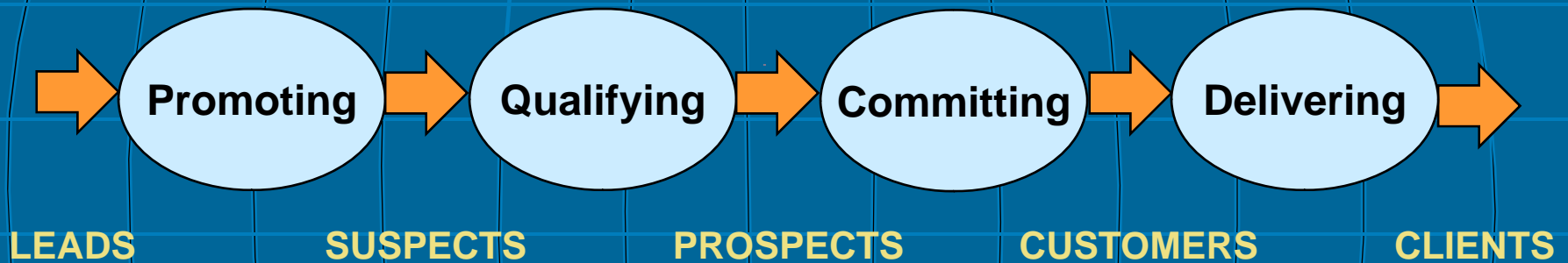


Everybody Sells Services (at least they should!)



Jim Alexander
Alexander Consulting

Presentation Goal

Provide information to help you and your organization sell more **profitable** services **easier** and **faster**.

Background: Jim Alexander

Education:

- Doctorate in human resources development.
- University faculty member in the U.S., Europe, and Mexico.

Professional experience:

- Founder, Alexander Consulting (a Service Strategies partner).
- Hands-on professional services consulting (strategy formulation, market intelligence, voice of the customer research, service quality, sales effectiveness, culture change).
- Selected as the Services Pundit for IBM's 2003 Global Services Headlights program.
- Author or co-author of over 70 articles and white papers and two books.
- E-business subject-matter expert for the U.S. Commerce Department's Inter-American E-Business Fellowship Program.
- Over 30 years, selling, coaching, managing the complex sale.

Services research conducted:

- *Transitioning Technical Experts into Trusted Advisors* (March 2007).
- *The State of Professional Services II: An Industry Comes of Age* (December 2004).
- *The State of S-Business: An International Study of Progress, Performance, and Best Practices* (2002).
- *E-Business Report: An International Study of Progress, Performance, and Best Practices* (2001).
- *The State of High-Tech Professional Services: An Industry in Transition* (2000).



Alexander Consulting Clients

- 3M
- AGFA
HealthCare
- Alcatel-Lucent
- Allstream
- Athens Group
- Bentley
- Canon Europe
- Caterpillar
- Chromalox
- Cisco
- Computer
Design
and Integration
- Datatel
- Diebold
- Dionex
- EDS
- Emerson
- Ericsson
- Fujitsu
- Gambro
- Hartco
- Intel
- Jacada
- Kodak
- Konica Minolta
- Kronos
- Liebert
- Motorola
- Philips Medical
- Plumtree
Software
- QAD
- Qualcomm
- Respironics
- Ricoh
- RSA Security
- S&T
- Sealed Air Corporation
- Semiconductor
Insights
- Shell
- Sony
- Stratasys
- Taleo
- Thomson/Grass Valley
- Timberline Software
- Toro
- Volkswagen/gedas
- World Wide Consulting
- U.S. Department of
Commerce

