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CUSTOMER ACUMEN

INSIGHTS TO BUILD CLIENTS FOR LIFE



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LEARNING SYSTEMS PVT. LTD.



EDITORIAL



Dear Mr Purushothaman,

Customer Acumen has constantly strived to answer the basic questions of what it takes you to win and how to sustain a long lasting relationship with your customers. It starts from that convincing sales pitch which can go either way. You either win your customers over, in which case a trusted, value-added partnership is built or one which cannot be resuscitated. Grabbing a wallet share and attracting customers, especially in B2B markets, can be a tricky affair. Here to enlighten you this quarter, we examine the **Challenges of Winning in B2B Markets**.

Jay writes about the possible blind spots that may impact marketers in making that winning sale. Danfoss President for India, **Ravichandran Purushothaman**, elaborates on how his company is walking that extra mile in winning a sizeable share of the market to engineer tomorrow's solutions today. We also review Thomas Timberg's book - **The Marwaris** - and discover this community's business success mantra. Here to tickle your funny bone, in-house Cartoonist, **Vikram Nandwani** is all set to capture his share of the competition!

On the upcoming and joyful occasion of festivals, Team ELS would like to wish our readers a Happy Dusshera and a Happy Diwali! As always, we value your relationship with us and look forward to feedback and comments on what else you would like us to feature for your benefit.



MUSINGS

Blind Spots of B2B Marketers

- Jay



In the world of Sales & Marketing it is well-known that the B2B markets have their own unique challenges. In fact, some sales & marketing professionals make it amply clear that they prefer one over the other and choose to specialize according to their strengths. While hiring sales talent, the wise recruiter carefully scrutinizes the candidate to discern whether the person has the right 'fit' for the challenges involved in the B2B market even when a salesperson from the B2C field seeks to shift to the other domain. This is not unlike a selector carefully examining the credentials of a T20 cricketer; to decide whether he would be the right choice for Test match cricket played with a red ball. There have been too many wrong selections over the years which is evidence enough to demonstrate that there is a subtle, but substantive, shift in skills necessary to succeed between the two forms of cricket!

It is worthwhile therefore to understand the five prominent blind spots that B2B marketers suffer from and shield ourselves from them.

1. Unable to understand client complexities. In its simplest form, B2B marketing is defined as any transaction (be it products or services) between two commercial entities. But as is often the case, the definition does not quite reveal much. Unlike a straightforward transaction in the consumer market space, when two large organizations seek to transact business, many different players from both firms are involved. In fact, higher the value of the goods or services being transacted, greater the risks involved for both sides. Consequently, the cycle of sale could be long-drawn. In industrial sales, this could be anything from 6 to 24 months and even longer in project sales. Not having mapped the buyer's organization well could lead to myopia during the sales effort. It is not usual to find that there are many functions in the picture and there may well be different personalities with their own predilections that impact the decision. Not being aware of the complexities inside the client's firm is a sure-shot recipe for disaster. Research has indicated that a salesperson requires achievement orientation which will drive him to comprehend what has been termed as 'the politics of customer decision making'.

2. The myth of rational decision-making process. Many have succumbed to this myth while pursuing a sales opportunity. While at no time should you ignore the rational side of the sales process, one should be alive to the reality that decision makers often make crucial decisions based on whom they are dealing with. The inability to understand the value of the emotional side of any sales process and to bring to play this part of the equation is a fatal flaw in booking a sale. Seasoned professionals will tell you that the 'art of selling' is as important (if not more) than the 'science of selling'. Neglecting this dimension or being over-awed by the elaborate process orientation at the client side may well cause you to loosen your grip in the sales game. The end-result: sadly, you are on the losing side.

3. Giving up too early. Researchers have spoken of the need for a salesperson to be conscientious and how this is witnessed through the degree to which the sales person displays dominance while dealing with the client. As I mentioned earlier, B2B selling more-often than not is a long-drawn out game. And invariably, you will be competing with many others. Without sufficient control of the account, and stamina to reach the end-game, you will suffer defeat. Success is achieved by breaking down the sales process into many milestones and being clear about the objectives to be achieved at each stage. Accumulating smaller 'yesses' will lead to the aggregated big and final affirmation from the client. What is vital is keeping your spirits high and not being discouraged by minor hiccups if you stumble at any stage. Throwing in the towel after some disappointments could tantamount to giving a walkover to a competitor from future battles too.

