

Building a Bridge from Transactions to Solutions

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Are your people focused on your products or patient outcomes?

Do you know how to create a solutions-driven organization?

Throughout our years of working with in the medical device industry, we have helped our clients overcome a wide range of go-to-market challenges. But the one question we are most frequently asked is:

“How do we get our people to focus on solutions rather than transactions?”

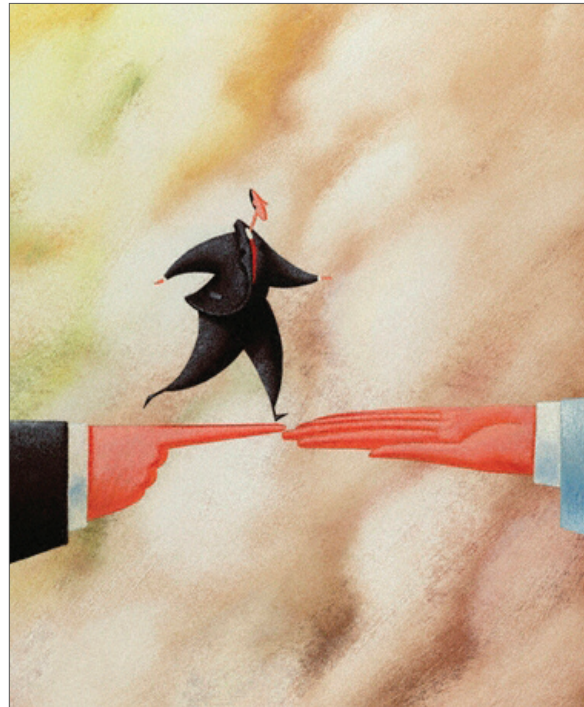
Rather than “fire from the hip” we have learned to clarify their goals before responding. Their uncertainty is always surprising.

If a client is interested in making the shift from *products to problem-solving* they must start by reaching a consensus on where they are going and what they are willing to change. Once an organization is clear on what it means to be solution-driven and they understand the level of commitment required, they *may* be ready to succeed in this transformation. However there are several other considerations.

They might decide that the transition is not in the best interest of their business because their market and products do not lend themselves to a solution-driven approach, or they may not have the patience to stay the course long enough to achieve their goals. In addition, we have found that if sales and service processes can’t adapt to the challenges in the new culture, they will fail. As a result, an organization may decide that the changes are too difficult, too expensive or both.

Definition: Solution (n.) – A method for successfully fulfilling a want or a need.

If a medical device sales or service team is to succeed in becoming *solution providers*, they must begin by viewing themselves as *problem-solvers*. But that is not always easy. The other dynamics at play within an organization may be barriers to change. For example, if a company focuses on marketing products, their salespeople are likely to believe their role is to persuade prospects and customers to buy products. However, if this organization can begin to identify its value in terms of the problems they solve (such as reducing the cycle time of a treatment) it will encourage sales and service professionals to focus on developing and communicating *solutions* that create value for customers.



This is not to say that one approach is necessarily better than the other. It depends on the value expectations of their customers and prospects. But if their products or services are differentiated as compared to competitors, they will avoid the commodity perception that comes with “me too” offerings and their patient benefits will almost certainly outweigh the cost of change.

Likewise, if they can create business or relationship impact (e.g. improved patient or practice outcomes, increased ROI) they have the potential to be perceived as trusted advisers or even partners. If an organization hopes to “move up” to the rank of solution provider they must develop the foundations and infrastructure to elevate their status beyond the product/services they represent.

Building a Foundation

“What does it take to build an organization that consistently delivers solutions?”

Every employee who interacts with customers has the potential for providing solutions. They can distinguish themselves in a transactional business environment by demonstrating sincerity and caring. Their attitudes can set them apart from their competitors and might become the catalyst for value creation. But employee commitment alone is not enough to accomplish the transformation to problem-solvers.

Unless a company makes their customers the center of their business strategy, the well-intentioned efforts of a sales and service team will yield only limited results. In order to be perceived by the market as value-creators, capable of providing business solutions, an organization must address three key factors that are the foundation of a solution-driven culture:

1. Market Positioning

If a medical device organization’s messaging to the market is dominated by language that focuses on products or services, they will attract transactional buyers. If the messaging has not communicated value at the “business impact” level customers are typically not interested in paying a premium for the benefits derived.

As previously described, solution companies are successful at defining their value in terms of the problems they solve, *not their products or services*. An example is the medical device company that focuses its promotional materials for a new piece of equipment on how treatment efficacy can result in a decrease in the cost of risk management. By emphasizing the “extrinsic” value that exists beyond the product or service’s features and functions, they have established themselves as solution providers.

With careful messaging and a multi-faceted marketing strategy, an organization can begin to separate itself from its competitors by positioning their experience and expertise as enabling customer-centric solutions.

2. Cross-Functional Alignment

An organization’s mission, vision and leadership/management practices must support and reinforce the behaviors that ensure a solution-driven culture. Every department must accept their responsibility in the value-creation process. For example, when an accounts-receivable person fails to respond to a billing question from a client, he/she sends the message that the organization is not customer-focused. It suggests that the organization is interested in transacting business, not solving problems. Everyone in a company from the loading dock to the executive suite can have an impact on customers, either directly or indirectly.

