

Moving the Market:

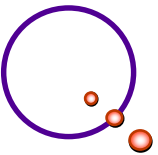
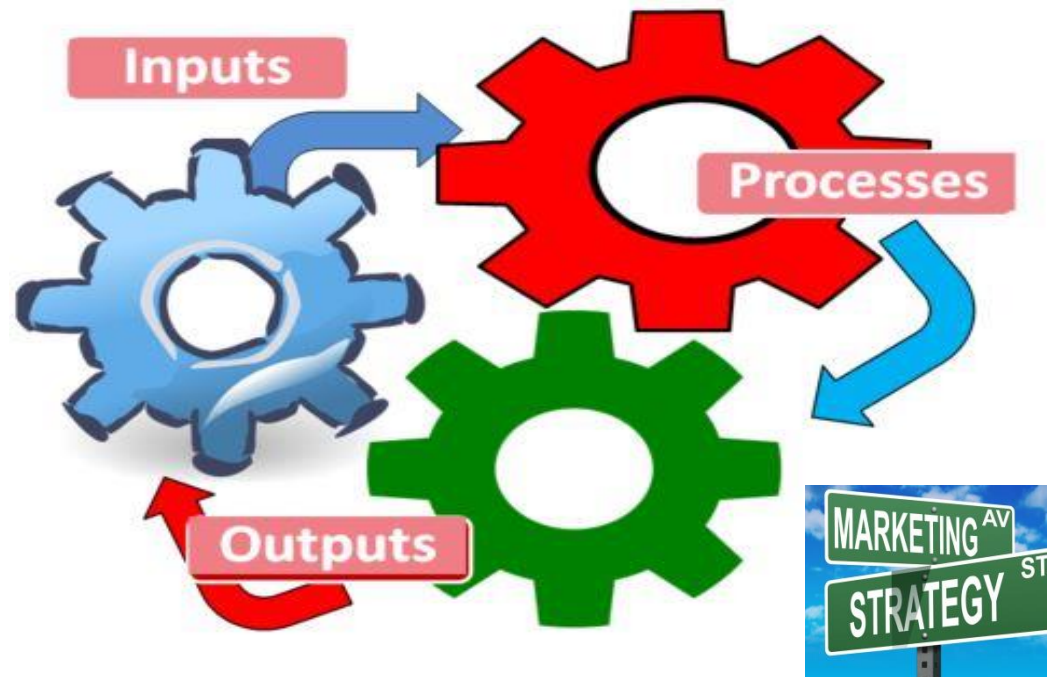
Three Service Strategies To Help Marketers Communicate Value and Increase Sales



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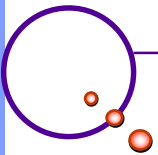
Find resources to help your company grow and people to support your efforts.



New Challenges. New Opportunities.

Today everyone wants to increase margins, and solutions selling and services are on every marketer's radar. Industrial distributors have long been developing the services they provide to their customers, which range from:

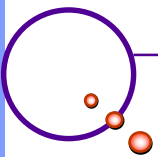
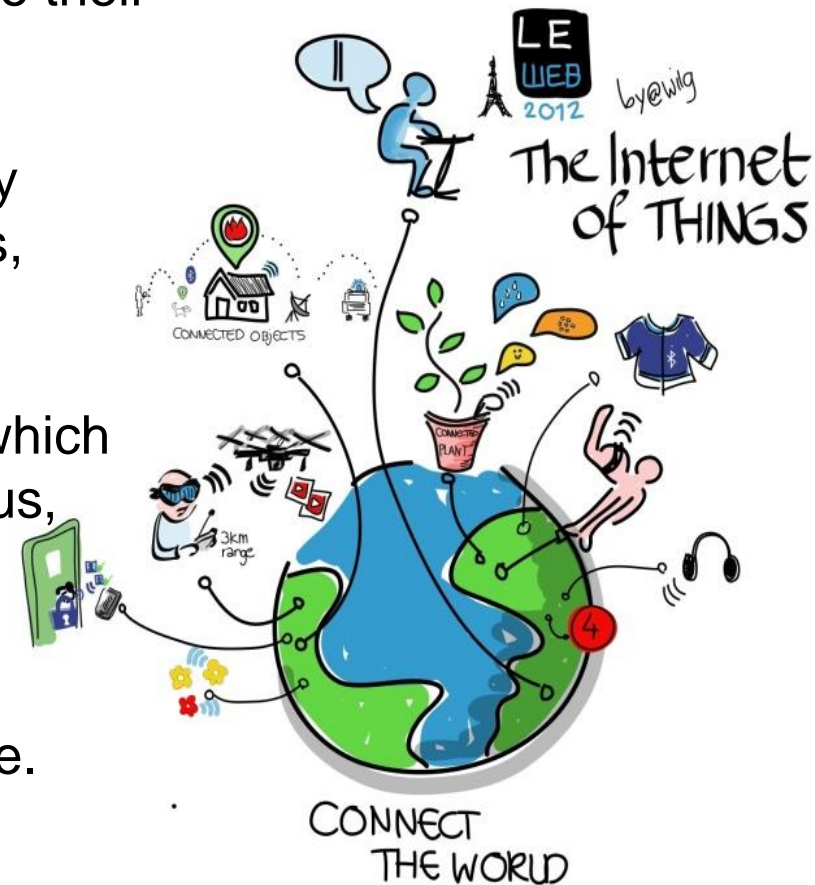
- Kitting and assembly
- Sequencing of orders to customer's schedule
- Light manufacturing
- Relabeling and repacking
- RFID labeling
- Integrated supply



