



A CUSTOMER STATE OF MIND

TIME TO RE-INVENT SALES

Commercial Excellence in the Logistic Market

The Logistic Market Has Been in a State of Flux for Many Years

The primary goal of major logistics providers is to demonstrate to their customers how various supply chain strategies or value propositions affect their organizational performance. This impact extends beyond financial aspects to include:

- Reducing carbon footprint
- Enhancing time to market and ensuring just-in-time delivery
- Developing new technologies
- Making data-driven decisions
- Meeting ever-growing customer expectations
- Adopting new business models

These factors together contribute to making changes more unpredictable. Many logistics service providers traditionally respond to demand rather than adopting a proactive market approach. This necessitates a significant shift—a paradigm change. This shift involves reconsidering how sales are organized, the value propositions offered, and importantly, the mindset and attitude of the people involved.

The role and significance of sales in many companies need to be redefined. This whitepaper will guide you through successfully completing this process.



The Problem of Sales in Logistics

Quite some companies within the logistics industry have a fairly inefficient lead to contract process. Customer organizations grow more complex and become more professional all the time. Decisions and deals are influenced by many different stakeholders and internal politics. This makes it increasingly important to maintain an overview of, and get a grip on the entire commercial process. This process not only focuses on sales or opportunity management but also collaboration throughout your organization to elevate the commercial power of your organization, the backbone of every successful enterprise.

Sales teams are too often reacting to opportunities that present themselves instead of proactively approaching the market. More than 85% of the logistic companies have a primary focus on filing quotes and proposals, with the input KPI's as the holy grail.

Input = Output

Sales performance is measured by input; hence, salespeople tend to focus on reacting to tenders and other pricing requests without first gathering crucial customer information or gaining access to important stakeholders. Things that very much impact the actual outcome of deals and, in the end, the entire organization's performance. The logical outcome of this sales paradigm is that the submitted offers, although very time-consuming, are hardly competitive and often not in line with the customers' expectations or needs. And if so, pricing seems to be the only differentiator.



How to Increase your Hitrate?

Reactive sales teams don't spend enough time finding out the customer's actual needs. Very often, the sales team is simply focusing on presenting the company's standard offering and pricing. They "forget" to align their solution with the customer's strategic objectives and could even miss opportunities to widen or expand the scope. The average success rate of this approach is far below 10%.

The biggest waste of a salesperson's time is the sales they lose. It is, therefore, crucial to spend more time on qualification and building smart winning strategies. For management, it is important to make their business more predictive, based on a healthy and reliable sales funnel. The latter is also the best indicator for the commercial excellence level.

Time to Re-invent Sales in Logistics

To become successful and drive sustainable growth in the organization, both sales teams and management need to be open to new approaches. An approach that doesn't just focus on how to sell a product but on recreating everyone's commercial mindset. A mindset based on customer centricity and co-creation or partnership. This is easily said but requires a quantum leap in most logistics organizations. In a logistics, commercially excellent organization, you play the long game. You identify a limited number of must-win opportunities that align with your commercial strategy and ambitions and put all your effort into these deals.

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From a reactive to a proactive is a significant change. It means that you respond to customer requests for quotations and subsequently enter into a dialogue with your customer early on in the customer buying process. Not after all the thinking (and deciding) is already done.

A simple formula: you know the market; you know which trends influence the customer's business and which scenarios the customer has to respond to these trends. As a result, you are much better able to give the customer insight into the different possible counterstrategies and how you as an organization can contribute to these strategies.



Win, Celebrate Victories and Implement as a Team

In a proactive approach, teamwork is an absolute must. The sales team collaborates with marketing, solution engineers, operations, finance, and legal. Multidisciplinary teams are needed, orchestrated by sales to win, celebrate and implement solutions. Sales is teamwork and cannot be judged in isolation. In the reality of the current market, the so-called lone wolf, which is particularly strong within the sphere of his/her existing customer relations, will lose more and more foothold.

