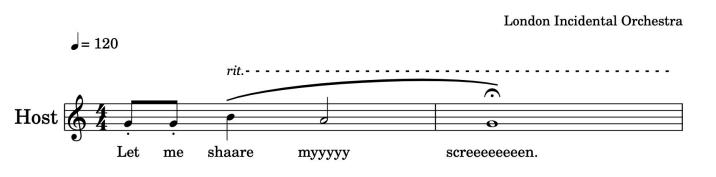


Manage your Customers or they'll manage you

Richard Brooks

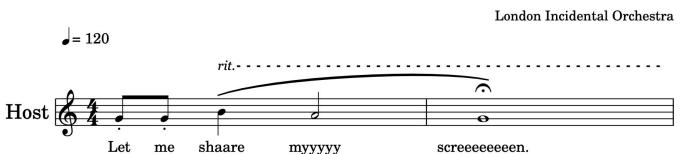
@RichardMBrooks
Richard-Brooks.com

14th September 2022 Celebrity Ballroom 2pm







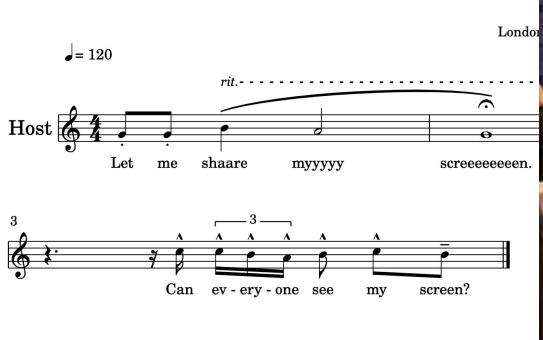


Less of this nonsense





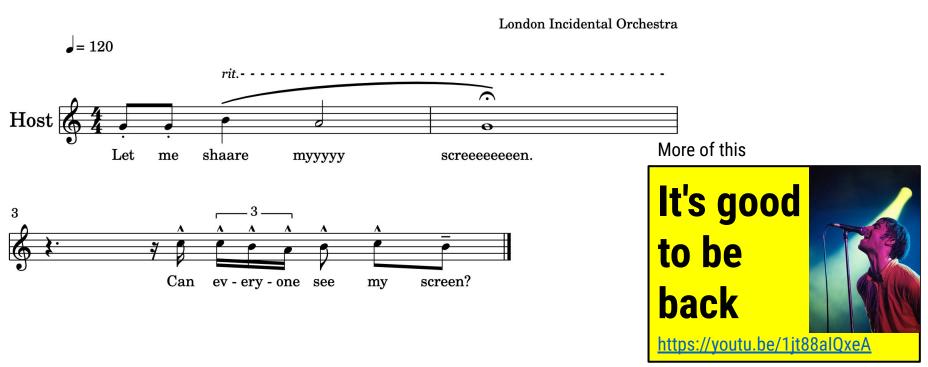








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Hello Vegas

Loc Industry Superstar

Former Elia director, former ALC board member and industry presenter/trainer.

MBA

Majoring in Economics and Marketing.

K International Ltd UK Based LSP

My own career... Admin > Creative > Manager -MBA > CEO > buyout > Investor > ????

(talk to me if you're stuck)



an introduction to

Richard Brooks

Advisor

Institute of Sales Professionals. APPG member. SME sales training development.

Mentor

Assisting the Impact Central startup project with mentorships of new businesses.

Download this slidedeck (and others like it): https://richard-brooks.com/downloads

Business Consultant

Sales team training, C Level Coach, key account management, strategy development, family business



bun fight referee.

Visiting Lecturer

Cranfield School of Management on Key Account and Strategic Sales.

@RichardMBrooks

A good conversation is

better than a lecture.

@RichBrooks

0044 7792 252998

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BrooksRichardM@gmail.com

Wanna sort your business out? I'm here to help...

web: richard-brooks.com | email: BrooksRichardM@gmail.com | Twitter:@RichardMBrooks

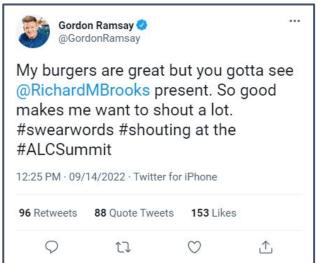
Please share as much as you can on social media

#ALCSummit #languageindustry



Please share as much as you can on social media

#ALCSummit #languageindustry









TL;DR too long; didn't read

Never ever stop the sausage machine.

Value is hard to define. Value is what the customer thinks it is. Be the messenger of value.

Profits are created by your customers (not your products).





My Assumptions

I've ran an LSP... so I talk about LSPs but this can be applied to any service based business.

I'm talking about selling big complex things to big complex companies.

This is advanced stuff... you're advanced people.

I'll present you the models and theories so you can do your own research/go on your own



My slides will be detailed and cited but if you don't get anything - call me.