The Internet has Dramatically Changed How Manufacturers Learn and Innovate

Likewise, manufacturers are exploring and developing the services they can provide to their customers by:

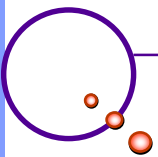
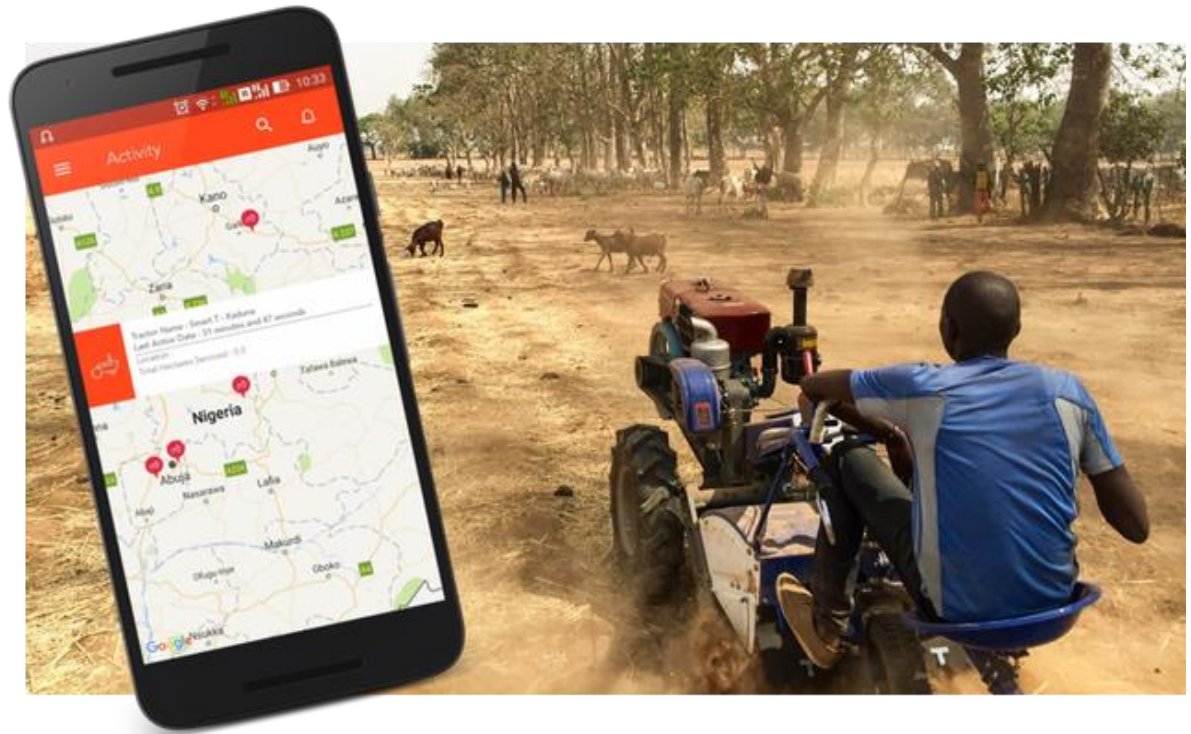
- Expanding the scope of their offering by providing engineered skid, or packages, that provide specific functionality to customers instead of just selling components. Fire suppression skids, which are fully contained fire-fighting apparatus, are an example of engineered skids.
- Providing service functions for the customer, such as product maintenance.



