Transform Your Revenue
Engine to Market and
Sell High Value Solutions

THE SOLUTION-
CENTRIC
ORGANIZATION

Keith M. Eades
Bestselling Author of *The New Solution Selling*

Robert E. Kear
Senior Partner and Chief Marketing Officer, Sales Performance International

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Reviewer Quotes for
The Solution-Centric Organization

"This book is a must-read for managers or executives that are looking for a fresh approach to old sales and marketing issues. The issues and challenges discussed in *The Solution-Centric Organization* are right on track with the rapidly evolving market environment of today. If companies are going to add value through differentiation, they must find a way to systemically build an enterprise that can integrate sales and marketing with the new solution-centric discipline that the authors outline step by step."

PAUL R. BLOCK
CHAIRMAN AND CEO, MERISANT WORLDWIDE, INC.

"Until now, integrating solution-centric thinking throughout the organization (to support the solution focus) has been left to individual sales professionals and their managers. *The Solution-Centric Organization* provides a jumpstart for building a significant sustainable, solution-centric advantage."

JOHN A. WEBER
PROFESSOR OF MARKETING
UNIVERSITY OF NOTRE DAME

"The fact that sales organizations must transition from being product-centric to solution-centric is clear to virtually all CSOs; how to do it is not! What we need today is

for someone to cut through all the hype about getting closer to our customers, and show us how to do it. Eades and Kear are those visionaries, and *The Solution-Centric Organization* is that roadmap to change. They provide a step-by-step map for how to navigate this paradigm shift in order to turn 'how you sell' into a sustainable competitive advantage."

JIM DICKIE
FOUNDER, CSO INSIGHTS

"In this day and age—with global competitors coming frequently and from all directions—this book is a must-read for anyone in the company executive suite. Often executives like ideas and concepts but have little or no idea on how to start moving forward. This book gives executives both the ideas as to how to proceed—and the practical steps for getting the transformation process underway."

RICK RAMSDEN
FORMER MANAGING PARTNER,
PRICEWATERHOUSECOOPERS CONSULTING

"Post-2000 buying patterns have changed the ground rules to compete and win and thus the term 'solution-centric' has a very different meaning in today's marketplace. Competitive differentiation today from a 'product' perspective is short lived—true long-term 'customer value' must be delivered with intellectual capital and become the 'DNA' of the company. This book gets the message across in an enlightened way for the reader."

J.G. LICATA, JR.
PRESIDENT, SIEMENS ENTERPRISE NETWORKS

"*The Solution-Centric Organization* offers a strategy that every organization can apply to escape the commodity trap. Instead of focusing on products, their features, and how great they may be, the successful seller must focus on customers, their needs, and how products can be linked to provide value-enhancing solutions for customers. Doing this successfully requires a fundamental corporate reorientation, and Eades and Kear offer practical methods and techniques to make this transformation."

<div align="right">
BRUCE YANDLE
DEAN AND PROFESSOR OF ECONOMICS EMERITUS
COLLEGE OF BUSINESS & BEHAVIORAL SCIENCE
CLEMSON UNIVERSITY
</div>

"The book defines a new global environment where continuation of existing B2B business models around marketing and sales are becoming ineffective.... The message of this book is much more strategic than tactical, with huge implications that will impact the success of business in the future. The authors are probably onto one of the primary causes of flat growth and earnings projections for many companies."

<div align="right">
RON COX
FORMER CEO, ACHIEVEGLOBAL
</div>

Foreword

THANKS TO AN EVER-GROWING INFRASTRUCTURE to support the worldwide instantaneous availability of information, the globalization of markets is accelerating. And yet, too many businesses fail to recognize the incredible opportunities and potential threats posed by this unstoppable trend. Globalization creates worldwide markets eager to acquire new goods and services heretofore unavailable or very limited to them, but it also increases the pressure of competition by many orders of magnitude. No longer can businesspeople hide comfortably in their isolated local markets—the world's market is now inescapably a global one.

As a result, the pressure to differentiate oneself from a growing number of worldwide alternatives is also increasing. Many businesses are trying to do this by bundling "a little of this with a little of that," so to speak, and by proclaiming that these assemblies of features or services are "solutions," as if this word were some kind of magical tonic for warding off the looming menace of commoditization. As Keith Eades and Robert Kear point out in this book, this "pseudo-solution" approach doesn't work very well, if at all. Instead, they have recognized that to compete effectively in today's global market, organizations need to first change something much more fundamental: the way that they perceive themselves and their customers.