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Trends (in sales/buying)... the future of sales

- Globalisation. You will compete globally.
- Less customers but more revenue from each. This has led to Key Account Management being taken seriously.
- **Digitisation** shifts the power from the sales person to the customer (sales people used to be the google of the past)
- **Efficiency**. Working from home, less time for social, less time for lunches, fewer buyers, harder to get appointments.
- Value is co-created with your customer. They care about your Eco Systems (we have big networks, big corporates want big networks), Strategic advice (where do you want to go and how can I help you to get there), Servitization (not always easy for manufactures).



Trends (in sales/buying)... the future of sales

- Globalisation. You will compete globally.
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- Value is co-created with your customer. They care about your Eco Systems (we have big networks, big corporates want big networks), Strategic advice (where do you want to go and how can I help you to get there), Servitization (not always easy for manufactures).
- YOUR JOB ... build a sales team who can deliver on the above and find customers who want to innovate with you.



Are translation services commoditized?



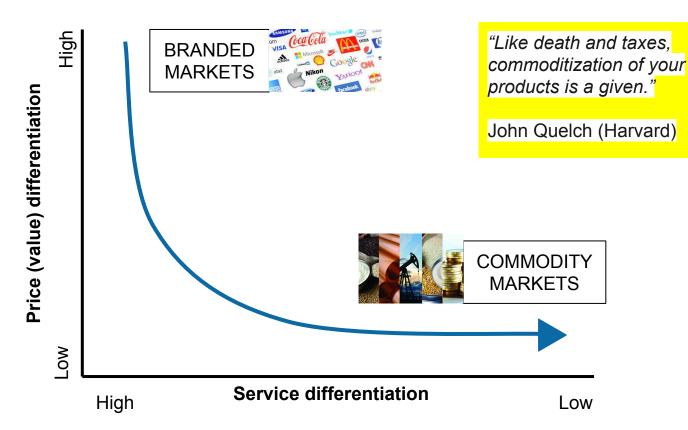
A commodity is a basic good used in commerce that is interchangeable with other goods of the same type. Commodities are most often used as inputs in the production of other goods or services. A commodity thus usually refers to a raw material used to manufacture finished goods.

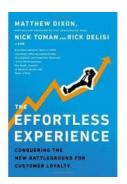
Commodity Definition - Investopedia





Eventually everything gets commoditized







adapted from M Clark Henley Business School



Learn about procurement





"If you know the enemy and know yourself, you need not fear the result of a hundred battles."

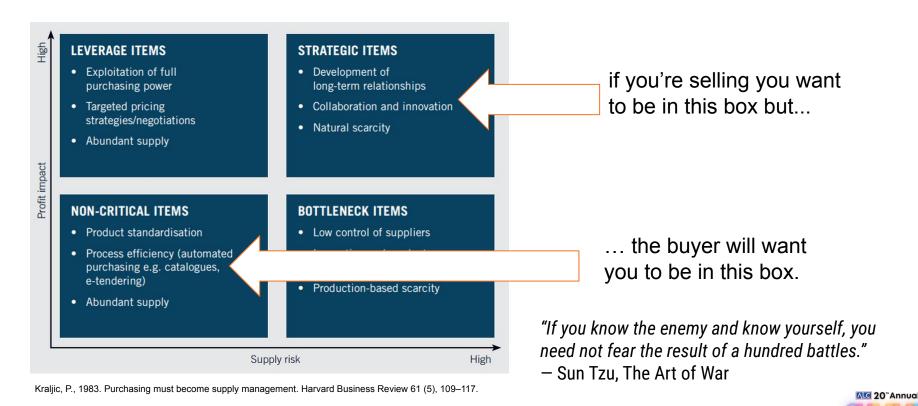
Sun Tzu, The Art of War

Learn procurement. Go on their courses, get to know them, learn how they think, make friends with them. Resistance becomes support.

Kraljic, P., 1983. Purchasing must become supply management. Harvard Business Review 61 (5), 109–117.



Kraljic Matrix



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How much does a pencil cost?





Price per pencil





Staedtler Noris School Pencils 121 - 2H Grade [Pack of 36]

by Staedtler Noris ** * * 31 ratings

Price: £7.99 & FREE Delivery You Save: £0.50 (6%)

Pay £7.99 £0.00; get a £10 Amazon Gif Card on approval for the Amazon Platinum Mastercard, Terms apply.

New (6) from £7.98 + FREE Shipping

- . The Staedtler Noris Pencil is Instantl Recognisable from its Distinctive Yellow and Black Stripes
- · The School Favourite for Decades
- . Due to its Special Lead Bonding Process it is Particularly Strong Meaning Less Sharpening and Less
- · Easy to Sharpen with a Good Quality Sharpener





- · Essentials by royal & Lang nickel are the must have artist materials to begin exploring your artistic side
- . This set offers the core range of harnesses of Graphite sketch pencils for the pencil artist
- Includes 12 Graphite pencils (5H, 4H, 3H, 2H, H, hb, B, 2B, 3B 4B, 5B, 6B)

See more product details

Compare with similar items



Roll over image to zoom in





See more product details



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Compare with similar items

Are translation services commoditized?