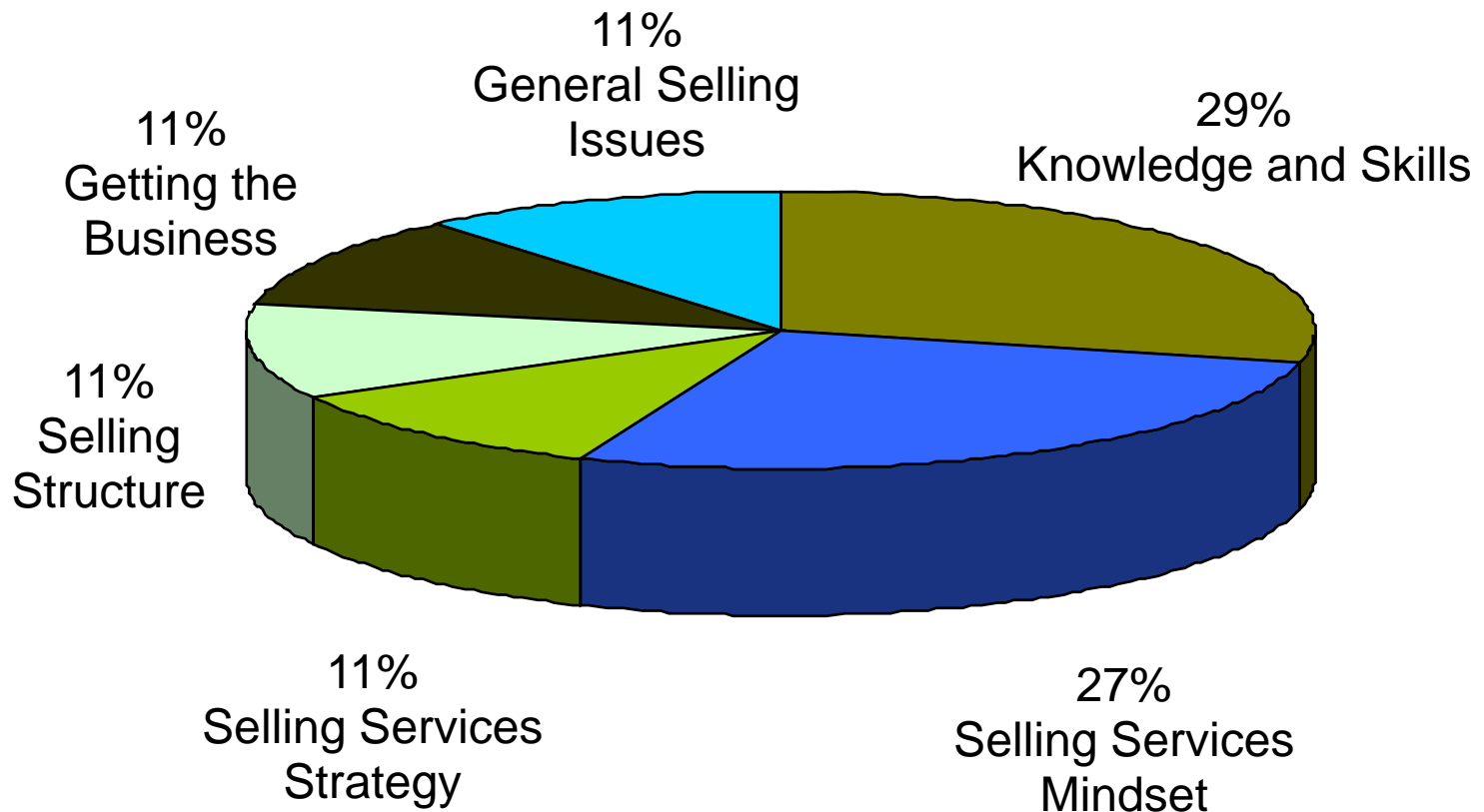
Who Sells Services?

(Source: *The State of Professional Services II*. James A. Alexander. Alexander Consulting. December 2004.)

- Product Salespeople 69%
- Service Technicians and Consultants 40%
- Dedicated Services Sellers 40%
- Dedicated Pro Services Sellers 27%
- Practice Leaders 27%

Services Selling Critical Issues

(Source: *The State of Professional Services II*. James A. Alexander. Alexander Consulting. December 2004.)



