

THE SILENT POWER SHIFT IN B2B SALES:

**4 Overlooked Selling Skills to
Regain the Upper Hand**

»» EXECUTIVE SUMMARY

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The AI-powered "Intelligent Virtual Assistant" (IVA) and automated "Should Cost" models will arm the buyer with unprecedented insights into suppliers' cost structures, drastically shifting negotiation power to the buyer. Even if the Should Cost model is wrong, the buyer wins by driving the conversation to your costs.



"Should-cost modeling is a powerful technique in its own right. Automating it, then adding artificial intelligence and machine-learning capabilities turns it into something that is genuinely strategically transformative." **Samir Patel, VP, GEP Worldwide**

The seller's only defense will be to master Value Selling, a skill many organizations report having "lost" due to more recent market chaos, a lack of budget, and a loss of mentors. Herein we explore four often overlooked and mostly misunderstood, but critical value selling skills necessary to shift power back to the seller... probing to uncover hidden needs, building value-generating networks, rapidly crafting and organizing winning value propositions, and proactively delivering customer outcomes.

Sales leaders who hope to win in the AI powered business world will recognize that Value Selling must be ingrained in the business culture and second nature to the seller. Rather than risk being left behind, they will develop learning plans for their teams now that focus on becoming more efficient and effective at finding and selling value.

»» WHITE PAPER

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A tidal wave of AI-driven technology and tools will transform the buy - sell landscape in the near future and in ways we don't today fully understand. While it's easy to get excited about how enabling AI will become, there are remarkable capabilities evolving that few sellers are aware of, and that even fewer are talking about... that will disrupt the Buyer - Seller negotiation balance, shifting the advantage to the buyer.

But keep reading, because I will show you how focusing on 4 specific, often overlooked and mostly misunderstood skills, will catapult your chances of shifting the odds back in your favor.

“In the early 2024 McKinsey Global Survey on AI, “65 % of respondents report that their organizations are regularly using gen AI, nearly double the percentage from our previous survey just ten months ago.” **[McKinsey]**

I've enjoyed some nice successes in my 32-year career. The first two thirds in Technical, Commercial, Procurement, and Business leadership roles and the remaining third in key account management. I owe so much of my success to my mentors. Now, I want to pay it forward to the next generation of sellers.

»» AI: 2024'S DEFINING BUSINESS TREND IS RESHAPING SALES IN UNEXPECTED WAYS

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During my electrical engineering graduate research on solid-state sensors, I studied, designed, fabricated and used Artificial Neural Networks. I understand the basic science driving AI functionality and recognize that with the right training, dataset, and instructions, AI has the potential to disrupt and radically transform almost every aspect of our daily lives, but especially in our profession. The question we all have is... How? Leaving us in a quandary on how to prepare for this “cataclysmic change” coming our way.

I was recently discussing the potential impact of AI-empowered buyers on the negotiation “balance of power“ w/ a friend who just happens to be known as “The Professor” at one of the leading, multi-billion dollar automation companies. The Professor is a visionary and pioneering the concept of plant design that is agnostic to future generations of AI, much like an iPhone to Apps. Seeing the incredible changes coming to manufacturing, he suggested I further research the impact of AI on the buy-sell relationship and write a white paper.

I wanted to understand if and how AI will impact the Buyer-Seller dynamics and how sellers should prepare for the “AI freight train” coming their way. If any, what changes do I need to make to my sales training program? The answer surprised me...and it might surprise you as well.

»» RISK AVERSION IS DRIVING THE PACE OF AI ADOPTION

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I asked “The Professor” about the pace of AI adoption in industry. He stated that business leaders are balancing the risk of AI implementation with the reward of new found efficiency and at a time when leaders are being asked to do more with less. They are leaning in on AI adoption with low risk, low complexity projects as a means to learn and develop a foundation for the next levels of integration. Risk aversion is driving strategy today, and likely wisely so.

As an example, in the contracting space, implementation leaders are starting with Non-Disclosure Agreements (NDA), needed in every business relationship. They are training the AI to analyze 100’s of NDA’s and then identify the business’ risk profile, pareto the failure modes, and prioritize suggestions for reducing risk. According to The Professor, leaders are estimating a 50% reduction in resource required with the automation of NDA’s. Now imagine extending these efficiencies to 1000’s of contracts. The time savings will be immense.