4. Selling price rather than value. The sales game is never only a price game. Period. That's a strong assertion, I know. However, over the years I have seen that if your value proposition is compelling enough and you have designed it after careful study of the prospect's latent needs, chances are strong that you will come out smiling at the end of the negotiation. This is achieved by thorough preparation, displaying that the customer is going to be served by a competent team (and not you alone), and not being bashful about your firm's credentials (and thereby stressing the brand promise). All this put together will go a long way in convincing the prospect that your commercial terms have a logical and justifiable basis. The key is to stress that your comprehensive approach will mitigate the perceived risk which a lower bid cannot do.

5. Poor investment in post-sales activities. The sale is never truly over. Smart firms understand that all you ever do is to end one transaction. The acid test now begins when you proceed to deliver on the commitments made. Whether it is fulfilling a service deal or commissioning a heavy-duty plant machinery, you must live up to your promises and claims. Doing this well will set you on the path for your next transaction - which could be an immediate follow-through step or may be a year-or-two later. Failure to invest in activities after the ink is dry on the contract is fatal for a firm that has wooed the prospect arduously in the initial phase. The genuine relationships you have built are never ephemeral. Consequently, the firm should not be short-sighted or tight fisted in making the right investment in after-sales measures. Mistakes here or neglectful behavior now is equivalent to opening the door to competition to waltz in for the next round of business.

Being aware of the above pitfalls - and this in no way is an exhaustive list - will provide a safe foundation for your firm when it seeks to win in the B2B marketplace. Address them early - and do it well - to create a sustainable business relationship.

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SPOTLIGHT



Ravichandran Purushothaman

President, Danfoss India



Ravichandran Purushothaman (Ravi) is the President of Danfoss India, the Indian subsidiary of global major in climate and energy solutions since 2013.

With experience spanning over 28 years, Ravi has worked extensively in building businesses in India, Asia Pacific and Europe. He has been a key member of the Danfoss' growth strategies in India and Asia Pacific and is a key member of global management teams.

An Engineer in Electronics and communication from College of Engineering, Guindy, he is also an alumina from IIM Ahmedabad and Singularity University in California.

Ravi is very closely involved with industry in building technology roadmaps, building the network for cold chain alliances and skill development in the HVAC & R industry. A strong believer in industry - University interactions, Ravi has been working in building University interaction programs.

Ravi currently heads the CII National task force for Cold Chain Development in India where he lays emphasis on the development of the cold chain sector in India. He has been a key member in promoting energy efficiency, sustainable technologies and green buildings.

He has an avid interest towards farming during his free time. He is also a cycling and trekking enthusiast.

CA: As a senior professional in the engineering industry, please share what is the key to building long-term client relationships in your sector?

RP: Quality, Reliability and Innovation are core to Danfoss' reputation in the global market. We constantly strive to find new ways to make our products as efficient as possible and to ensure that they are in line with our customers' expectations which help us develop long-term relationship with our clients.

Seizing the opportunities presented by global megatrends like digitalization, electrification, urbanization, food supply, climate & energy is a key focus for engineering organizations like Danfoss, to engineer tomorrow's solutions today, to help our clients stay on top of their game in the market, goes a long way in building long-term customer associations.

Furthermore, our commitment to our products and engagement with our customers go beyond the point of sale. This includes after-sales activities, capacity building, enabling customer innovations by extending the expertise of our Application Development Centre and last but not the least, our customer service all through the sales cycle. This helps to instill trust that Danfoss will stand by them in their growth journey.

Customer centricity & sustainability are considered core at Danfoss, and we ensure that our employees have the passion & necessary empowerment to serve our customers in the best way possible.

CA: Is serving B2B markets different from fulfilling customer needs in the B2C markets? What are the unique challenges impacting the B2B markets and how can one address these?

RP: In today's world, the lines between B2B and B2C world are fast diminishing. In fact, we are moving to a new C2B model where the customer demands decide the course of innovation and growth trajectory of businesses.

Today's customer has access to various digital tools through which he can understand a lot more about the latest products in the market than what it was a decade ago. In such scenarios, we not only need to embrace the latest technologies and stay on top of the game but showcase and walk the talk of being a true C2B organization.