Working on Commercial Excellence in a Logistics Organization:

Reconsider the commercial strategy

Which opportunities do we want to win? Have we created an ideal customer indicator? Is it clear for each individual what this strategy means for their daily job? How can your sales team contribute to the overall commercial goals? The answers will help your team members to make solid decisions, focus on the right deals, and engages non-sales teams to become part of the process.

Create a clear commercial process

To stay efficient and effective in cross-functional teams while also working in a customer-centric way, you need a solid commercial process. Having a common language, clear roles and responsibilities, and a transparent governance model regarding key decisions will help you create speed and increase your performance. Digitize and automate your processes as much as you can to keep up with the market demands and optimize the decisions made by your staff.



Develop skills

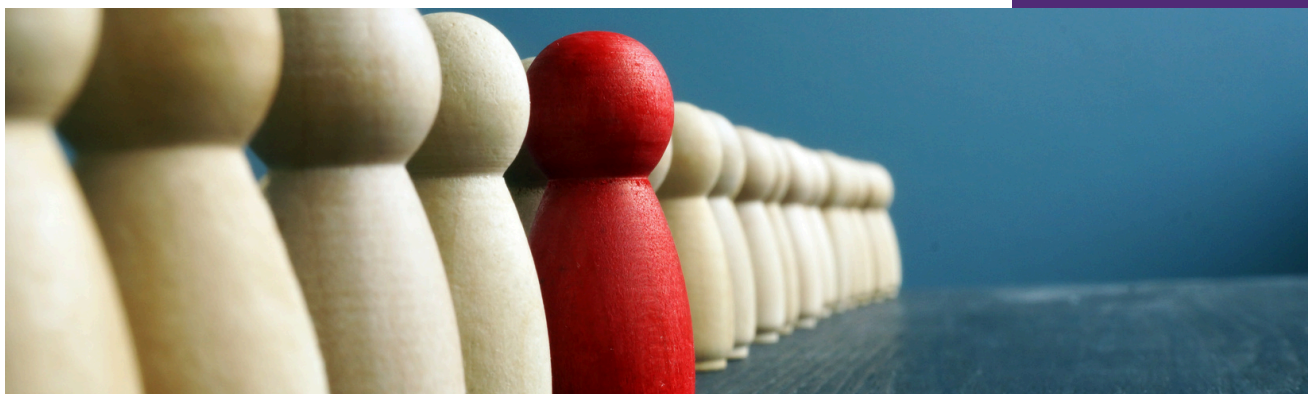
Partially, but not only about the ability to ask open questions. It is also imperative to establish equal relationships with your customers, build rapport, challenge customers, influence their thought processes, give them insights and ideas, and reframe their perspective regarding certain issues or solutions. Sales is craftsmanship and goes way beyond being a nice person and just asking and answering questions. It's about building and orchestrating multilevel relationships, understanding your customer's market, and establishing partnerships to create a higher share of wallet and continue the customer life cycle.

Create a (different) commercial culture

A misconception is that sales is only about structure and skills. It is also about mindset: creating a winning attitude, a culture about customer-centricity, strategy, and added value. One in which you challenge yourself, your colleagues, and your clients. But most importantly: you challenge the status quo or your assumptions of the status quo. If you participate early and proactively in the customer's buying process and not just respond to RFI / RFPs, the entire team has to have a sales state of mind. The sales, obviously, but also your customer service team, operations, even the whole back-office. They all contribute to an effective and mutually beneficial customer experience.

The importance of authentic leadership

Modern Leadership that is not only interested in input KPI's but looks at the bigger picture - the commercial strategy from a more holistic view. Frontrunners, change agents that lead by example and help their teams to excel, adapt and improve, be creative, and always willing to walk the extra mile.



About the author

Bas Belder spent most of his career working for P&O Ferrymasters, a leading provider of tailored logistics and transportation solutions in Europe and part of DP World. He started in finance, and through his role as Financial Director, he created a robust financial platform after several mergers and acquisitions. During his time as Managing Director, he used the financial crisis period to re-invent the company and lead it into a very successful era with double-digit growth. Bas created the right balance between Operational Excellence and Commercial drive. Despite these successes, he realized that there is still a lot to gain in the commercial process.

Bas is an associate partner of Motion5.



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