Are you sure that you’re providing value to your customers? Even if your answer is an emphatic yes, you might want to take a closer look. According to my experience, 50-plus percent of all companies feel that they aren’t getting true value from their suppliers. That number almost certainly includes some of your customers. The danger is you may be assuming that the fault lies with them - maybe it’s an implementation issue or maybe they’re frustratingly blind to the value that you can see in flashing neon. It doesn’t matter.

Value truly is in the eye of the beholder. If your customer can’t perceive the value you provide, it doesn’t exist. Period. That’s the value gap we explore in my book, and it’s one of the biggest roadblocks to sustained growth and maximized profitability.

The value gap can often be traced back to cross-functional dysfunction, a term that basically means your departments are not working together, or even worse, they may be in conflict with each other. For example, R&D creates new products that have little connection with the customer’s real problems. Marketing generates leads but is not held accountable for the results. Salespeople merely “present” solutions instead of seeking out relevant information on what the customer’s real requirements are. In the confusion, customers default to the lowest common denominator - price - which they do understand.

When various departments are operating with cross-purposes, a company’s value strategy is likely diluted by the time it reaches the customer. The customer perceives, rightly or wrongly, that the value he is being offered simply isn’t there, it isn’t unique amongst the alternative solutions, or he doubts he will receive the value being promised - all of which leads to what is referred to as commoditization. Companies ultimately watch their margins erode as price becomes the driving force of the customer’s decision.

In order to close the value gap, companies must create “Prime Solutions” - solutions that:

a) Deliver optimal results, capable of leveraging value to the highest level of the customer’s business,

b) Ensure that customers have identified and purchased the best answer to their problems, and

c) Provide solution implementation and value enhancement strategies that enable customers to achieve the value that they anticipated.

To achieve this goal, a company must end cross-functional dysfunction. It must replace “cost cutting as a core competency” with “value creation as a core competency.” In other words, creating and selling value must become everyone’s responsibility and marketing is the most logical function to assure success.

So how can you build a culture in which value creation becomes the mantra on everyone’s lips? You must effect sweeping changes in four areas of your company: R&D, marketing, sales, and customer service. Here are some suggestions to get you started:

R&D: Begin with a tangible and compelling customer
problem. When R&D is isolated from customers, it can develop products based on faulty assumptions about value. Chances are these assumptions could be inconsistent with the customer's perspective. By the time a company discovers the disconnects, time and money have been lost. Not only must you look through the eyes of your customer and develop products and services that address your customer's financial well-being, but you must constantly validate your value assumptions. We must assure we can convert our value assumption into value achieved for our customer.

There is no such thing as a solution without a problem. Customers may not be aware of the problem that the solution addresses (that is a marketing challenge), but there must be an actual problem with physical symptoms. To be commercially viable, solutions that sellers define as opportunities must be intimately linked to actual customer problems. A solution, or, if you prefer, an opportunity, without a problem is a contradiction in terms and a disaster in the making.

**Marketing:** Commit to Diagnostic Marketing®. You have your solution, which has been designed to solve a problem that your customer is currently facing, or will experience. Next, you need to create your message based on a thorough understanding of that problem and its solution. Marketing messages must be written in the “negative present.” They should say, in essence: These are the symptoms of the problem you may have, and if you are noticing this evidence, we may have the solution. This type of message readies the customer for a diagnosis, a dialogue, rather than a presentation.

Furthermore, marketing must prepare the tools and support materials that will be used to diagnose the customers’ business problems and design the solutions. These materials must guide salespeople through the same diagnostic process that is used in solution development and marketing. They must assist salespeople in identifying indicators and the consequences of the customers’ problems that their solutions address. This alignment of marketing and sales voices is rarely seen in companies—but it is critical in creating and selling Prime Solutions effectively.

**Sales:** Teach the art of diagnostic conversations. Traditionally, a salesperson’s goal has been to close the sale, to get the signed order, to hit the numbers, to bring in the business...to win. In Prime Solution companies, the desired outcome of the sale is the same, but the focus and the process are dramatically different. The sales professionals work more like physicians. They provide high-quality diagnostic services, prescribe and treat responsibly, and attempt to ensure optimal health for their “patients” (the customers). That means their focus is on a high-quality decision—whether that decision is to buy or not to buy.

We suggest Diagnostic Business Development (DBD) or, more simply, The Prime Process as a model for today’s approach to building value through the sales process. It has four stages: discover, diagnose, design, and deliver. It’s easy to see why salespeople become key players on both teams: their own and their customers’. Not only are they advocates for their customers (rather than adversaries), but they also further their own company’s cause by weeding out customers that are not right for it and involving every function in the company—from R&D to marketing to customer service—to refine its value strategy.

**Customer Service:** Keep an eagle eye on impending issues. Customer service employees need to ensure that customers attain the valuable results they anticipated when they purchased your solutions. That means not just solving problems that crop up, but actually watching for and diagnosing problems that customers don’t realize they have. They have the observable symptoms, but they are not associating them with your solutions. You can see the viability of this situation when you consider that service/support people are often the closest to the customer and are therefore well-

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positioned to diagnose solution opportunities.

Again, as the glue that holds the entire process together, marketing can capitalize on these valuable, and for the most part untapped, resources, by creating conduits for such feedback. These feedback mechanisms connect the end of the value chain back to its beginning. The information that’s captured by customer service employees actually flows back into the Prime Solution cycle and serves as the basis for the development of new Prime Solutions. Thus, the conclusion of one revolution around the cycle becomes the impetus for another.

This may sound like a daunting amount of work, not to mention a dramatic “sea change” from the status quo. For many companies, no doubt it will be. But the result—transformation into a Prime Solution provider—is its own reward.

A Prime Solution provides the means to break down the functional silos in both your organization and the customer’s. Think of how you would respond to a solution provider who brought these capabilities to your door. A resource with these capabilities could undoubtedly make a major impact on your business performance and your personal success.

They would not only ensure that you selected the best solution for your hard-earned dollars, but they would also assist in achieving a successful implementation, help you quantify and maximize the return on your investment, and finally, ensure the sustainability of your optimized business performance. This resource sounds like a highly-valued business partner, a source of continual competitive advantage. Isn’t this the position we all want to occupy in our customers’ minds?

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**About the Author:**

Jeff Thull is a leading-edge strategist and valued advisor for executive teams of major companies worldwide. As President and CEO of Prime Resource Group, he has designed and implemented business transformation and professional development programs for companies like Shell Global Solutions, 3M, Microsoft, Intel, Citicorp, IBM, and Georgia-Pacific, as well as many fast-track, start-up companies. He has gained the reputation for being a thought-leader in the arena of sales and marketing strategies for companies involved in complex sales.

Jeff is a compelling, entertaining and thought-provoking keynote speaker with a track record of over 2,500 speeches and seminars delivered to corporations and professional associations worldwide. Jeff Thull’s work is published in hundreds of business and trade publications. He is also the author of the best selling books: *Mastering the Complex Sale – How to Compete and Win When the Stakes are High* and newly released, *The Prime Solution: Close the Value Gap, Increase Margins, and Win the Complex Sale.*