The Original Equipment Manufacturers (OEMs) and suppliers that we work with in the B2B space also uphold the highest standards of efficiency which gives us further impetus in delivering our aspirations of a better tomorrow, in a fast and agile manner.

One of the megatrends influencing this is digital transformation. To enable this, businesses should have connected products & services, and have updated information in the digital space. As a company, Danfoss focuses on this and believes in building products and solutions keeping in mind the needs and aspirations of our end-consumers, thereby working towards improving the quality of life of societies across the world.

As businesses move to C2B from traditional B2B and B2C, we are reinventing ourselves to prepare for the future and this journey is in high gear across the company. Danfoss is now on a major digital transformation journey, where we are fast embracing digitalization, one Enterprise Resource Planning (one ERP) and Internet of Things (IoT) to become a company which is easy to do business with. We had multiple ERP processes and legacy systems, thanks to our various mergers & acquisitions, but now these are being replaced or re-organized with one common system to enable us to meet the aspirations of the new world order.

CA: As a professional operating in global markets, please share your experiences on how the Indian market differs from global markets.

RP: India is at the threshold where by 2030, we expect that over 70% of the population will live in urban areas. The 100 smart cities initiative of the Government is aimed at enabling this urbanization to happen in a sustainable and planned manner. With this fast-paced urbanization, India is a market with huge potential.

India's development goals and the government's focus on Ease of Doing Business and creation of favorable policies and novel initiatives for global organizations, will further help in contributing to the economic and social transformation of the nation.

A critical point to keep in mind while serving the global market is that every market's needs are different and are driven by the customers' needs. Here, it is vital to provide best-in-class customer experience, in terms of products and services and this is what will set us apart from our peers and competitors. As a global player, our experience is that we need to invest in products & solutions which are made in 'India for India' and made in 'India for global'. This could be through re-engineering or reverse engineering or new innovations.

For instance, a few years ago we developed a product for chilling milk along with our customer Amul in India. While this was developed basis the requirements of Indian conditions; which include aspects such as aggregating milk from small farmers, a similar market condition and need was also found in Latin America. This innovation done in India has now been adopted in various other regions across the globe. This sort of reverse engineering by Danfoss has helped disrupt the energy efficiency levels in the dairy industry globally, not just in India.

These examples help us in reinforcing our investments in India. At Danfoss, we see India very soon becoming one of our Top 5 markets globally. We have made big investments here and we have seen this deliver very high growth rates for us in the last five years. This has given us the confidence to further enhance our 'Make in India' strategy and take on ambitious targets to improve our localization.

CA: What message would you give to the Indian engineering & manufacturing industries to sustain global competitiveness?

RP: Every market is different, and today's businesses are largely driven by customer needs. The needs of customers in developed markets are different from those in developing markets and hence as a global organization our focus is on providing best in class customer experience, with our products, solutions and service.

In today's world, we see the Indian market potential and customer needs fueling more innovations from India for the rest of the world. We have many such examples where the Indian industry is showing leadership in finding solutions which meet local requirements with global standards. Because of these trends, we have built a strong plan for our R&D in India for India and are also building a deep value chain to localize these solutions for India and rest of the world.

As climate change and sustainability take centre-stage, it is an opportunity for Indian industries to show leadership in not only adopting energy efficient technologies but also showcasing best practices to the world on how these can be adopted.

An example, I would like to quote is the Acrex Hall of Fame which we have instituted along with the Indian Society of Heating, Refrigerating and Air Conditioning Engineers (ISHRAE). Here we recognize commercial buildings every year on energy efficiency and sustainability within air conditioning space which have showcased and are live iconic examples for others. Over the last three years we have seen examples from India where they have set benchmarks which are best in class not only when compared in India but also with many other regions globally.

Increasingly, every business house today has sustainability at its core. Companies who understand this opportunity and come out with solutions to tap into the same, will succeed. Having an entrepreneurial mind-set and being fast and agile are key to being globally competitive. Companies which survive are those resilient to change and fast to adapt to the needs of customers.

CA: Could you please share with us how Danfoss manages to engage with its customers across the globe and achieve success in an intensely competitive market?

RP: From a family-owned business set up in Denmark in 1933, today, Danfoss has emerged as one of the world's leading suppliers of innovative and energy-efficient solutions with a market presence in over 100+ countries. Our Danfoss DNA builds businesses on trust and integrity. We are innovative in our ambitions to exceed expectations while we treasure sustainable results. We are global yet embrace diversity and this keeps us close to all our customers across the globe.