Smart Devices Enable Data Collection from Anywhere

Innovative manufacturers are now accessing the information coming from smart products to provide customers with the information needed to make better maintenance and operating decisions.

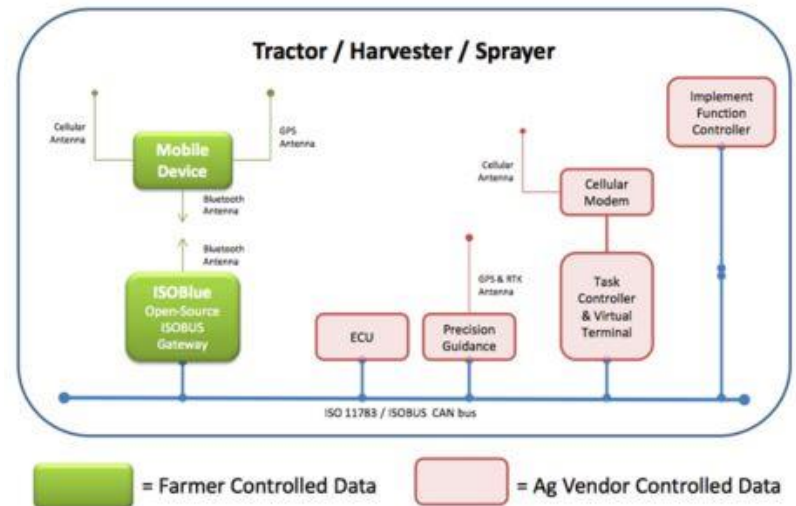
Manufacturers can now collect data from anywhere in the world and use it to innovate smarter, more cost-efficient solutions, or new uses of the products they have been selling.



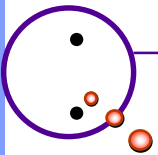
Sophisticated Data Flows Need to be Understood

Advances in product technology in the form of smart connected products has exploded the opportunities for manufacturers to use data to provide services to customers.

Now products can provide specific performance data about their status and use, such as a valve or positioner, or the number of cycles it has opened. This data enables manufacturers and customers to make maintenance recommendations and life expectancy projections which are much more accurate than those based on historic measurements that came from industry averages. The bottom-line is better data that improves productivity and product life.

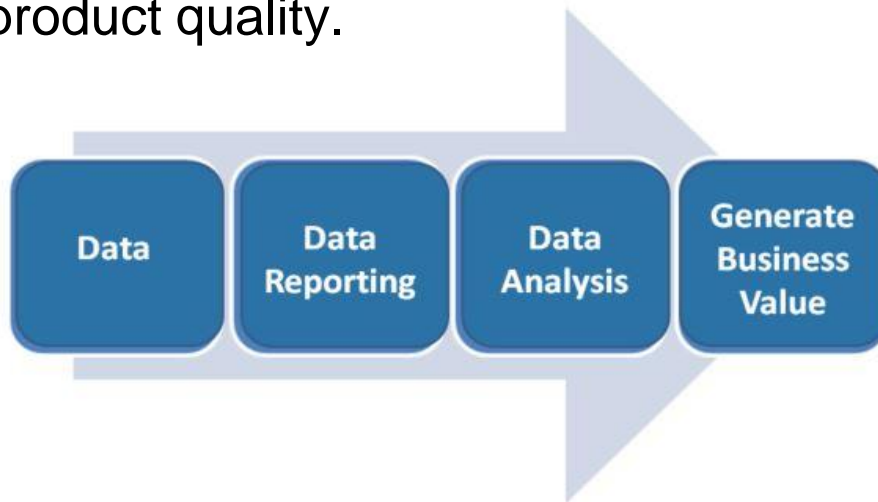


Here's one example. Software embedded in farm equipment, trucks and other products enables a data transfer between individual equipment and product manufacturers and service centers. Read more about ISO 11783 standard and its application in article at: <https://tinyurl.com/LearnMore-ISOBUS>.