A commodity is a basic good used in

commerce that inputs in the pro

with other good Commodities a Depends how you goods or service usually refers to position your service

to manufacture finished goods.

Commodity Definition - Investopedia



[What to do] When Your Product Becomes a Commodity



- 1. Decide which customers you do NOT want to serve, try renegotiating prices with them and, failing that, fire them. You will lose market share but improve profitability.
- 2. Compensate your salesforce on profit margin, not sales revenues. A volume-based salesforce will sign up any customer, regardless of profitability. That's OK early in the product life cycle but not in maturity.
- 3. Trim costs and acquire competitors (with profitable customers) to extract maximum scale economies in procurement, manufacturing, and distribution.
- 4. If you aren't the low cost producer, complicate your pricing structures so customers can't easily make side-by-side comparisons, and provide discounts as needed of artificially inflated published prices.

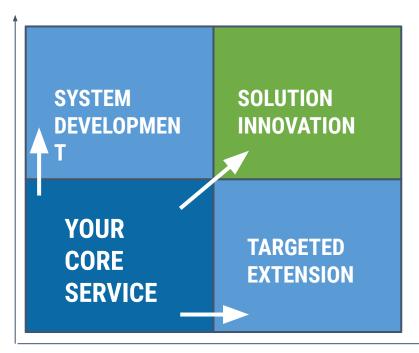
Based on work from John Quelch, When Your Product Becomes a Commodity. HBR. Dec 2007.

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Add value to your core service

Value Added through Bundling



Value add should be strategic.

Focus it around the customer.

Value is defined by your customer... find out why they want.

Value Added through Segmentation & Customization

Developing Personas are great but... these two are in the same customer segment

- Born in 1948 in England
- Married the second time
- 2 kids
- Successful
- Very Wealthy
- Spend winter vacations in the Alps
- Likes dogs

- Born in 1948 in England
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Developing Personas is great but... King Charles III and Ozzy Osbourne are in the same customer segment



- Born in 1948 in England
- Married the second time
- 2 kids
- Successful
- Very Wealthy
- Spend winter vacations in the Alps
- Likes dogs

The artist formerly known as the Prince of Wales



- Born in 1948 in England
- Married the second time
- 2 kids
- Successful
- Very Wealthy
- Spend winter vacations in the Alps
- Likes dogs

The artist formerly known as the Prince of Darkness



Transactional selling means I know what I want. So I can google that and then play suppliers off against each other (RFP) while I buy as a commodity. All other things being equal the price drops to the marginal cost of production (very close to zero). - works in the short term... will lead to one winner.

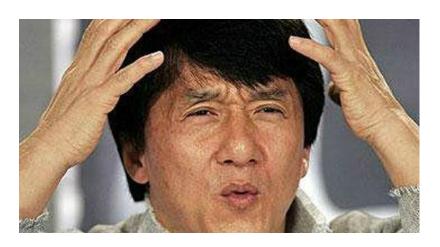
Position yourself as two things.

- the Doctor. Diagnose before you prescribe.
- the Architect. Empathise with the customer to understand their world and what they want to achieve (who are they and how do they want to live).



I know what you're thinking...

OK Rich, Sell on value not price but...



WTF is value... and how do we identify and sell value?



Where do profits come from?

Lots of people assume this







Products





Profit is like a sausage... really tasty until you find out what goes into making it.



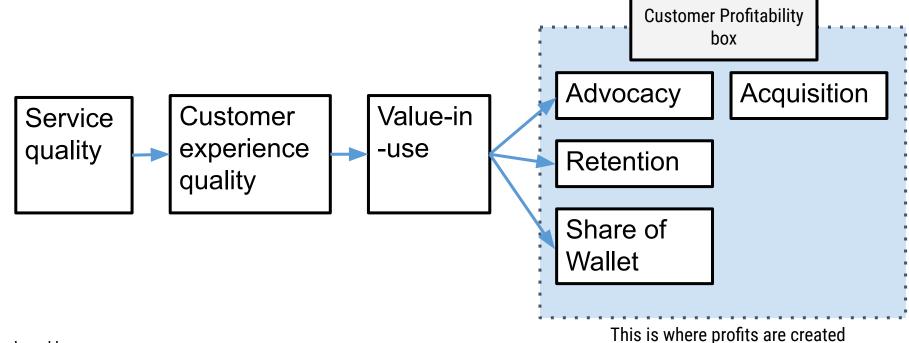


But your profits are created by your customer... and the supply chains profits are created by the consumer

We can explain this with a model called the Service Profit Chain...