Likewise, systems can cause misalignment. CRM, compensation, and performance management systems that focus on internal operational excellence, often present barriers to customer problem-solving. Many compensation systems reward service people who shorten the time spent on the phone with customers. This most certainly will undermine adherence to a problem solving process and is sure to create conflict by rewarding short term payoffs over long term relationship-building.

3. Customer-Centric Processes

The implementation of customer-needs-focused sales and service processes might be the most critical factor in the transformation from transactions to solutions. In order to create value, a process must effectively mirror the communicated needs of prospects and customers in both timing and context.

The ability to deliver solutions that create value can be difficult if a sales or service process is out of synch with prospect or customer expectations. The best way to develop a solutions-driven process is to track whether the key outcomes at each step align with needs communicated by a prospect or customer. This will ensure they get what they want—when they want it.

An effective selling or service process must:

- Establish trust and rapport
- Diagnose customer needs
- Demonstrate and validate the benefits of a solution
- Overcome any explicit or implied concerns
- Achieve commitment to a solution’s fit

We have found that successful medical device sales and service professionals always define explicit wants and needs before providing solutions. In fact uncovering and articulating practice challenges and patient outcomes is the centerpiece of any customer-centric process. Our research suggests that possessing the confidence and competence

to understand the gap between a prospect/customer’s current and desired situation and its consequences and/or rewards is the “master skill” for establishing a unique value proposition and competitive advantage.

Transforming your Culture

Cultures don’t change—people change—and changed people, change cultures.

With the three building blocks of *Market Positioning*, *Cross-Functional Alignment*, and *Customer-Centric Processes* in place, an organization is well on the way to building a bridge from transactions to solutions. However, “The central issue is never about strategy, structure, culture, and systems. All of these elements, and others, are important, but the core of the matter is always about changing the behavior of people”.¹

People are the central element in any change initiative, so it is important to start by assessing their readiness for change. A survey or field analysis can determine if there are significant barriers to success imbedded in your organization’s culture. But if you develop a plan for change without consideration of the skills, attitudes, values and beliefs of your team you will find it difficult, if not impossible, to mobilize your resources and execute within a reasonable timeframe. This is essential to activate the “flywheel effect”² necessary to achieve performance momentum.

Let’s discuss the five key components for successfully building the infrastructure for organizational change of this magnitude.

Issue #1: “Walk the Talk”

Leadership teams that say one thing and do another will undermine any change initiative. So if leadership is pushing product sales and saying they want to see more solutions selling, they will create confusion. This also includes frontline managers that must be prepared to coach to the skills, attitudes, values and beliefs that drive customer-centric behaviors. This may be the most important enabler of organizational alignment.

Issue #2: “You Can’t Send your Ducks to Eagle School”

To paraphrase Jim Collins—without the right people on the bus and in the right seats, an organization will struggle to transform their business.² Often the most difficult challenge facing organizations that decide to become solution-driven is the realization that they may have hired people into a culture that relied on emphasizing selling product features and benefits to establish their value. Some or many of these individuals may not be capable of making the transition to problem-solvers.

Issue #3: “Create a Burning Platform”

Unless you can develop a compelling reason for your sales and service team to cross the bridge from transactions to solutions, they will most likely resist change. Linking this transformation to a business and personal payoff is paramount. For example, if an organization has a stated goal to increase market share by 10%, it would be important to integrate solution selling as a key component in achieving it. Equally important, managers must skillfully communicate what it will mean to each member of their team if they successfully accomplish this transformational change. Without a connection between a change initiative and business and/or personal payoffs, it is highly improbable to sustain change over time.

Issue #4: “What Gets Measured Gets Done”

Business results like revenue, profitability and turnover are easily measured, but it is not as easy to measure whether a sales or service person is engaging in transactional behaviors or a problem-solving process. To accomplish this, leadership must help its employees define “what success looks like” by delineating the ideal behaviors that define a solution-driven culture. Once defined, they need to be shared, committed to, and tracked for progress against a set of agreed upon objectives. Clear accountability is an essential component of the successful execution of strategic change.

Issue #5: “Celebrate Success”

Communicate, communicate, communicate! Frequent, impassioned success stories from the field are the “tail on the kite” of culture change. Organizations should proactively seek out examples of when a sales or service person has successfully solved a customer’s problem and/or created value. By spotlighting the people who have accepted the challenge and are practicing solution-driven behaviors, an organization can send the message that it’s a priority and it expects more of the same. It will help keep the solution focus alive long enough to complete the transformation.

Don’t be a Statistic

In the end, even a well planned and executed solution strategy can fall short of expectations. Research suggests that between 75% and 90% of change initiatives fail to deliver promised results. The primary reason for this is they lack “buy-in” from front line employees—the essential ingredient to transform a culture. Organizations that focus on increasing employee engagement are those that achieve success. Sales and service professionals that understand the payoffs will succeed, as long as they are provided with the right organizational foundations and an infrastructure to support change.

In our experience, product-focused companies that are willing to commit to the difficult trip of crossing the bridge to a solution-driven culture will be rewarded on the other side with exceptional customer loyalty, profitable growth and a competitive advantage.

Notes:

1. *John Kotter, “The Heart of Change” Harvard Business School Press, 2002.*
2. *Jim Collins, “Good to Great...” New York: HarperBusiness, 2001.*

For our white paper on how to create a customer-centric culture, visit our website at www.IntegritySolutions.com.

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