

## *A New Approach to a New Sales Position: Value-Based Selling for Key Account Managers*

Background: Swarovski's wholesale division reorganized its sales organization in an effort to focus on a more efficient and value-based approach to sales and customer support. Before the reorganization of the sales organization, there were two distinct roles that interfaced with Swarovski's customers:

- District Sales Managers (DSMs) were the primary sales arm of Swarovski's wholesale division. In the past, the DSMs would collaborate with marketing representatives when the customer situation called for it. The DSMs served in the sales and account management role.
- Marketing Project Leaders acted in more of a consulting role, guiding the customer on how the customer might approach specific designs and projects.



These previously separated roles became a single blended role – the Key Account Manager (KAM). In their new role, KAMs consulted with customers to help them grow their business. Not only were KAMs responsible for understanding Swarovski's contributions to the customer's success, the KAM had to understand the customer's business environment – the customer's business strategy, competition, industry trends, etc. – in order to help the customer achieve long-term success.

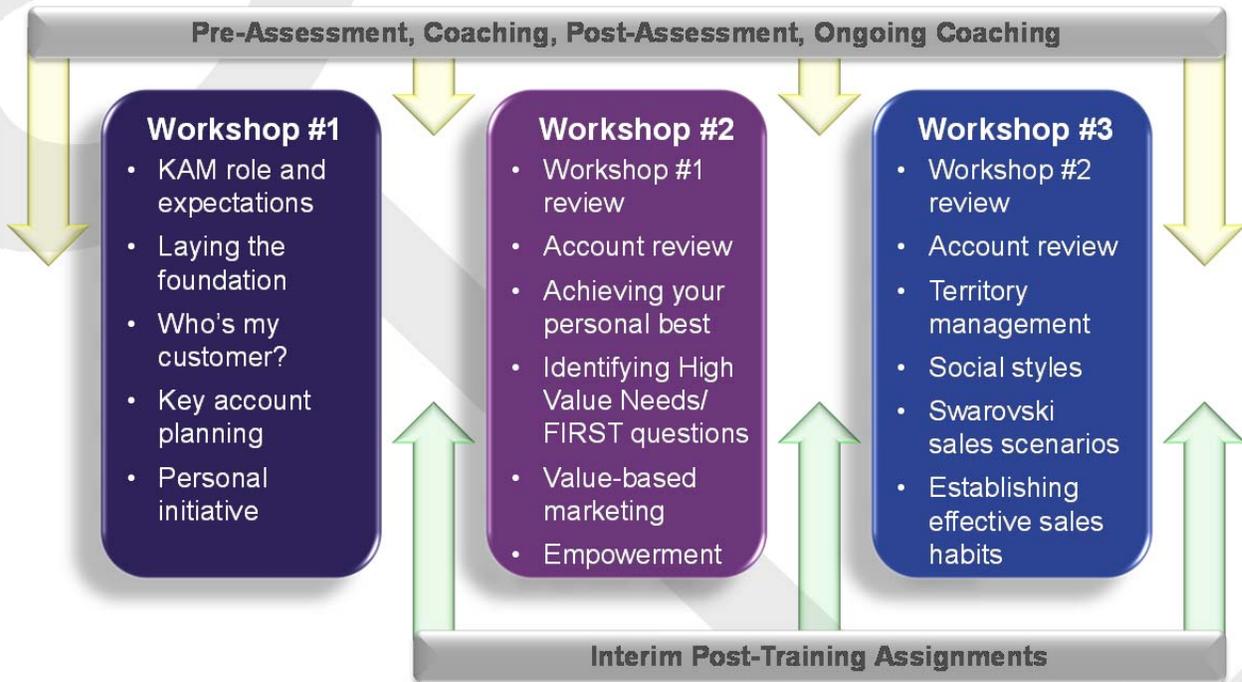
Challenge: KAMs were now required to sell with a much more consultative approach focusing on the customer's business goals and the Swarovski value-added differentiators. The KAM needed skills to leverage the customer's high value need (one that has been stated and one which the customer will pay for) to position the features and heighten the value of Crystallized Swarovski Elements. A training program was needed to focus on honing the specific skills of each KAM – from the most experienced sales professional to those with little sales experience at all.

Solution: Entelechy was engaged to create a value-based sales training program for the KAM group. In order to create an effective training program – and to ensure that the training program was supported with appropriate communication, metrics, and other elements, Entelechy conducted a number of performance assessment activities before providing recommendations and creating a three-workshop value-based selling program designed to:

## A Case Study in Training Excellence and Business Results Brought to you by Entelechy, Inc.

- Develop individual skills by leveraging the knowledge of peer “experts” through a sharing of ideas, talents, industry specialties, and skills.
- Develop personal sales skills to bring KAMs to the next level of development.
- Identify customer needs and articulate Swarovski’s value as it relates to those need.
- Handle objections, especially those related to price.
- Establish a consistent selling foundation, common sales language, and solid value-based sales skills.