The Service Profit Chain

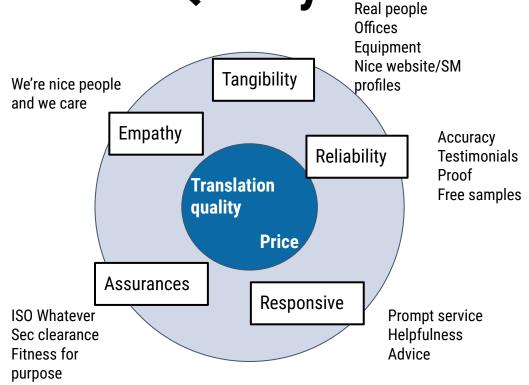


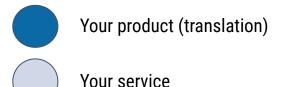
Based on work by

James L. Heskett, Thomas O. Jones, Gary W. Loveman, W. Earl Sasser, Jr., and Leonard A. Schlesinger https://hbr.org/2008/07/putting-the-service-profit-chain-to-work

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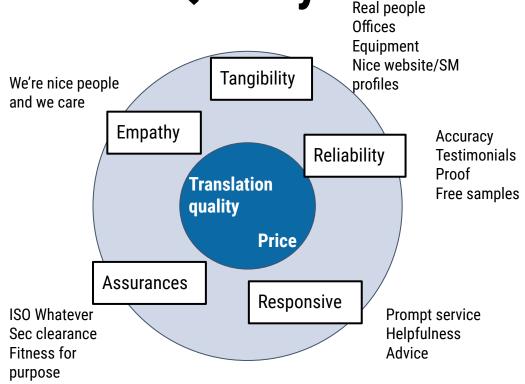
Service Quality

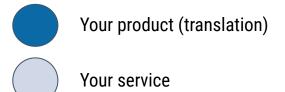






Service Quality



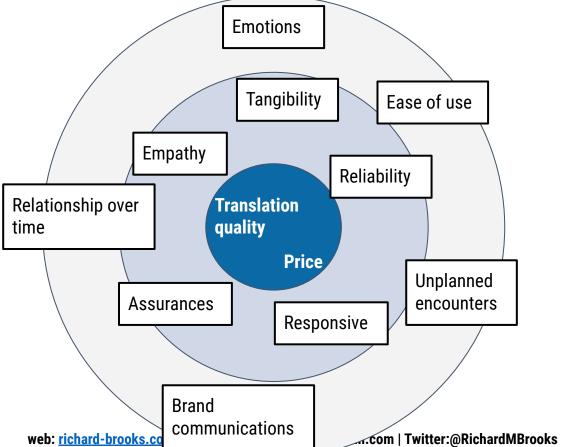


Trouble is... this is 25 years old. And we're all doing it.



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Customer Experience
Quality



Your product (translation)

Service quality

Customer experience quality

Customer experience is the internal and subjective response customers have to any direct or indirect contact with a company...

... To understand how to achieve satisfaction, a company must deconstruct it into its component experiences.

Read more about customer experience quality

Andre Schwager and Chris Meyer

https://hbr.org/2007/02/understanding-customer-experience.

Question here is... if this is where profits come from then what strategies do we employ to maximise?

Acquisition
Advocacy
Retention
Share of Wallet



Acquisition

You need sales quick!... here's some ideas.

Buy more leads from vendors like Linkedin (pretty much always fails).

Bid more aggressively on paid search (can work, but skyrockets costs of acquisition).

Bid more aggressively for "top spots" on affiliate sites (again, skyrockets costs of acquisition).

Retarget more aggressively - this will drive mostly cheap traffic and buyers that still aren't ready, although you'll probably move a portion of them down your funnel.

Do conversion rate optimization - hard to ramp, implement and get a result quickly, with lots of room for losses when doing this out of desperation.

Promos and discounts can work but it's a gimmick and will hurt revenue because loss of margins.

Try and pressure sell opportunities which are in progress. Might work in a low cost product environment, but almost always a bad idea if selling more complex solutions that a box.

Win back campaigns - work with sales to try and steal competitor customers - example PandaDoc targeting DocSend aggressively right now. Pretty gimmicky and might work to an extent, but this is unlikely to be your salvation.

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Never act of of desperation. Master the art of building momentum in your business. Never ever stop the sausage machine.





Acquisition

Inbound Marketing Methodology

The best way to turn strangers into customers and promoters of your business.





Acquisition

B₂B

- 1. Extent of personal contact
- 2. Flexibility
- Implicit understanding of customer needs
- Pro-activity in eliciting customer's objectives
- 5. Pro-activity in checking everything is ok
- 6. Promise fulfilment
- 7. Knowledge

B₂C

- 1. Helpfulness
- 2. Value for time
- 3. Customer recognition
- 4. Promise fulfilment
- 5. Problem solving
- 6. Personalisation
- 7. Competence
- 8. Accessibility

People who will buy from you again value this (so measure it!)



Advocacy

Customer loyalty, engagement, and long-term, reciprocal relationships with your customer base.

Customers rely heavily on their own research and trust their peers more than a company's marketing campaigns.

Your best sales force is a team of happy customers.

WAY OVER 50% of the buying decision happens inside the customer's business in private.