»» AI IN SALES AND MARKETING REMAINS BELOW THE RADAR...FOR NOW

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The 2024 McKinsey Pulse survey reported the most common uses for AI in Sales and Marketing today are marketing strategy development, personalized marketing and lead identification & prioritization. Obviously, these are the low hanging, low risk fruit as well, the first steps in a much broader implementation.

As businesses improve data connectivity, volume & quality, and address system integration challenges, adoption in sales and marketing will accelerate. Capabilities like dynamic value propositions, targeted messaging, and real time competitive analysis will become commonplace.

Even better, AI will be taking over the routine and mundane seller tasks, freeing up sellers’ time for more selling. **Things like:**

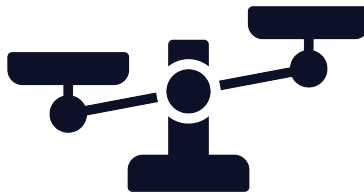
- Lead management
- CRM updates
- Forecasting
- Composing email and quotations

“Companies that equip their sales teams with advanced technologies, including AI, frequently see a 10 to 15% boost in efficiency alongside more time dedicated to direct customer interactions.” **[McKinsey]**

»» BUT IT’S ACTUALLY WHAT AI CAN’T DO THAT’S MORE IMPORTANT...

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The AI capabilities coming available to sellers will certainly enhance their efficiency, but they will not replace critical selling skills. And as you’ll see, there are a few skills that are becoming more important now than ever. Because the AI powered tools coming available to buyers are far more impactful to negotiation power than those coming to sellers.



Negotiation Power Shift

»» INTRODUCING: THE “INTELLIGENT VIRTUAL ASSISTANT”

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As with other functions, the AI-powered capabilities in Purchasing are focused on early win projects in procure-to-pay, spend analyses, supplier evaluations and forecasting, shifting repetitive and mundane tasks away from the buyer, to allow them to focus on recovering value.

“96% of procurement and outsourcing executives have already made progress toward implementing Gen AI” **[KPMG]**

Most Sellers & Commercial Leadership are not aware of the AI-powered capability that is already available to buyers and which will fundamentally shift negotiation leverage in the buyer’s favor.

- iValua
- IBM
- Microsoft
- Oracle

...**And other Purchasing platforms** offer an early version of an “Intelligent Virtual Assistant” (IVA), as coined by iValua, or customizable chatbot.

iValua appears to be the current leader in providing real-time purchasing functionality through an Intelligent Virtual Assistant; however, a slew of competitors are not far behind.

IVA functionality is today primarily focused on efficiency gains, while work is accelerating to provide buyers with greater insights into our costs and compliance.

»» THINGS ARE CHANGING QUICKLY

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Today	In Progress	Emerging
Real time bid comparisons	Historical & real-time pricing data	Supplier cost breakdowns
Supplier Risk	Commodity, raws, labor costs	Predictive cost forecasts
Supplier Performance	Contract compliance	Should-cost models

If we only consider the “Today” and “In Progress” capabilities, these insights will provide the buyer more and more impactful information to prepare for and negotiate price. Imagine including “Emerging.” Considering the increasing speed of AI adoption, “Emerging” might be right around the corner.

Regardless of experience, AI-equipped buyers will soon enter every negotiation with unparalleled understanding of our costs. Sellers will need to navigate heightened buyer expectations and requests for greater transparency.

»» THE PAINFUL “SHOULD COST” MODEL

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The “Should Cost” Model is by definition the “theoretical lowest price for which a good or service can be produced and sold” and a tool commonly used by Purchasing to strip as much value from the product price as possible.

“At Tesla, Elon Musk used to say: take the stamped part, weigh it. That weight x the market price for steel. That's the theoretical minimum price.”
[Lightsource]

So, with this capability the Buyer will be attempting to force you the seller to rationalize any extra price beyond the Should Cost price.
That sounds pretty painful... right



So now, the buyer need only then add their view of an **“Appropriate Profit”** and **tell you what your product “Should Cost.”**

“By delving into the intricacies of the supplier's cost structure, Should Cost Analysis empowers customers to make informed decisions, negotiate effectively, and ensure ‘fair and competitive’ pricing” **[iValua]**

Sophisticated companies with robust data security will be more successful in protecting their investments, process details, and costs from AI and less likely to openly share their proprietary information.

