customer need, real customer value is also created.
- **Sales:** Finally, there is the full-blown role of selling - identifying customer needs, developing and creating real customer value and, in return, creating sales value for your own organisation. This is the realm of the sales force but, by moving your service people along the sales/service continuum, it is no longer a dark art in the eyes of service. It also stops your service being used as an 'us and them' situation, with sales and service, at best, remote from each other and, at worst, openly hostile towards each other. For you it becomes a collaborative and joined-up effort to create real customer and sales value. For your customers, it becomes a genuinely seamless experience across each customer touch point.

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