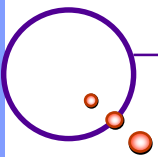


Can Your Company Stay Ahead in This Data World?

The result is that these smart products will have a large impact on customer value by enabling customers to extend product life, catch problems before failure, optimize overall process uptime, and even positively impact final product quality.



The Internet of Things (IoT) market is moving at faster rates than most companies can keep up with. More and more product companies are focusing on providing services in an attempt to diversify their revenues and achieve recurring cash flows. You need to be constantly learning ways to stay ahead. QDI can help.



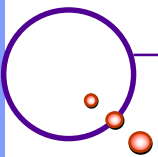
Understand These To Build Your Business

Over the past few years these challenges seem to be growing even more daunting. Manufactures are generating more data flowing off their machines and making efforts to capture and analyze that data, but there is a gap in turning what that data is telling into viable business models, particularly for established manufacturers and their channels.



Services that evolve from the use of data generated by these smart products can take three basic forms: inputs, processes or outputs. Each form is requiring substantially different sales and support capabilities

Each of these is discussed on the next few pages.

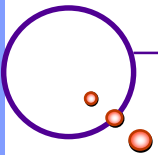


What are Your Machines in the Field Telling You?

Inputs

These “services” increase the value of your “machine” which is an input to the customers business process.

- By providing machine monitoring and maintenance services to make the machine “smart” you enable the customer to run longer between repairs, therefore reducing downtime.
- By putting sensors on the machine to capture information that will identify potential problems, and then providing that data as a service or as part of a service, the customer can achieve longer life and longer maintenance intervals.

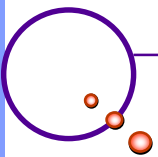


How are You Using Data To Understand Customers and New Product and Service Opportunities?

Processes

These services are directly impacting “how the customer” runs his business.

- By designing new ways to use your machine to reduce or speed up steps in the customer’s process you are impacting their process and creating value.
- By designing ways to use your machine so he can eliminate steps or the need for other machines, you are impacting his process and creating value.



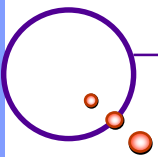
As You “Put It All Together,” New Opportunities Emerge

Outputs

Innovative uses of data **inputs**, combined with innovative **process**, leads to better **outputs**.



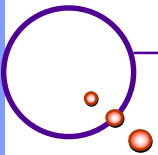
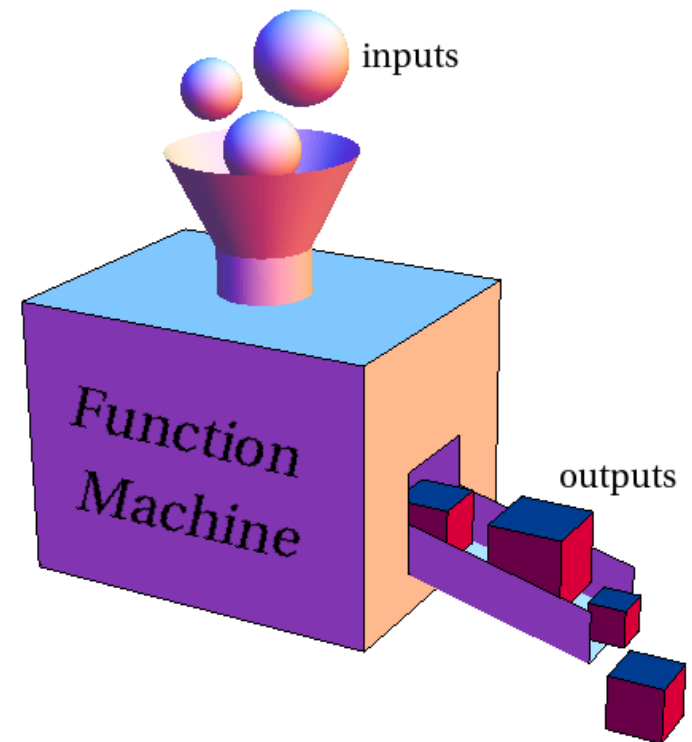
By designing tracking/inspection/vision capabilities so that you can identify and reduce the number of “microscopic” defects, companies can increase the value of the customer’s product by reducing potential failures due to the parts made with your machine.



The Sales Process has to Change to Generate Revenue

Over time your product engineers, who have access to the data coming off your products and are often on site helping customers use your products, come to learn ways to improve customer process and even outputs through the use of your products.