But that said, *it only requires any competitor employee* to take home a few technical reports to catch up on work and to put them into the public domain in an AI feed. That information is then instantly available to anyone and everyone. It's not a matter of "IF," but "WHEN" buyers will have AI-powered Should Cost Models and more at their fingertips.

“Chief Purchasing Officers (CPO), on average, expect a “40 percent increase in annual savings, 30 to 50 percent less time spent on transactional sourcing, and a 50 percent reduction in Value Leakage .”
[McKinsey]

»» VALUE LEAKAGE?

The Value Leakage the CPO's are referencing is the difference between their Should Cost Model, or at least as close as purchasing can negotiate it, and your current Product Price. This new found Purchasing Value comes directly from the supplier's pocket in the form of a lower price.

- \$8 / lb What customer paid
- \$6 / lb What customer believes **Should Have** paid
- \$2 / lb **What customer wants back from supplier in price going forward**

It may seem grim, but there are proven strategies to disarm the buyer

As you can see, the sales landscape is changing rapidly, with new tools and amazing capabilities entering the engagement on both sides. All sellers and all companies will be facing these same challenges in one form or another.

What's the expression? "You don't need to be faster than the shark, just faster than the slowest swimmer." Well, in this case you actually need to be faster than all of the swimmers...

With fewer transactional levers to pull, a shorter sales cycle, and fewer customer interactions, what can you possibly do to gain leverage during these changes?

»» HERE IS WHERE IT GETS INTERESTING...

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In the 9 months prior to retiring from Dow, I received the unique opportunity to interview 10 Senior Sellers, > 280 years cumulative experience, and most award-winners, to gather their best practices, lessons learned, mistakes made, and what I wish I knew.

Although they had developed their skills over decades, with different career paths, and in different industries, the key to their success was the same. They all became **Masters at Selling Value** in very specific ways, which led them becoming a **“Trusted Advisor”** to their customers.

»» WITH BIG CHANGES COME UNRIVALED OPPORTUNITIES

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While engaging colleagues and clients for our training program, just in the last several months, I've heard repeatedly from commercial leaders that their sellers primarily talk to buyers, don't know how identify unmet needs, build networks, or create differentiated value propositions.... the fundamentals of value selling.

The turmoil in the markets over the last 5 years have left value selling skills by the wayside. Everyone was focused on the market chaos and cutting costs. But the tide is turning.

Sales leaders who recognize early the criticality of Value Selling skills and take action to build these skills within their team will exponentially increase their odds of success. The others risk being left behind.

“...buyers are becoming increasingly AI-savvy, with projections suggesting that by 2028, 70% of B2B buyers in the U.S. will rely on AI to aid in their purchasing process.”

[Highspot]

»» MY SUGGESTIONS

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While I can't share my entire Value Selling training program, I can share some best practices each of the interviewed sellers mastered and that are often over-looked by sellers and sales leaders. These skills will be critical to thriving in the new selling landscape.

Regardless of experience level, each seller should build a learning plan NOW that includes focus on improving the following, essential skills...

- 1 Improve **Probing** skills to uncover **unstated needs**
- 2 Improve ability to build **value-generating networks** within the customer
- 3 Knowing how to rapidly **craft and organize winning** value propositions
- 4 Improve ability to **facilitate/drive delivery** of new value to the customer

1 STANDARD SALES TRAINING TEACHES “ACTIVE LISTENING,” BUT NOT “PROBING SKILLS”

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When I took “New Product Blueprinting” in 2017, we trained on a unique probing technique which dramatically improved our ability to probe deeper to extract unstated needs and benefits, why they were important, and the impact they were having on the customer. Within months, we had identified the top 10 required specifications for a new and disruptive product technology. This effort directly led to two 8-figure NPV projects, one of which became commercial today as I write these words. The training we received on probing really was **THE game-changer**.

With the goal of providing the customer's AI-powered purchasing platform a value proposition that aligns closely with customer goals, priorities, and AI instructions, the seller must learn HOW to probe effectively, which few do because it's rarely taught.

From a recent AIM Institute survey of 396 sellers, combined > 6,000 years of experience...

- Probing skills are the strongest differentiators of selling success
- Salespeople can improve these skills, but it takes decades to improve probing skills on their own
- Traditional sales training does little to improve probing skills

AIM Institute has since developed “SalesPrep,” an off-shoot of “New Product Blueprinting,” to enable sellers to rapidly develop the probing skills with on-line lessons, Claire, an AI-powered probing mentor, and AI-powered Customer Pre-meeting Report.