As a global company, we at Hitachi Data Systems rec-
ognized the dual-edged sword of globalization quickly.
For many years, we have enjoyed our well-earned reputa-
tion for providing state-of-the-art technology products to
our customers, and we support this with world-class ser-
vice. We realized, however, that we could maintain our
leadership position only by overcoming the ever-increas-
ing pressures of commoditization and global competition.
We have succeeded by shifting our focus from being prod-
uct-centric to solution-centric. Today, we define ourselves
not just by the products or services that we offer, but by
how we can solve our customers' problems—and this is
beginning to have an impact on everything we undertake
as a business.

This book is all about how to succeed in today's tough
marketplace by transitioning your organization to solution-
centricity, just as we have. Eades and Kear provide insight-
ful ideas about how organizations can adjust their thinking
in order to better solve the problems of customers and
thereby differentiate themselves from commoditized offer-
ings. Further, the authors provide practical tools and meth-
ods for analyzing your own organization's barriers to
solution-centric transformation and helpful advice about
how to overcome these barriers.

As Hitachi Data Systems succeeds in establishing itself
as a world-leading solution-centric company, these con-
cepts play an important role in our transformation. As
you read The Solution-Centric Organization, I encourage
you to apply these ideas for improving your own organi-

zation's competitiveness and ability to provide value to customers.

—Dave Roberson
President and CEO, Hitachi Data Systems

Introduction

IN 1988, ONE OF US, KEITH EADES, founded Sales Performance International (SPI), a sales consulting and training firm dedicated to improving clients' ability to sell and generate revenue. After nearly two decades, SPI's consultants have worked with hundreds of organizations and trained over 600,000 salespeople, managers, and executives in a sales methodology called Solution Selling®, which enabled sales teams to differentiate themselves not only by *what* they sold but, more importantly, by *how* they sold to customers. (For more about Solution Selling principles, pick up a copy of *The New Solution Selling: The Revolutionary Sales Process That Is Changing the Way People Sell*, published by McGraw-Hill, 2004.)

During the same time period, the other one of us, Robert Kear, managed marketing teams in several rapidly growing, high-technology companies. He observed that when salespeople engaged with customers, they often focused extensively on features and functions of products rather than on how those capabilities solved customers' problems. In the high-demand economic period prior to 2000, the ability to present product and service capabilities was usually sufficient for salespeople to be successful. However, the post-2000 economic climate has created a more discerning customer. In this relatively lower-demand environment, it has become far more critical for sales-

people to position and defend the value and differentiation of their offerings. In addition, just to *earn* the right to engage in selling activities often requires a compelling, relevant message to cut through the white noise of the marketplace because of the information avalanche that customers are increasingly experiencing.

What Robert began to observe in this environment was the extent to which marketing organizations had become acclimated to the demand-rich, product-centric era prior to 2000. A concurrent observation was the degree to which this product-centric mindset was misaligned with sales improvement initiatives that focused exclusively on retooling the sales force to sell "value" or solutions, versus products and services. Robert began to think extensively about how *marketing* could better align its thinking and methods to provide the sales force with messages, "air cover," and tools that concentrated on positioning value effectively, versus product superiority and features.

Independently, we each discovered that both marketing and sales methods can play a material role in what takes place at the point-of-sales interaction. However, we also discovered that organizational resistance and corporate "silos" often constrained the degree of *sustainable* performance improvement. In plain language, both training salespeople and developing solution messaging helped performance, but the amount of improvement was limited if sales was not *formally* aligned with marketing, or vice versa, or if the organization's executive team didn't manage and support these projects and make them an ongoing way of conducting business.

When we met in 2004, we discovered that we were look-
ing at the same problem from different viewpoints—sales
and marketing organizations both have an integral role to
play in the transition to becoming providers of real solutions
to customers' business problems, not just vendors of prod-
ucts. We both realized that each of us was trying to address
the issue from a "localized" viewpoint—one focused on
sales, the other on marketing. If we could combine these
approaches into a comprehensive, systemic marketing and
sales framework, then companies could significantly
improve the probabilities of winning profitable business on
a more consistent basis. This book is the result of that
research and collaboration effort. In these pages, you'll find
a systemic approach to helping companies evolve their "rev-
enue engine" from being product-centric to solution-centric
and therefore become better equipped to compete success-
fully in today's global marketplace.

But we all know that it's not enough just to be better
equipped, or even to better integrate sales and marketing.
The key question that still remains is, "How do we drive
these solution-centric concepts into the culture of our
organization—how do we make it a way of life?" In the
course of developing the material for this book, we have
discovered that the path to solution-centricity requires an
evolutionary—if not revolutionary—way of new thinking
across the entire organization. Just as Six Sigma, total
quality management (TQM), business reengineering, just-
in-time manufacturing, and other business transformation
ideas require fundamental changes in both organizational
mindset and action in order to reap their promised

rewards, so does the transformation from being product-centric to solution-centric.

WHO NEEDS TO READ THIS BOOK?