Station Break: Please Respond to this Statement...

In general, you are satisfied that your salespeople are selling the right offerings to the right clients in the right way.

Strongly Disagree_____

Disagree_____

Neutral_____

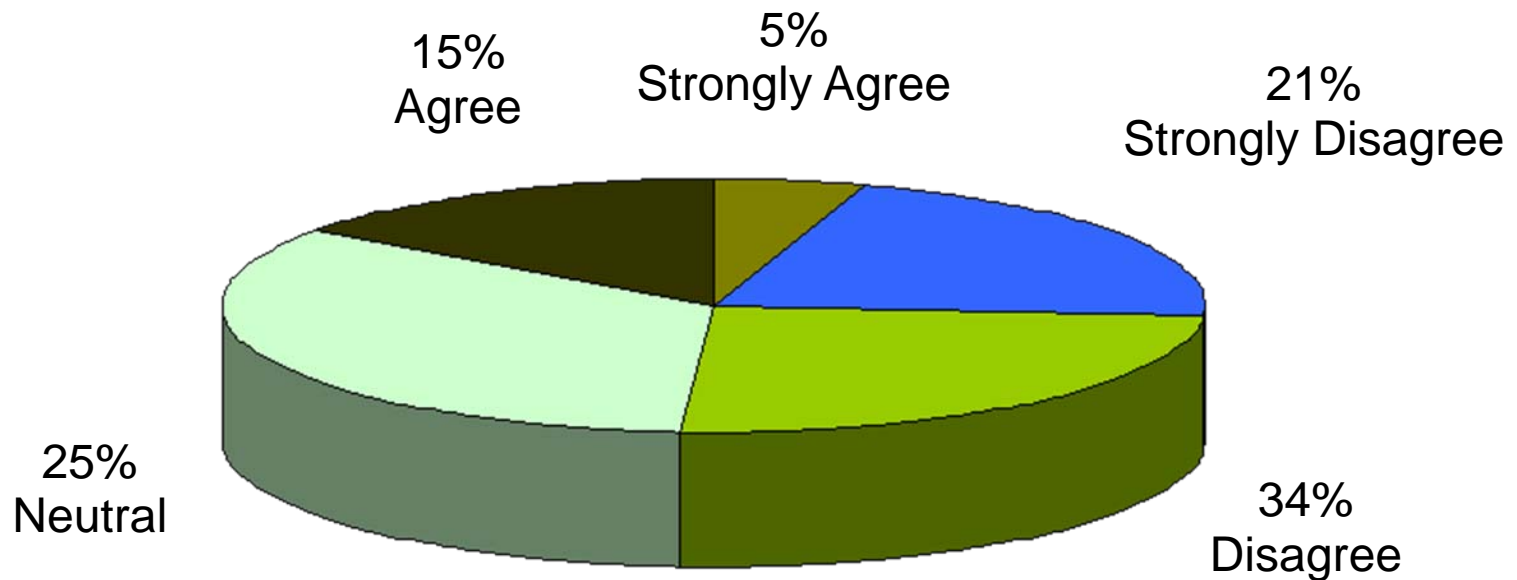
Agree_____

Strongly Agree_____

Satisfaction with Professional Services Performance

(Source: *The State of Professional Services II*. James A. Alexander. Alexander Consulting. December 2004.)

In general, you are satisfied that your salespeople are selling the right offerings to the right clients in the right way.

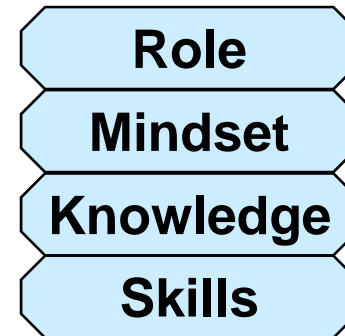


Buyer Perspective: What's Different About Services and Solutions?

Services and solutions are usually:

- Perceived as addressing more complex issues.
- Seen as more important. (Hence, the organization will invest more in the buying decision.)
- Thought of as having higher perceived risk.
- Bought at higher levels in the organization.
- Viewed as requiring a custom response, as their problems are unique.