A 60 day free trial of SalesPrep™ is provided to our sales training clients.

If unable to invest in one of AIM excellent Institute’s incredible training classes focused on probing, there are certainly tactics a seller can employ to start discovering more of their customers’ needs and preferences, particularly the important unstated ones.

A few to get you started...

▶ A PRE-CALL PLAN IS THE MOST POWERFUL MEANS TO PREPARE TO PROBE

- Include other sellers and relevant functions in brainstorming?
- What are your goals for the probing session?
- What aligned, **open-ended** questions can you use to initiate the probing session.
- Roles if more than 1 participant. Primary questioner, Secondary questioner, Note-taker

▶ PLAN TO LISTEN AND DOCUMENT.

- Set customer expectations.... “We are not trying to solve the problem, rather probing for complete understanding.”
- Ask **what, why, clarify questions... finish with “What else?”**
- Be deliberate and allow the customer to speak.
- Who can they refer you to in order to learn more?

Just by recognizing your goal is to probe, asking open ended questions, planning to listen, and being curious, a seller can immediately begin probing deeper to identify value.

2 CREATE AND NURTURE CUSTOMER NETWORKS THAT GENERATE VALUE

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Well-trained buyers, driven by cost-saving goals, want to focus on price, quality, and supply, relegating other value elements that suppliers provide to mere table stakes. AI purchasing systems will only amplify this cost-centric approach.

But probing is only one piece of the puzzle.

When done properly, one of the most effective means to shift power away from the buyer, and back in the seller's hands, is to develop value-generating networks within the customer organization.

Why? This is where you find unmet needs, unfamiliar to the Buyer, that can create value differentiation vs. a competitor and disarm the buyer.

“Instead, think of networking as an opportunity to meet people you'll want to talk to and learn from...”

- Dorie Clark

»» EXAMPLE ON HOW WE FUTURE-PROOFED BUSINESS WITH MANUFACTURING

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On a visit to one our largest resin customer's manufacturing plant, we learned that the plant that had been buying drums for more than 10 years strongly preferred buying in Intermediate Bulk Containers (IBC's) instead. This would allow the operators to use their automated loading system. We quickly made the product available in IBC's.

Why? We not only lowered their cost to manufacture, but also freed up customer operator resource, and improved quality and safety. We were able to reduce their cost and impact **other manufacturing priorities**. It would have been difficult for Purchasing to argue for the lowest price option. We maintained 100% share and further future-proofed the business.

»» ANOTHER EXAMPLE, BUT WITH R&D THAT LED TO 2 PROJECTS W/ 8 FIGURE NPV'S

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This one is on a bit longer of a time horizon, but also demonstrates the power of these networks.

In the probing example where we developed new product specifications, we collected feedback from 7 coatings manufacturers' R&D teams.

Using the New Product Blueprinting workflow, we provided each of the contributing customer R&D teams with the summary data and our analyses during a second meeting. We used this 2nd meeting to validate "what we thought we heard" as a means to refine the target specifications.

Why?

1 WE HAD THE CUSTOMER NETWORK ESTABLISHED TO COLLECT FEEDBACK.

2 THE CUSTOMER R&D TEAMS...

- know we are working on the technology and can align a project
- already bought in on our target specifications
- open to follow-up meetings to review our progress
- received value in return in the form of intelligence

3 OUR PRODUCT WILL BE SPECIFIED BY R&D

“The currency of real networking is not greed but generosity.”
– **Keith Ferrazzi**

In both cases, we provided support that enabled our customers to be more successful in meeting their objectives. We've also begun building trust through direct collaboration. It takes time to build credibility, so be patient if you have a tough customer.