SiriusDecisions surveyed over 600 B2B marketers last year in a B2B Buyer's Survey and found the following:

- In the early buying stages, 51% say peer referrals are MOST FAVORED
- In the mid-buying stage, peers are ranked as the MOST INFLUENTIAL information source (23%)
- In the late buying stage, peers are the MOST TRUSTED information source (29%)



Advocacy

The Ladder of Loyalty

Moving your accounts up the ladder

Partner Advocate Support Client Customer Prospect Suspect

Mutually rewarding relationship where neither party intends on leaving.

- 96% of dissatisfied customers never complain but 90% of them never return.
- ONE happy customer tells at least NINE others
- 13% of unhappy customers tell at least twenty others
- It takes five times as much effort, time and money to attract a new customer than it does to keep an existing one.

- Source: USA White House Office of Consumer Affairs

5% increase in customer retention leads to a profit improvement of at least 25% in NPV of future earnings.

- From a study by Reichheld & Sasser. Harvard Business Review. September 1990



Advocacy

Make it easy for your customers to advocate your service. How do you score on the Advocacy Scorecard?

Score out of 10

Social sharing	Customers act as advocates through sharing content from your website or social media on their own platforms.	
Customer quotes	Customers may share their experience with your product or service through a reference statement or testimonial. This statement can be shared on social media, your website, or pitch decks.	
Customer references	Also called case studies, references are similar to quotes in that they share a customer success story, but in more detail. A collection of case studies can be used by your sales team to complement a pitch deck.	
Reviews	Reviews are customer feedback on a specific product or service you offer. They may include details about your business's customer service experience, and can be promoted online.	
Referrals	A referral is when a customer advocate recommends your product or service to a peer directly.	
Speaking engagements	If your organization hosts events like conferences or webinars, inviting customers to speak can be a powerful form of advocacy. It's also an opportunity for brand promotion for your customer.	
Customer advisory boards.	Customer advisory boards are made up of 10 to 15 senior executives from customer organizations. Customer advisors provide valuable insight that helps shape the future of your business's priorities and strategy.	
		Mrs 20 Appudi

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Based on research from Gartner. More info is here: https://www.gartner.com/en/digital-markets/insights/customer-advocacy-program

Retention

Retention Rate = ((CE-CN)/CS)) X 100

CE = The total number of customers when the period ends

CN = The total number of new customers that you acquired during the period

CS = The total number of customers at the start of a period



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Retention

Use Surveys and Net Promoter Score

Here are some templates https://www.qualtrics.com/marketplace/survey-template/

Bad news early is good news.

NPS measures the customer experience.

Calculate your NPS using the answer to a key question, using a 0-10 scale: How likely is it that you would recommend [our company] to a friend or colleague?

Respondents are grouped as follows:

Promoters (score 9-10) Passives (score 7-8) Detractors (score 0-6)

Subtracting the percentage of Detractors from the percentage of Promoters gives the Net Promoter Score, which can range from a low of -100 (if every customer is a Detractor) to a high of 100 (if every customer is a Promoter).



Share of Wallet

Share of wallet is a key sales metric because of the fundamental nature of selling products. According to marketing studies, it is five to seven times less expensive for a company to make additional sales to existing customers than it is to create new customers.

Total share of wallet is made up of

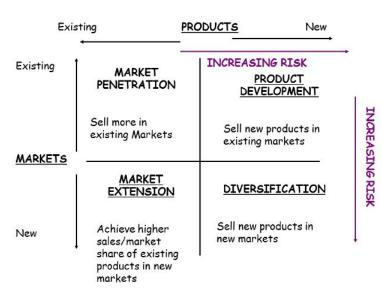
- What your customer spends with you
- What they spend with competitors
- What they do themselves
- What they should do but don't





Share of Wallet

It's easier to sell to someone who has bought from you before.



see Ansoff Matrix

https://en.wikipedia.org/wiki/Ansoff_Matrix



A Shift in Focus

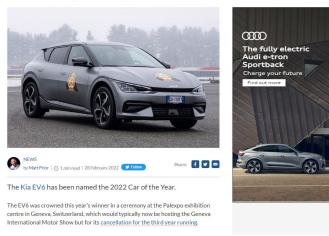
Hygiene Factors: Product quality Differentiators: Experience quality

Hygiene Factors: Quality

Differentiators: Value-in-use

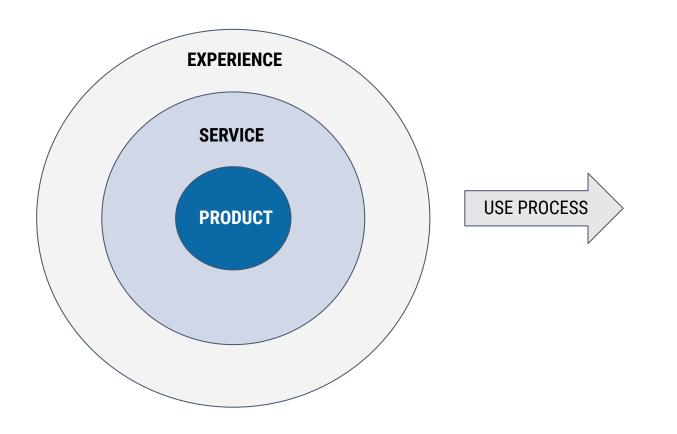
Kia FV6 named Car of the Year 2022

Electric crossover fights off Renault Mégane E-Tech, Hyundai Ioniq 5 and others to be crowned victor in Geneva