Seller Implication: From Professional Salesperson to Trusted Advisor



The 10 Commandments of Selling Services

(Source: "The 10 Commandments of Selling Professional Services." Alexander & Hordes. *Professional Services Leadership Report*. 2002.)

1. **Clarify** complex customer issues.
2. **Communicate** the invisible.
3. **Customize** each solution.
4. **Commit** high-level executives to action.
5. **Coordinate** the selling team.
6. **Compress** the cycle time of selling.
7. **Concentrate** on the stars.
8. **Control** the cost of sale.
9. **Commercialize** the sales promise.
10. **Continually** learn and grow.

How to Motivate Product Sellers to Sell Services

(Source: "For Queen and Country: Reducing Services Giveaways." James A. Alexander. *PSO Insights*. July 2006.)

First, remember that:

- Salespeople are coin-operated.
- They won't believe that you are serious at first--they will nod their heads, sing praise to services, then wait for you to leave.
- Many of them will be scared, and thus make up excuses (e.g., lengthens sales cycles, makes uncompetitive) to save face.
- Senior management will be strongly tempted to abandon the services ship when product sales falter.
- Many will never be effective at selling services and you will have to figure out what to do with them.

How to Motivate Product Sellers to Sell Services *continued*

(Source: "For Queen and Country: Reducing Services Giveaways." James A. Alexander. *PSO Insights*. July 2006.)

1. Change the performance management system to reflect your new expectations.
2. "Productize" services as much as possible.
3. Develop strong tools, especially references and cases of key clients.
4. Provide lots of quality training, coaching, and reinforcement.
5. Compensate them well.
6. Make heroes out of those who do what you ask.
7. Publicly punish those who don't!
8. Don't rely totally on product sellers to achieve your goals--hire dedicated services sellers who report to you.

Why Technical Experts Sell

- If a customer has a problem that you have the potential to fix, you are not acting as a services professional unless you try to help the customer.
- There is no difference between selling and customer service. — *Leonard Berry*