Anyone who is interested in driving sales performance improvement—and making the customer the center of everything his or her organization does—will find value in this book. Becoming solution-centric is an organizational transformation, requiring teamwork and alignment in every part of the company. As a result, not only will executives find the contents of this book of interest, many other departmental managers will also find it useful, including:

- *Marketing professionals.* Embracing solution-centricity has significant implications for how marketing specialists think and act. The kinds of messages that they produce—and how they use those messages to communicate internally and to customers—change dramatically when an organization becomes solution-centric.
- *Sales professionals.* The words that come out of the sales channel's mouth and into your customer's ears at the point of purchase are some of the most important if the organization is to be perceived as solution-centric. The actions of a successful solution-centric sales organization are also radically different than of those that are product-centric.

- *Customer service and support.* All the positioning and posturing in the world won't mean a thing if the solution-centric view stops in the customer service department. Organizations that want customers' long-term business must also align the way their service and support teams interact with customers if they want to reap the full benefits of solution-centricity. While this book does not directly address the customer service function, it should be possible for readers to extrapolate appropriate practices for service functions from many of the concepts presented herein.
- *Operational managers and executives.* If you are a manager or executive in your organization, you can benefit from knowing how to support your organization's efforts to become solution-centric. If you are in finance or administration, for example, knowing how your department's policies align with a solution-centric orientation can make a material difference in your company's success.
- *Partners and alliances.* Many companies form partnerships or alliances with third-party organizations so that they can provide better solutions to joint customers. If your partner or ally is a solution-centric organization, then you need to understand the values your partner is using to make decisions so that you can maximize the value you gain from the relationship.

If your success is dependent upon either your ability or your organization's ability to market, sell, and deliver high-value solutions, then this book is for you.

NAVIGATING THIS BOOK

This book is organized into four parts, and each part is divided into several chapters. We recommend that you read the book sequentially, as each part builds upon ideas expressed previously.

It is important to understand one other aspect of how this book was developed. Often books of this type provide useful ideas and concepts but leave the readers to their own devices in terms of taking meaningful action. The intent of this book is to both provide a context of key concepts and principles for solution-centricity, as well as provide a practical framework for taking action within your organization.

To that end, the first three parts of the book provide a traditional reading experience, where concepts and ideas related to solution-centric transformation are presented. However, Part Four is somewhat different; here we provide a comprehensive set of assessment criteria that can actually be used by your organization to evaluate where potential sales performance gaps exist. In addition, this section of the book also provides numerous templates and tools that can be applied to adopt a more solution-centric approach. In other words, in Part Four of the book, we delve deeply into the practical details of *how* to make the transition to being solution-centric.

The four parts of the book are organized as follows:

- *Part One: A New Sales Environment.* This section makes the case for transforming into a solution-cen-

tric organization. It describes the emerging focus on solution-centricity, the growing trend on solutions focus, and common reactions to sales performance problems in business today.

- *Part Two: Solution-Centric Concepts and Principles.* This part describes the essential principles of solution-centricity and how to embrace them. It explores the dangers of pseudo-solutions, describes the implications for sales, and explains the kinds of organizational transformations needed to become solution-centric.
- *Part Three: A Practical Framework to Drive Performance Improvement.* This section describes a systemic approach for aligning marketing and sales functions to support solution-centric behavior, and how to integrate those activities to improve revenue generation.
- *Part Four: Sales Performance Health Check.* This section provides a practical assessment methodology for objectively determining where systemic factors are most likely having a negative impact on overall sales performance. In addition to presenting fundamental assessment criteria for each of 24 performance areas, Part Four also includes numerous templates and tools that can help to establish improved rigor in the understanding of customer problems and needs. In addition, many of these templates and tools help to create a common, solution-centric frame of reference and language between marketing and sales that can help to align and drive the corporate revenue engine.

Before we proceed any further, please note this is not primarily a research book about becoming and being solution-centric. We don't extensively compare and contrast groups of companies and then isolate a set of behaviors or principles that separate the "good" companies from the "bad" companies. It's not that these types of books aren't valuable or informative. There are literally dozens of well-written and well-researched business books that examine successful and less successful companies and then correlate success criteria with certain practices and principles. While we utilize some research to illustrate key points or to support concepts about solution-centricity, this book is oriented more to the future—to a future state you desire for your organization and, more importantly, to a practical approach for how to get there.

In our experience working with hundreds of corporations for almost two decades, companies need more than collections of ideas and principles from "successful" peers, because many transformational concepts can be so all-encompassing that companies don't know how to take meaningful, prioritized action.

Our goal here is to be more practical and definitive—to rescue the term *solution-centric* from the fate of *customer-centric*.

Think for a moment about the customer-centric movement. There have been so many articles, books, white papers, discussion threads, blogs, and seminars about customer-centricity that the term has been rendered almost