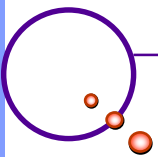
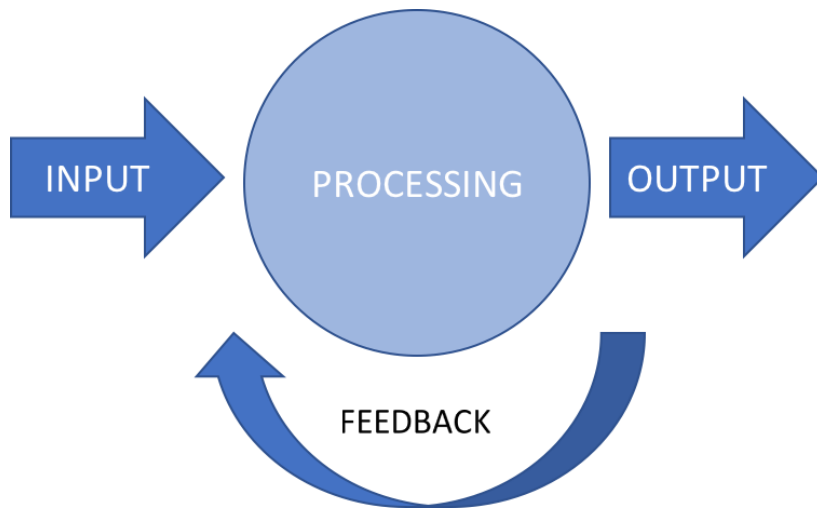
For example, in the mining industry equipment engineers do time and material studies and come back with recommendations of how the mine could better utilize its equipment, impacting the customer's process in a way that reduces the cost per ton mined.



New Ways to Market Services May be Needed

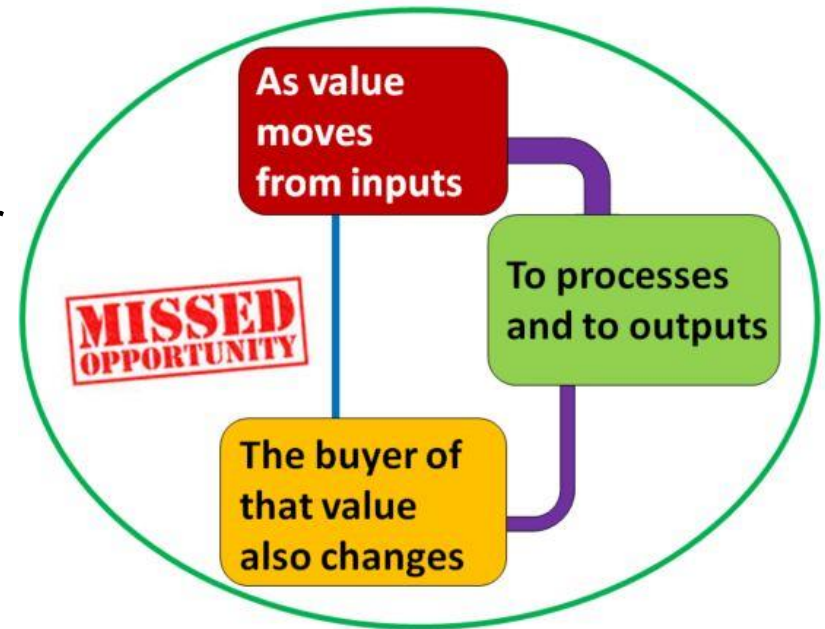
Customers often love these new products and services. However, what the product marketing organization can fail to realize is that to get paid for their value, or even to win new customers based on these engineering values – the sales process has to change.

We have seen clients who have made significant innovations that can create value for their customers but failed to drive more revenue or profit.



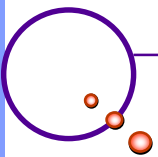
The Challenge – New Value Generates New Buyers

The challenge in these different service modes is that as the value moves from inputs to processes to outputs, the buyer of that value also moves from manufacturing to process design to product design, each with different buyers and decision-making organizations.



So, even if you can create a service that has this value, your current buyers won't buy values beyond those that address the "inputs" they buy, because their scope of responsibility is just securing the machine and improving the performance and lifetime costs of those inputs.