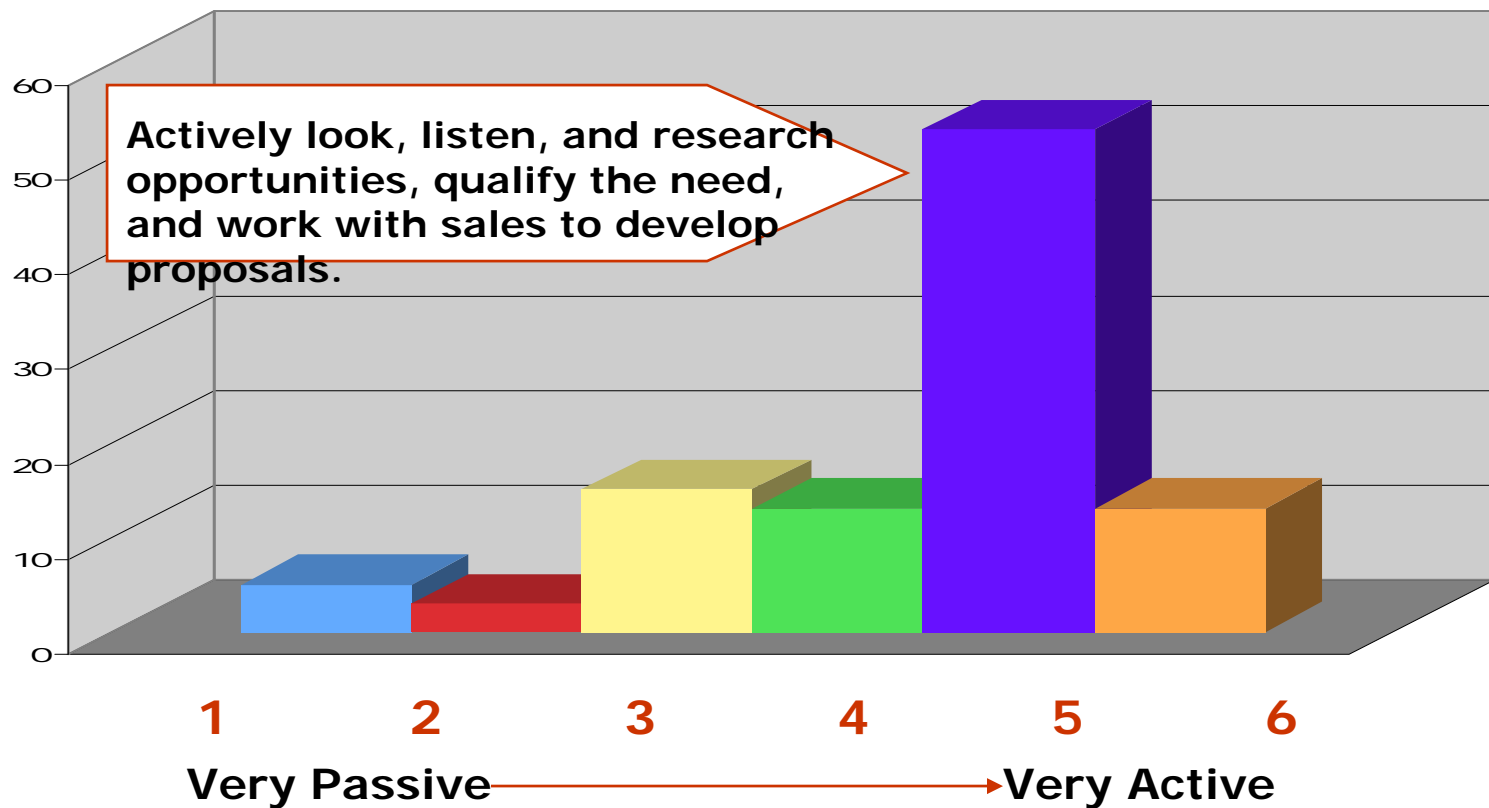
1. Determine the technical expert's role in generating new business.

The Six Choices:

1. Focus on meeting service call objectives and leaving all services business development tasks to sales.
2. When potential opportunities are mentioned by the customer, communicate them to sales.
3. Actively look and listen for customer opportunities, then pass them on to sales.
4. Actively look and listen for customer opportunities, qualify the customer need, then pass them on to sales.
5. Actively look, listen, and research customer opportunities, qualify the need, and work with sales to develop a proposal.
6. Actively look, listen, and research customer opportunities, qualify the need, develop the proposal, and present it to the customer.

Expectations of Professional Services Technical Experts Regarding Business Development

(Source: *Turning Technical Experts into Trusted Advisors*. James A. Alexander. Alexander Consulting. May 2007.)



How to Transition From Free to Fee: The Four Options

1. Forget it--it is too much pain and hassle!
2. Set a date then start charging everyone for services at that time--make it the rule, but manage exceptions (you will be under constant pressure to do so).
3. Set a date then start charging all new customers for services.
4. Continue to provide existing services for free, but develop and charge for all advanced/expanded/new services.

How to Stop Discounting Services

(Source: "Incentivizing the Sales Force: First Things Fifth." James A. Alexander. *How to Grow Professional Services*. Association of Support Professionals. 2006.)



C-Level Selling: The Five Questions to Ponder

(Source: "'C'-Level Selling." James A. Alexander. *PSO Insights*. June 2006.)