Established markets can be disrupted

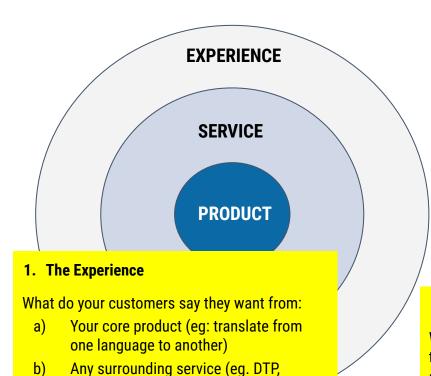




Value-in-use

Goal 1	
Goal 2	
Goal 3	





content creation, regulatory advice)

Any wider experience surround (eg access to your network, relationship,

USE PROCESS

3. Use process

What does the customer have to do when using your services in order to achieve the goals listed in #2.

Value-in-use

Goal 1	
Goal 2	

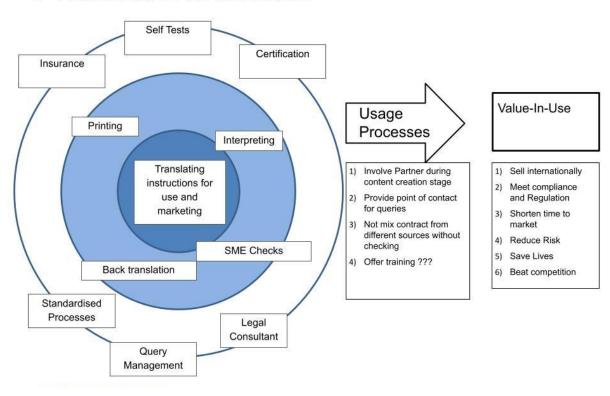
2. Value-in-use

What are the goals that customers are trying to achieve when they ask for the things that you listed in #1.



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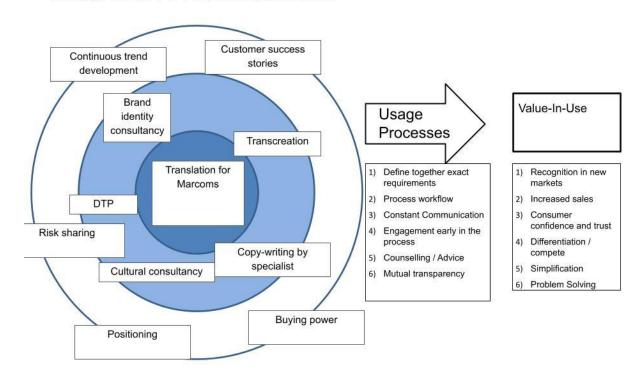
PharmaTrans.com



Anonymised data from a workshop we hosted with senior team of translation company focused on pharma.



MarcomTrans.com

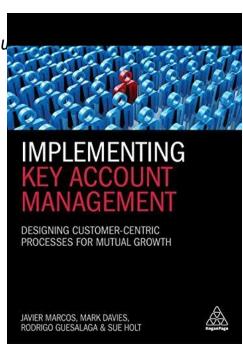


Anonymised data taken from marketing communications translation agency.



Changing Skill Set for Sales

- Value Ambassador. It's your job to tell the customer about the value you their business (or customer's business).
- Strategist. Be able to see the bigger picture and be strategic.
- Innovator. Come up with new value propositions and be different.
- Rainmaker. You still gotta sell!
- Team Builder. Manage complex cross-functional teams.
- Silo-Buster. Get things done means connecting across the business.
- Planner. The details part.
- Change Agent. Making things happen.





Changing Skill Set for Sales

Value Ambassador. It's your job to tell the customer about the value you
 their business (or sustamer's left).

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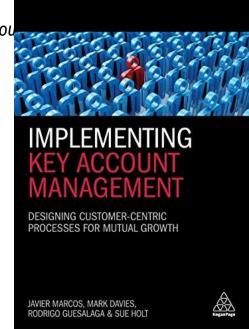
Silo-Buster. Get things do

• Planner. The details part.

How does your sales team compare?

Do they need training differently?