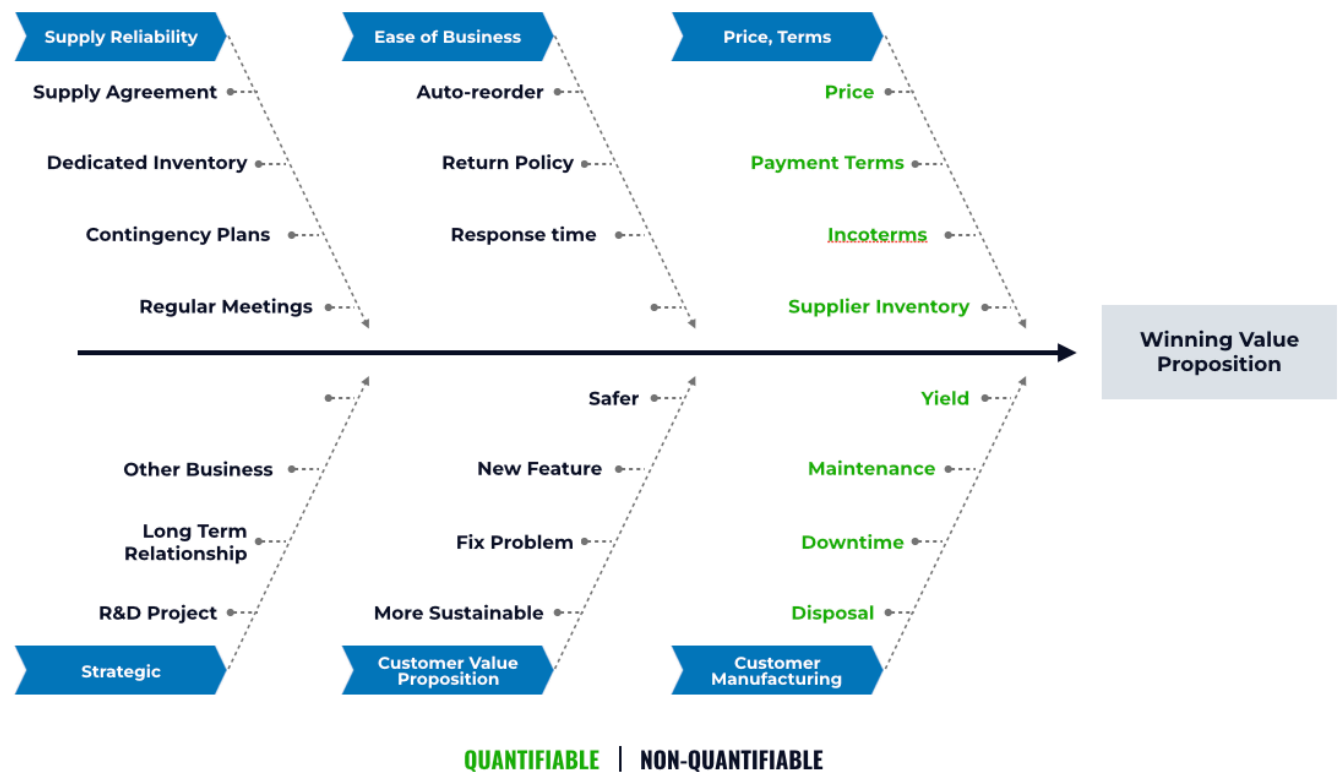
3 RAPIDLY CRAFT AND ORGANIZE WINNING VALUE PROPOSITIONS

All suppliers will respond to the details of a Request for Quotation. We are looking for value that is differentiating and will enable a price premium. This means complexity, which escalates quickly when exploring value across many customer functions.