Customers in the long run would do business only with those companies with high values, the ones which are ethical, reliable, sustainable and easy-to-do business with. In line with the UN Global Compact & Sustainable Development Goals (SDGs), we have always kept our focus high on these, be it with reference to our people, our stakeholders, work environment or the planet we live in.

For instance, we have a global target to reduce our energy intensity and carbon footprints to 50% by 2030. In line with the same, globally we have already achieved 86% of our targets, 13 years ahead of time and in India, 65% of the energy requirements at our Chennai campus is met from renewable sources. Furthermore, our campus holds the acclaim of being India's first LEED Platinum rated constructed manufacturing campus, standing proof to Danfoss' commitment to sustainability.

We steadily build our business through organic and inorganic growth, expanding our workforce and footprint across the globe and thereby, engineering a better tomorrow along with our customers.

We also support the development of local communities where we operate through our various CSR and Community Engagement initiatives focusing on education, sustainable livelihood through skill development, environment and health which include activities such as supporting schools close to our campus, restoring water bodies, etc.

In our experience, when you are interested in your stakeholders and keep their interests as your utmost priority, they in turn support you in your success journey.

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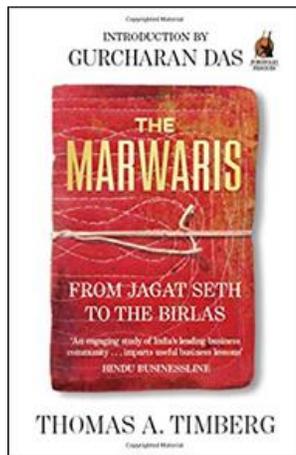


RESOURCES

The Marwaris

- Thomas A. Timberg





Prominent among the Indian business family groups that we know of today belong to communities such as the Marwaris, Parsees and Gujaratis. These communities are groups with a common regional origin and a traditional involvement in trade and business. The Marwari business community, for one, hailed from Rajasthan and have journeyed long and far to represent one quarter of the Indian names in the Forbes Billionaires list!

The author, in a very descriptive manner, explains how the Marwaris have played a pivotal role in shaping the Indian economy. Relying on tried and tested age old principles of business for conserving and growing their capital invested, the Marwari community has come a long way in building up their respective indomitable enterprises. What makes for a compelling read, the book is interspersed with examples from some of the well-respected business houses that we know of today, their success points and lessons learnt.

The reasons for the various challenges and failures among business groups and communities in the country have been highlighted in a detailed manner. The author peppers his book with quotes from various autobiographies to drive home the message. Take for instance, the Birlas. Ranked as one of the country's richest family business group, the Birlas have emphasized the importance of accounting skills, cautious and centralized financial control along with parsimony in expenditure as the secrets to their firms' success. Basic fundamental principles like the Birla's famed *Parta* accounting system and the need to decentralize large organizations, have been described as some of the key points to ensure the successful running of a business enterprise. Drawing notes from other business literature written about this community, Timberg emphasizes the importance of *Sakh*, which is trust - the heart of all business transactions. The process of modernization has also clearly accelerated as women have been handed the reins to manage business.

Thomas Timberg is an expert on economic and social development with extensive experience in financial sector development, enterprise and sectoral promotion, regulatory policy and reform, rural development, and monitoring and evaluation. He has written and lectured widely on these subjects. The crucial question which Timberg asks and reverberates throughout this book is the same that hung over his previous book released in 1978 on this business community - what makes Marwaris so successful? He wrestles with it in a different way than his earlier book as he brings the Marwari story to date. There are many factors that ensure the growth and success of a nation economically. But the most important of all is the risk taking entrepreneur. Timberg challenges Max Weber's famous thesis which argued that the industrial revolution did not come to India partly because the traditional Indian business community lacked the 'Protestant ethic' of thrift, hard work and rationality which helped the American and European counterparts. He asserts that the nation was blessed with Marwaris, Banias, Jains and other business communities whose work ethics could be as effective as the Protestants.

A must read for those who enjoy Indian business history. It will certainly leave you with a sense of wonder at the dynamic and illustrious role played by the Marwaris in the way they have carved a niche for themselves in advancing India.

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FEEDBACK

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