Look at the following example:

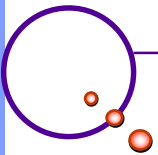


Case History -

QDI worked with Degussa when they were bringing nano-carbon black to market. Carbon black, as an input to the chemistry of tires, was purchased as a commodity. Degussa was exploring creating commercial quantities of nano-carbon black because its properties would increase the fuel efficiency of trucks using tires made from nano-carbon black.



However, as the Degussa sales force talked to the tire manufacturers, their buyers were interested, but only willing to pay tenths of a penny more per pound for nano-carbon black. While the nano-carbon black improved the output of tires - by extending their life, the purchasing agents at these firms were evaluated by how cheaply they purchased inputs, not the possibility of selling a tire that had greater value.



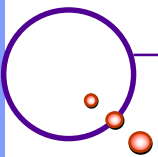
You May Need to Be Calling on New People in Order to Communicate the Value of Your New Services.

Only when QDI helped Degussa change the sales effort to call on product managers at these tire manufacturers and offer them a new solution consisting of:

1) nano-carbon black; and, 2) an opportunity to be the exclusive supplier of these fuel-efficient tires for a period of time, were they able to create and deliver value to a buyer.



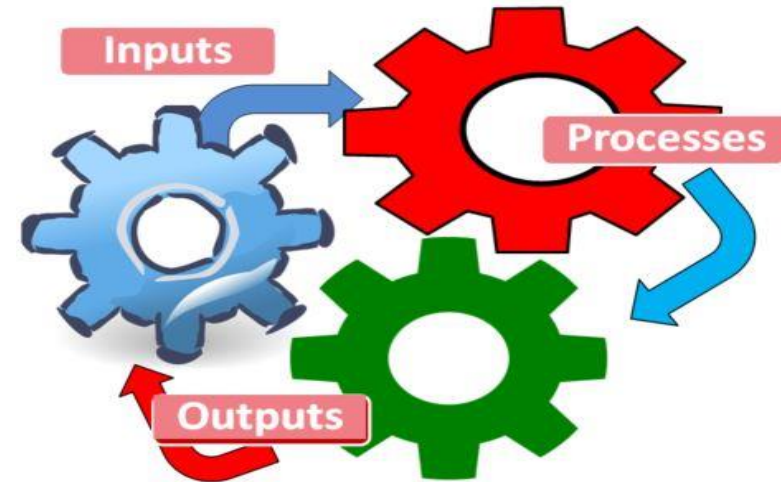
Thus, even if you save the buyer money, or make his product better, that may not be important enough relative to his other priorities to gain traction. Only by getting to know this buyer, what he does and why he does it, what his pains are and what would make him a hero, will you begin to have a chance to successfully sell this service.



What Type of Service are You Providing?

Is your service designed to improve the inputs you supply to a customer?

- Easy to repair is about the asset and an input to the customer process - easiest dimension to sell;
- Services that reduce ownership cost are services to improve the inputs you offer customers.

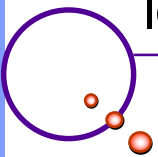


Is your service designed to improve the customer's processes?