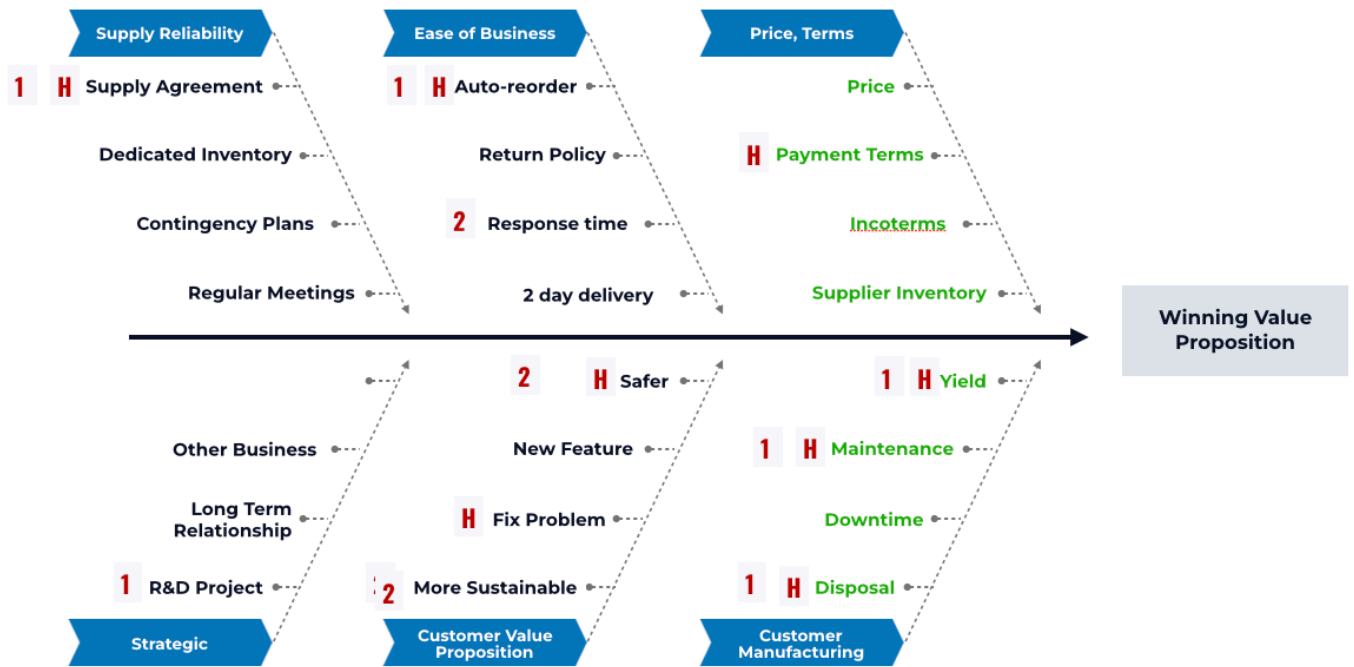
As part of an exercise in Value Selling Excellence - Intensive, we include a “Triggered Ideas” list of 63 potential value elements that could be included in a value proposition across 8 categories, ranging “Ease of Doing Business” to “Quality.”

With so many potential elements of value to consider, creating a “tool” to enable the seller to rapidly identify and test the many possible components of a value proposition is absolutely essential if the seller is to identify those hidden, unmet needs. There are just too many possibilities.

I’ve used **Ishikawa Charts**, or Fishbone diagrams, throughout my career to simplify complexity in many forms, and view them as ideal for structuring a complex value proposition.



Potential value elements may be prioritized, identified as hypotheses, ruled out, highlighted or otherwise categorized.



IDENTIFY PRIORITIES: 1 2 | **COLOR CODE:** QUANTIFIABLE & NON-QUANTIFIABLE | **"H" HYPOTHESIS**

These populated fishbone diagrams can then be used to prepare questions in advance of a customer meeting or during the meeting to trigger ideas after completing probing w/ open-ended questions.

Until such time as CRM is able to maintain optimized profiles, fishbone diagrams may be tailored to a specific customer profile and/or re-used w/ new customers. They are also an excellent starting point for a new seller.

4 BE PROACTIVE IN DELIVERING VALUE OUTCOMES TO YOUR CUSTOMER

Few things will frustrate a customer more than a supplier making a commitment and then not delivering as promised, on time and/or as committed, including but not limited to:

- Finalizing a price
- Delivering a sample
- Obtaining a technical answer
- Providing a data-sheet
- Completing a form
- implementing a packaging change

While we have the best of intentions, the daily clutter, mis-aligned internal priorities, and uninformed decision-makers often get in the way of delivering on customer promises. The daily clutter can't be ignored; however, the seller must PRIORITIZE time to act deliberately and with fortitude to drive promises made to customers. **To succeed, you must be and do several things, such as:**

- Resource orchestrator
- Customer advocate
- Sell the value of your customer to your internal organization
- Align customer goals with internal metrics
- Streamline communication channels

Let's use my example of shifting a resin from a drum to an IBC to lock-in a piece of business. Unless the product is already available in an IBC, a formal change will need to occur in manufacturing.

Most sellers are likely familiar with a formal Change Management process, which typically follows a serial process of data generation, analysis, recommendations, and approvals. Because we want to please our customer, Sellers typically provide an optimistic timeline.

And more often than not... unexpected delays to address stakeholder concerns and other unforeseen events occur. Being reactive to problems almost promises missing a customer deadline. More importantly, it will erode trust quickly. Regardless of the circumstances the seller must be proactive and drive the delivery of the outcome.

With the breadth of functions impacted by a packaging change and the nature of the change, questions and concerns from stakeholders will arise and must be addressed.