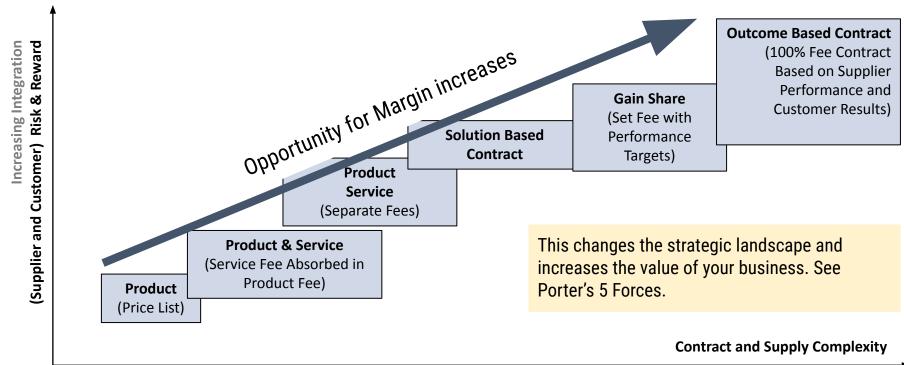
ness.



Change Agent. Making things happen.



Get out of the Commodity Box



Develop a Value Proposition

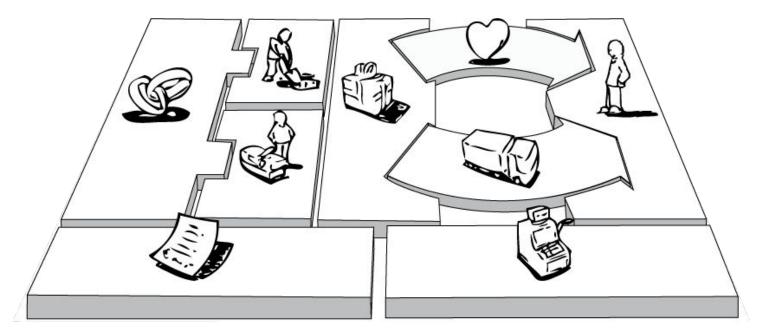
Developed for your key accounts (segment of 1) or segment your other accounts into groups...

but beware how you segment!



Business Model Canvas

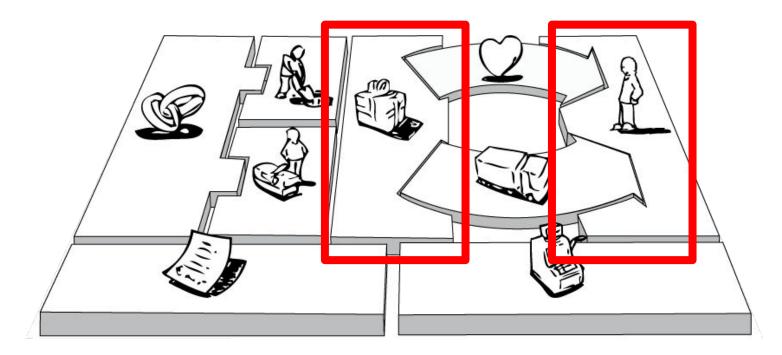




https://www.strategyzer.com/canvas/business-model-canvas

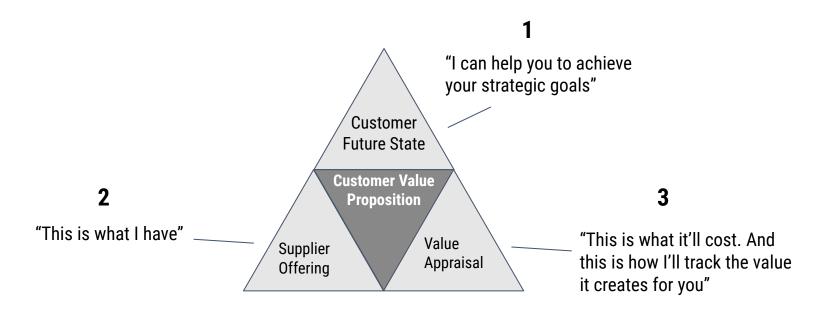


Taking the Value Proposition and the Customer





Value Proposition Framework



Customer future value state

Top Line. Trends/Competitors/Cultures.

Bottom Line. Cutting Costs/Improving Yields.

Business Reputation & Continuity.

Perception/Safety/Social Media.

Strategy, Organisational & Other Advisory.

Legal/Compliance/Governance.

The Customer's Customer. Customer dependant.



Adapted from. Infinite Value, Mark Davies

Communicate Offering



The marketing mix refers to the tactics (or marketing activities) that we have to satisfy customer needs and position our offering clearly in the mind of the customer.

It involves the 7Ps; Product, Price, Place and Promotion (McCarthy, 1960) and an additional three elements that help us meet the challenges of marketing services, People, Process and Physical Evidence (Booms & Bitner, 1982).



Value Proposition Framework

"I can help you to achieve your strategic goals" Customer **Future State Customer Value** "This is what I have" **Proposition** Value Supplier **Appraisal** Offering MARKETING PRODUCT

Top Line. Trends/Competitors/Cultures.

Bottom Line. Cutting Costs/Improving Yields.

Business Reputation & Continuity.

Perception/Safety/Social Media.

Strategy, Organisational & Other Advisory. Legal/Compliance/Governance.

The Customer's Customer. Customer dependant.