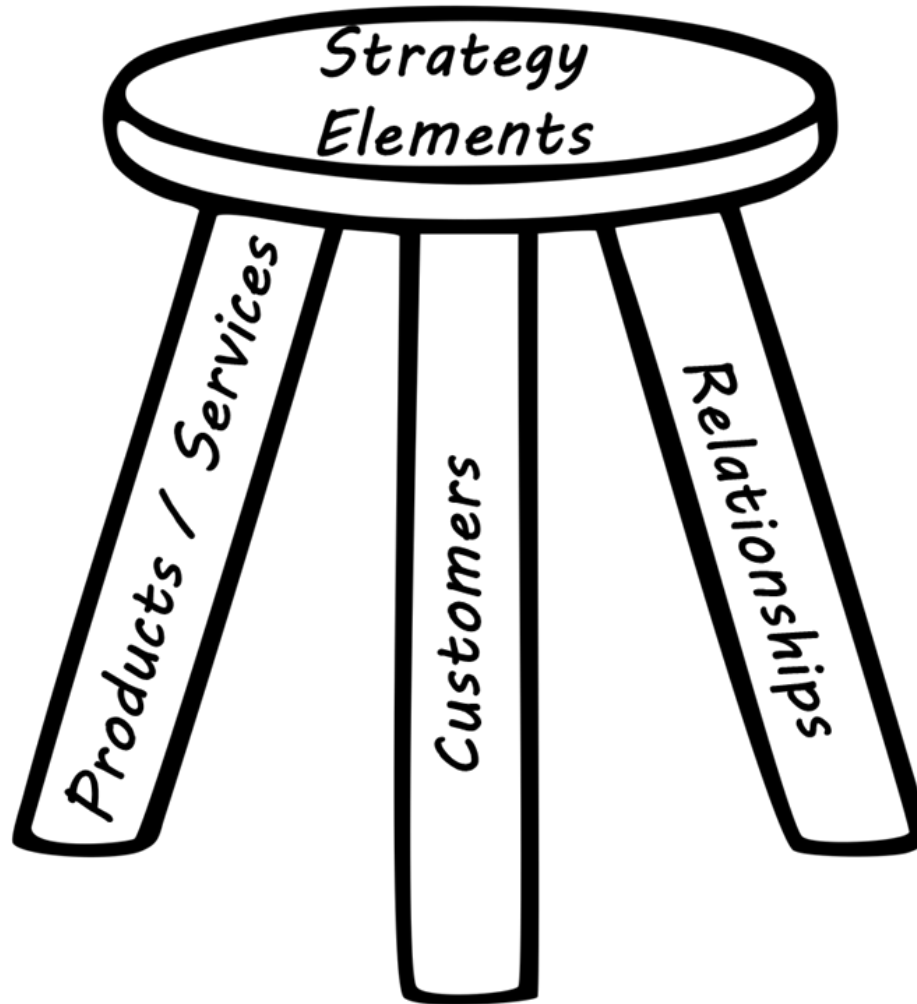
- Reducing or speeding up steps – changing how the customer get things done?

Is your service designed to improve the outputs of your customer's business?

- Improving the customer's product quality, providing new features, lowering the cost of ownership, speeding up project completion time?



Introducing New Services Will Likely Cause Changes in the Underlying Strategy Legs

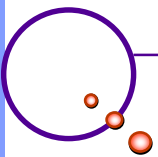


How close to business as usual (BAU) are these services?

The further away they are from BAU, the more you are reinventing your business.

Call QDI. Let us help you work through these questions.

Call QDI Strategies at 847-566-2020

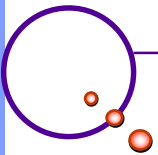


Turning Benefits into Marketing and Sales Gold

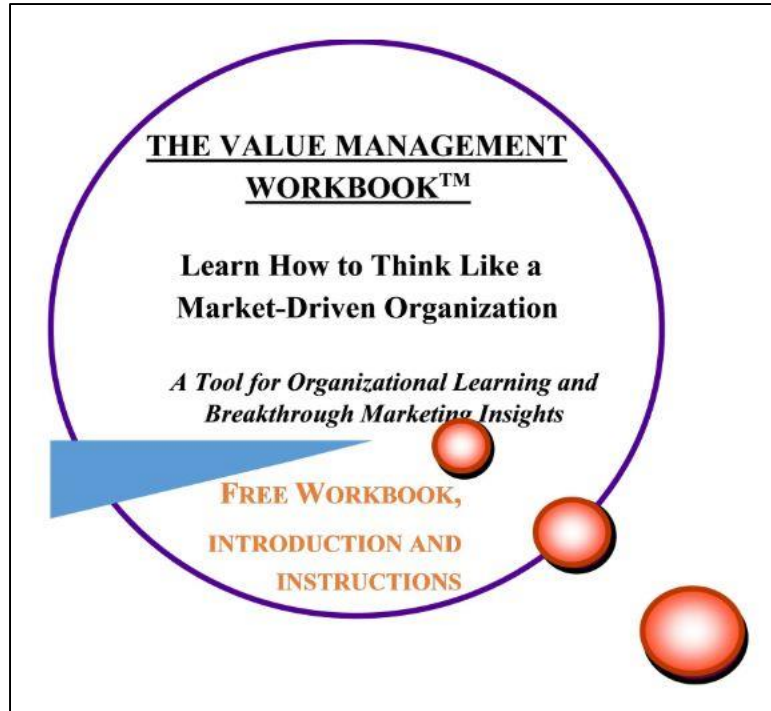
Watch this video to listen to what Steve Bassill, President of QDI Strategies, has to say about VALUE and how organizations use [QDI's Value Management Workbook™](#), to turn benefits into marketing and overcome the market barriers to growth.