Purchasing	Customer Service	Marketing	Safety	Operations	Product Line
Supplier availability	Documentation Changes	Profitability	Any Concerns	Forecasting	Potential for growth



Remember, in this AI driven environment, speed is time, and time is money

Once the decision has been made to proceed with entering the Change Management workflow, the Proactive Seller will engage each functional stakeholder to identify questions, concerns, perspectives, risks, etc.

- **What information or data do you need to approve?**
- **Do we need to schedule a meeting to get others aligned?**
- **Do you have questions for one of the other functions? I can help.**
- **Do you see any potential roadblocks?**

The seller will then reach into the organization, not waiting for a next meeting, to take steps toward addressing the topic... whether having someone generate data or scheduling a meeting to align others, the Proactive Seller doesn't wait.

The Proactive Seller should also be looking 2 steps ahead.... Where could this go sideways? What could go wrong? And then address any potential risks or challenges before they happen.

By taking ownership and staying ahead of the Change Management process, you can often eliminate weeks and even months of wasted time waiting for data, the next meeting, or a decision to be made. Imagine using this time to win another piece of business.

There is no better way to build personal value with a customer than by facilitating the successful delivery of business value to that customer.

»» **COMPLETE THE TRANSFORMATION FROM SELLER TO TRUSTED ADVISOR**

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Once you've arrived at this milestone, the boundaries between seller and buyer merge into a team...that collectively tries to solve problems. Technical details and pricing recedes into the background. You've formed the foundation of a relationship that often last years, and sometimes decades.

Achieving a Trusted Advisor status w/ a customer is truly the secret to long term, win-win business relationships. I've been there a few times in my career. I've seen it done well

many more times by excellent sellers with whom I've had the privilege to work alongside. The buyer wants to buy from you. You want to sell to them. You both just need to find an acceptable solution. It all comes out in the wash because we are so much better working together than not.

But besides YOU.....your ORGANIZATION wants to sell to the customer. When a seller bring the entire organization along, this is when customer satisfaction and loyalty reaches epic heights.

I started this article with information on how AI is changing selling forever and then offered what I view as the most important and most overlooked skills to excel to the new selling dynamic.

But it's not complete until I mention another unforeseen event, that has profoundly shaped our sales training program. Through a series of circumstances, I crossed paths with Jesper Sandell. Jesper is a student of human behavior and an expert on the neuroscience that explains why value selling works and how to make your buyer look for reasons to buy from you.

He was able to explain **why** the best practices I've shown you today work. And **how** to further infuse **neuroscience** into the sales process, which brings more depth and streamlined strategies. And that's really needed in this new world of selling. I'm saving these best practices for clients who sign up for my training program. That said, a hint...

“95% of the Purchase decision making takes place in our subconscious mind”

Gerald Altman, Harvard University Business School, Former Director - Mind, Brain & Behavior Interfaculty Initiative

»» CONCLUSION

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In my 32 years we progressed from wall phones to high-speed internet anywhere on the globe, and now even on a mobile phone. This thing called the “internet” to 1/3 B2B sales coming from e-commerce. While the one constant I've seen throughout my career is “change,” I've never seen change coming this fast and never something that can disrupt the entire dynamics of selling in such a way.

Don't wait until you start losing margin and/or business. By then its too late. Just as you are investing in AI... Invest in Value Selling training to disarm the AI-empowered buyers and leave your competitors scrambling to catch up.

One search on the internet will offer many "Value Selling" training programs. They employ catchy acronyms or offer a long list of training classes. But you may want to ask yourself:

"Are these programs producing award-winning sellers? Sellers who are ready for the AI-driven change coming? Sellers that know how to actually find unmet needs, sell value and earn Trusted Advisor status?

Or are they using the same old sales processes that have been used for decades...but packaged differently?"

"Value Selling Excellence - Intensive" is different. We teach the unique insights and best practices of award winning sellers that enable any seller to rapidly become a great seller. So you and your team will be ready to capitalize on the AI sales revolution. And its all powered by the latest in neuroscience research.

Please do your research. Its a significant investment (into the future,) and even more critical now with AI entering the selling world.

If you want to rapidly infuse award-winning sales excellence into your entire sales organization. Or if you have any questions, please visit www.valuesellingexcellence.com to schedule a meeting.

"We've looked at the major sales training programs on the market. There is nothing like 'Value Selling Excellence - Intensive.' We are moving forward as Beta #1."

Americas Sales Excellence Manager, Dow. Inc. October 23, 2024 