The result was a three-workshop program delivered over nine months:



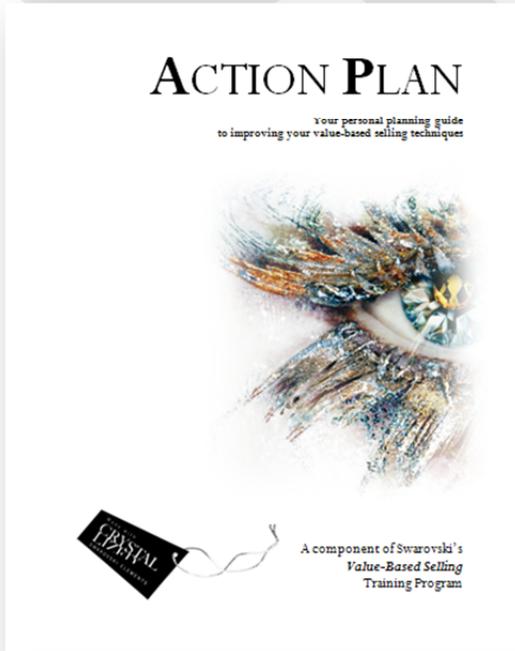
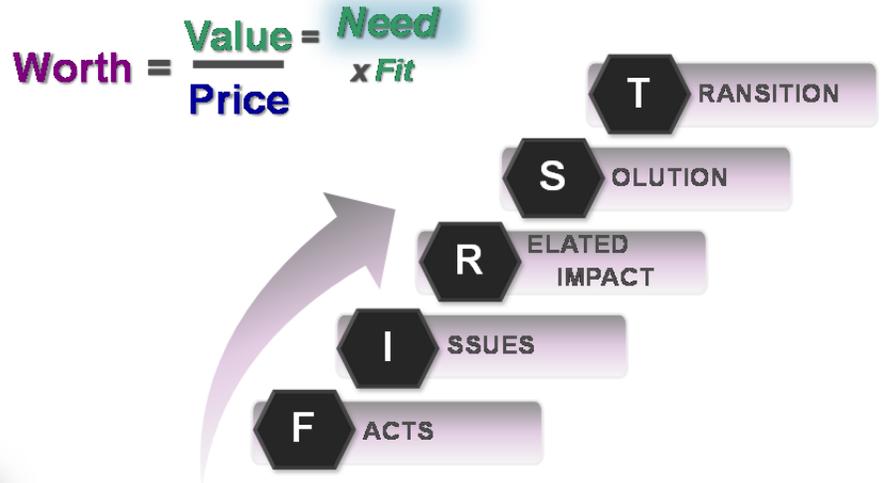
The program began with a 180° survey designed to identify individual and team strengths and areas for development, and provide focus for the training. The survey was constructed using competencies representative of the new KAM role, enabling a discussion of expectations between the new KAM and his/her manager.

I, as a Key Account Manager:	My Ability					Importance								
	Needs Development	1	2	3	4	5	6	Not Important	1	2	3	4	5	6
<b>Efficient Selling Skills: Managing Time, Territory, and Sales Activities</b>														
1. Identify high potential opportunities within my territory that leverage Swarovski's value-added capabilities.	<input type="radio"/>													
2. Create and execute an operational plan for my area.	<input type="radio"/>													
3. Create and prioritize sales activities to achieve sales and distribution targets.	<input type="radio"/>													
4. Work out budget proposal.	<input type="radio"/>													
5. Make sound strategic selling decisions by matching sales time/travel investment with potential return.	<input type="radio"/>													
6. Use effective time management techniques to maximize quality face-to-face and phone time with customers (and do so in spite of crises and interruptions).	<input type="radio"/>													
7. Use territory planning techniques to ensure that key accounts are being served properly in a timely fashion.	<input type="radio"/>													
<b>Marketing and Strategic Selling/Consulting Skills</b>														
8. Coordinate and cooperate with Global Product and Segment Managers to identify market-specific strategies.	<input type="radio"/>													
9. Interpret market research and analyses to influence Swarovski's global approach to each market segment.	<input type="radio"/>													
10. Conduct end-consumer analyses for the purpose of expanding market penetration, distribution, market intelligence, and approaches.	<input type="radio"/>													

## A Case Study in Training Excellence and Business Results Brought to you by Entelechy, Inc.

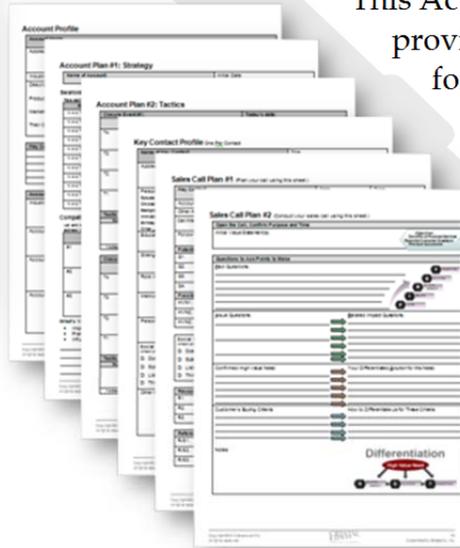
The three-workshop program introduced and built upon key selling skills. Additionally, the program introduced a value-based sales questioning structure that enabled participants to probe in meaningful ways – ways that would uncover a customer’s high value need so that the KAM could confidently position Swarovski products and services for maximum impact.