3

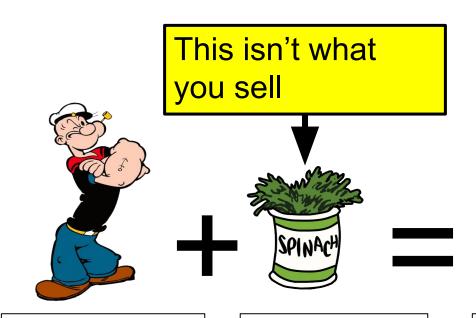
"This is what it'll cost. And this is how I'll track the value it creates for you"

- KPIs, ROI, NPV
- In real \$\$\$\$ do the math!



Developed by Mark Davies. Cranfield School of Management

Brooks' Sales Equation



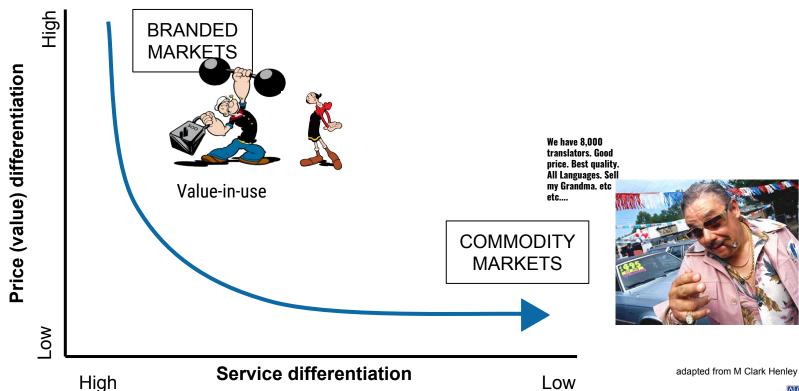
Your customer

Your product/ service This is

The thing the customer can do. Value-in-use.



Sell it like you value it



adapted from M Clark Henley Business School



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Bespoke Industry Training



https://slator.com/event/lsp-operational-growth-management-training/
 Or see me or Andrew Smart for the deets.

The content of this course will enable you to:

- · Develop an Operations Strategy for your LSP
- · Understand that operations contribute to the development and implementation of a successful strategy
- · Have the confidence to deal with the management of change in operations through understanding the critical transitions of both process and people

Teaching and Learning Methods

The program is delivered in blocks. **Spread over 4 sessions with periods of independent study between each session.** We will ask you to develop an action plan at the end of Session 3. Session 4 will provide you with one-on-one feedback on your plan to help you increase your profits and grow your business.

Session 1. An Introduction to Language Operations – Service Operations Management (Transformation Process Model, The Typology of Operations), Operations & Business Strategy Session 2. Running and Improving your LSP – 7 Tools: Company Structure, BHAGs (pronounced "Bee Hag is an acronym of "Big Hairy Audacious Goal"), Key Business Metrics, Balanced Scorecard, Financial Measures, Risk Management, LSP Operational Growth Roadmap

Session 3. Developing Tomorrow's Business - Scanning the 3 Horizons, Evaluating Business Functions for Offshoring, The 3, 12, 6 Plan

Session 4. Feedback on your Plan - One-to-one coaching session to assess the first milestone of the created 3, 12, 6 plan and progress towards the other two goals.

What will you take-away with?

- A deeper knowledge of how to develop your company Operations Strategy.
- · The Tools to successfully implement this Strategy.
- A 3 years (your BHAG), 12 months, 6 weeks action plan, and valuable feedback on your first milestone assessment.

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Key learning points

If you sell your service like a commodity your customer will buy it like one.

Price should not be an issue if you can financially qualify the value proposition. Show your customer how dealing with you will create value for them. Be the messenger of value.

Profits come from customers. To maximise this you need strategies on acquisition, advocacy, retention and share of wallet.

Don't stop the process... it cannot be re-started quickly.





THE END:(



Thank you very much Please tip the speaker Are there any easy questions? See you on the Family Business Panel. **#VivaLasVegas**

A good conversation is better than a lecture.



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Got a project? Let's talk



Reading List

Here's a list of the books I mentioned (directly or indirectly)

Corporate Strategy

Competitive Strategy: Techniques for Analyzing Industries and Competitors by Michael E. Porter Blue Ocean Strategy by W. Chan Kim and Renée A. Mauborgne Start With Why by Simon Sinek
Business Model Generation by Alexander Osterwalder and Yves Pigneur
The Fourth Industrial Revolution by Klaus Schwab

Management

The Practice of Management by Peter Drucker
Managing by Henry Mintzberg
The Innovator's Dilemma by Clayton M. Christensen
ReWork: Change the Way You Work Forever by Jason Fried
The 7 Habits of Highly Effective People by Stephen R. Covey
Who Moved My Cheese by Spencer Johnson

Sales/Marketing/Account Management

Implementing Key Account Management by Javier Marcos, Mark Davies et al The Challenger Sale by Matthew Dixon and Brent Adamson Purple Cow by Seth Godin The Effortless Experience by Matthew Dixon , Nicholas Toman, et al

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