<http://www.qdistrategies.com/tools/turning-benefits-into-marketing-and-sales-gold/>



Getting Your Hands on a Measure of Value



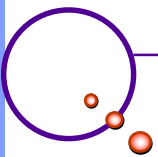
Find Workbook at

<http://www.qdistrategies.com/tools/value-management/>

QDI has developed a toolset to help you measure your relative value.

In [QDI's Value Management Workbook™](#), there are pages dedicated to measuring your relative benefits and relative costs versus customer options, as well as calculating your expected close rate.

You can use it on your own, or have QDI consultants lead you through the evaluation. This evaluation is based on what you know. To learn more QDI can help you find out how the market values your offerings.

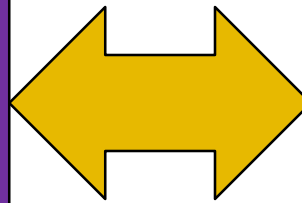


QDI Strategies Helps you Grow Your Revenue Stream

We tell these stories because to be successful in overcoming the barriers to growth, companies have to do two things simultaneously:

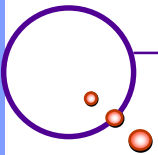
Learn what you can do to change customer behavior and what you must do to execute that change.

Step 1:
To Change Behavior:
Create a Winning
Value Proposition



Step 2:
Implement the Changes
to Communicate and
Deliver Your Value

Neither of these steps is trivial. A company must consider many things in creating a winning value proposition. However, implementing the changes and communicating value to customers requires work inside of the company as well as its external distribution channels. This can be more difficult.

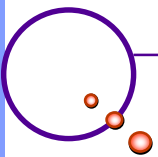


How QDI Helps Clients

It's normal for QDI conversations to go more than an hour with a lost customer or potential target customer in a new segment. Why? Because the customer is interested in the conversation. It's not a survey. It's a discussion that's helping the customer explain how they buy and use these products, why they are buying what they buy, where you are falling short and how you could do a better job of meeting their needs or how the new product would fit in their business. Often the conversations raise customer problems that the customer doesn't have the answer to, which provides opportunities for our client to create valuable solutions to those problem.

QDI consultants have similar conversations with your sales channels to understand how they work with the lost or target customers, how they spend their time, what motivates them and how they perceive customer needs and challenges.

This input is the “fuel” to generate new customer solutions. While QDI consultants can see opportunities to create value, only our clients can design products and services to do so. Thus, during this stage of the process, QDI is working with a client project team to share what they are learning and begin the process of creating high-value customer offerings.



What QDI Strategies Customers Say

"QDI's work quantified the opportunity in our "mega" segment and identified the criteria this group uses to evaluate us. We're in the process of putting in place the information and communications necessary to win these customers."

Jack McQuellon, Caterpillar

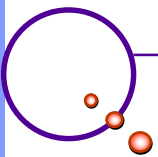
"What differentiates QDI Strategies is that they pursue marketing consulting assignments that involve both the strategy development and the implementation of those strategies to achieve client objectives. That total approach has resulted in both (a) a proven track record of getting results and (b) experience and know-how that is transferable in the most important deliverable of a consulting assignment....RESULTS!"

Guido DiGregorio, Communication Intelligence Corporation
Now; CEO at TeleSoft International, Inc.

"It has very useful to work on our strategic questions with QDI. They draw on both the work they have done for us and their experience with these issues to provide real insight."

Steve Booher

Founder & CEO, Smart Guided Systems



Visit the QDI Strategies Web Site and Learn More About How We Can Help You Add Value and Grow Your Business.

How does QDI help?

QDI listens and understand what customers, channel partners and other customer facing people are saying and grasp how it relates to your business challenge - whether that is kick-starting a stalled product line or effectively marketing a new product.

For products and services that impact customer process and products, QDI can help your organization learn and accelerate your learning to identify what you and your channels need to do to successfully market these valuable services.

QDI has an intellectual and intuitive skillset and a process for linking what they are learning to your business to find solutions for your problems and how to execute those in the market.

To learn more, take a look at QDI's white papers with case histories about companies facing market challenges: <http://www.qdistrategies.com/resources/case-studies/go-to-market/>

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