Entelechy calls this structured approach **FIRST** Questioning, questions that result in the identification of **Facts** (the lowest level of sales questions), **Issues** (or problems the customer is facing), the **Related Impact** of those issues, and **Solutions** the customer is willing to explore.



Entelechy created an Action Plan to help KAMs apply skills against real accounts. From profiling accounts to developing strategy and tactics, KAMs were able to “conduct business” as they were learning important value-based selling skills.

This Action Plan also provided the basis for a division-wide selling process and language.



To aid the learning process, real examples were created to illustrate key concepts AND to serve as the basis for role plays; participants practiced and received feedback on such skills as needs identification, value-based positioning, presenting, and handling objections.

To help participants focus and apply skills (and conduct business), Entelechy's *Value-Based Sales* training required each attendee to identify a Key Breakthrough Opportunity (KBO) and prepare a final presentation to the class; these presentations were evaluated by sales management and peers.

In addition to the Action Plan and job aids, Entelechy worked closely with Swarovski to identify possible value-based benefit statements/differentiators, statements that link a customer's high value need to a feature of Swarovski's products and services in a way that positions Swarovski as the company with the best solution. (While ideally it's best to "build" the value-based benefit statement after first identifying the customer's high value need, it's always good to be prepared!)

In addition to the activity-based training and in-class application of skills, attendees were tasked with on-the-job application of skills. By spreading the training over nine months, attendees were able to focus their skills AND achieve real business results. Additionally, attendees' managers were tasked with coaching attendees in the application of their new skills.

**Results:** Swarovski KAMs are now establishing strong consultative relationships with their clients as a result of positioning the value of their products, services and expertise. These consultative relationships are the foundation of success in the Swarovski wholesale sales organization.

### Value-Based Benefit Statements/Differentiators

A value-based benefit statement links a customer's high value need (one that has been stated and one which the customer will pay for) to a feature of Swarovski's products or services in a way that positions Swarovski as the company with the best solution. While ideally it's best to "build" the value-based benefit statement after first identifying the customer's high value need, it's always good to be prepared.

Businesses – from DIY to retailers to boutique fashion designers – face the same pressures: increase sales, increase profitability, gain more market share, expand the market (and expand into new markets), reduce R&D/design costs, reduce manufacturing/development costs, improve end-consumer satisfaction, etc.

Your customers don't buy stones, per se; they make purchase decisions based on how likely the purchase will help them address one or more of the previously mentioned pressures. Even if your contact – for example, a designer – isn't talking to you about increasing market share, you can rest assured that someone else in the decision-making process – the owner, purchasing, etc. – will ask the tough questions. It should also be the goal of each KAM to not only address the designers but build relationships with the decision makers. This will be the key to our future success! Give your contact the ammunition he or she needs to influence the decision through value-based benefit statements!



Feature	Potential Value-Based Benefit/Differentiator
<b>Quality</b> (of our product) 	<ol style="list-style-type: none"> <li>Appeals to quality-conscious consumers enabling you to capture that portion of our market.</li> <li>Our unique production process and precision cutting provides brilliance that others can't match; your products stand out from the competition.</li> <li>Your customers are delighted and will pay a premium for a quality product.</li> <li>Fewer (or no) rejects means fewer (or no) slow-down of your development due to reject components. Development time is significantly reduced, saving you money.</li> <li>Swarovski maintains the highest color consistency due to our special and unique production process and our manufacturing tolerances, which are the lowest in the industry. You can be assured that the color you order is the color you receive – in each stone and even more importantly in each size. Consistent color eliminates production issues, saving time and assuring customer satisfaction and end-consumer delight.</li> <li>Highest consistency means fewer rejects resulting in – at the end – lower cost that you are paying for crystals.</li> <li></li> <li></li> </ol>
<b>Innovation</b> 	<ol style="list-style-type: none"> <li>Swarovski's <b>LOGO</b> is patented and available exclusively through Swarovski to you and your customers enabling you to stand out from your competitors not using Swarovski.</li> <li>Others <b>REPLICATE</b>, for example, copy Swarovski's product and marketing. In your business, being ahead of your competition – instead of a year behind – enables you to charge a premium for leading edge fashion-forward products.</li> <li>We sponsor young fashion designers for Fashion Week, which adds creativity to the market place and creates loyalty. The fashion world looks to Swarovski for innovation! Swarovski has been the designer's choice since 1895. This sentence/logo will also appear on our new media.</li> </ol>

Swarovski's Value-Based Benefit Statements/Differentiators – 1001 – Entelechy, Inc. 603-424-1237 Revised February 12, 2010