1. Why?
2. What?
3. How?
4. Who?
5. When?

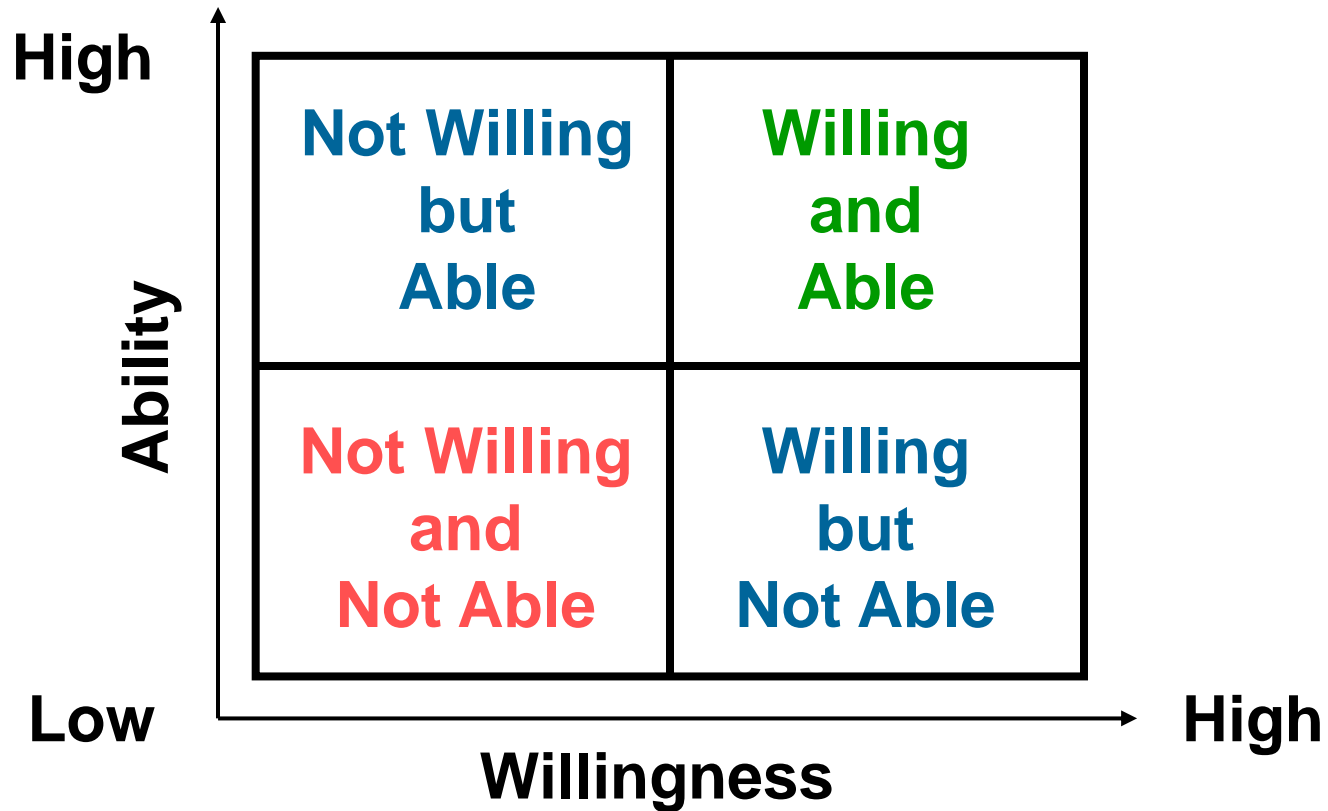
Big Lou's Thoughts

(When asked what he would do over in leading IBM's transition to being services-led.)

“Focus a lot more energy on training the sales teams.”

- Lou Gerstner

Willing and Able Assessment



Questions?

Really Serious About Ratcheting Up Services Sales Performance?

Conduct a Services Sales Assessment

1. Sales Performers
or...
2. Your Business Development Process
or...
3. Your Sales Management System
or...
4. Your Services Selling Strategy (and how it aligns
with the business)
or...
5. A combination of the above.

Interested in More on Selling Services?

Alexander Consulting offers:

- Half-day, full-day, and two-day seminars, workshops, and executive briefings.
- Training tailored to your organization.
- Jim is available to speak at an upcoming event.

Contact Jim at 239-283-7400 or
alex@alexanderstrategists.com

THANK YOU!