SUCCESS!
IBM's Consultative Selling Framework/Discovery Series (CSF/DS)

-- A New Framework for SMB Sales Success

KRIS NEELY, IBM

IBM'S Consultative Selling Framework/Discovery Series (CSF/DS)
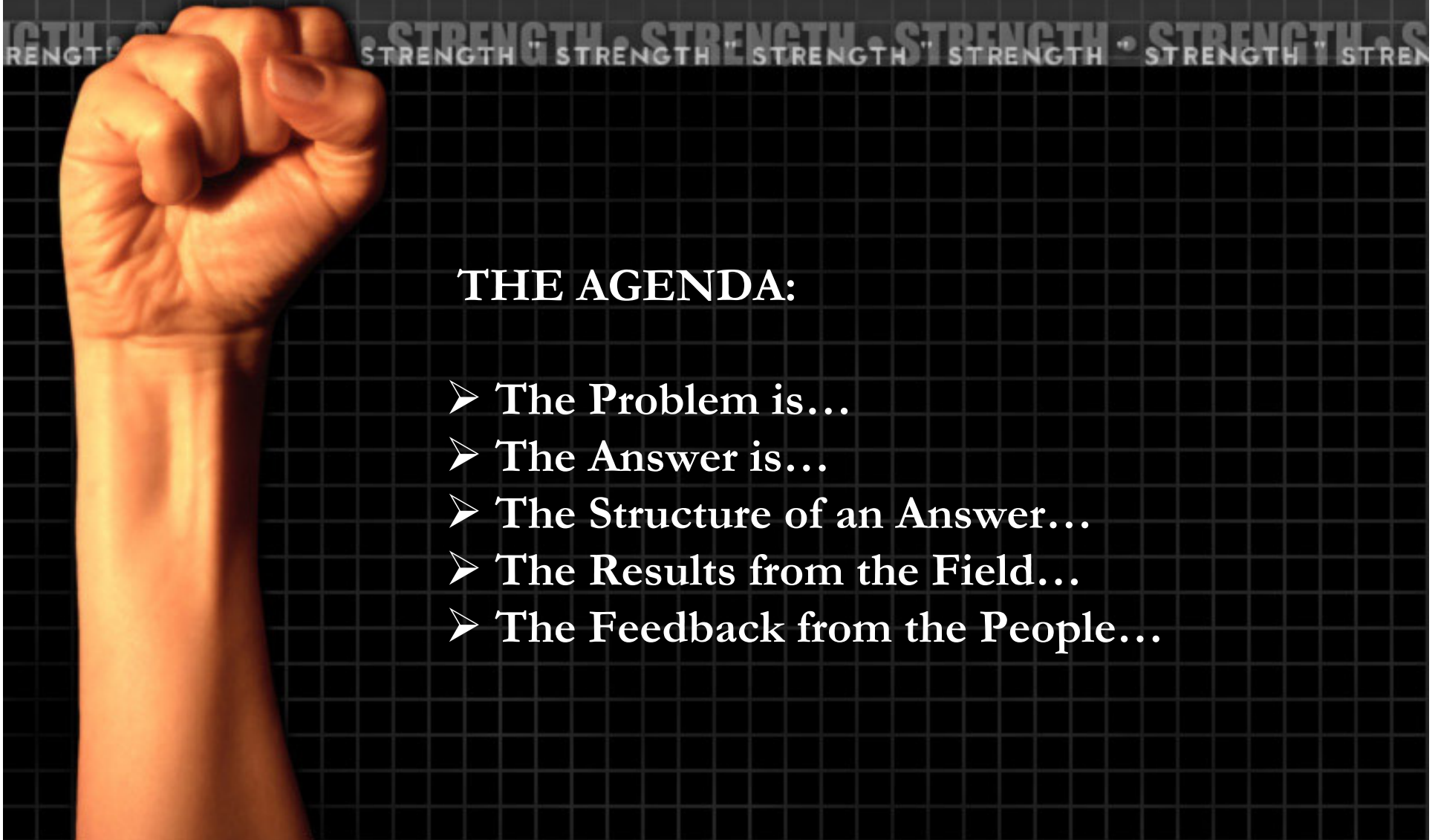
THE AGENDA:

➤ The Problem is…
➤ The Answer is…
➤ The Structure of an Answer…
➤ The Results from the Field…
➤ The Feedback from the People…

The Problems, I/III

Sell WORKLOAD
– The key to growth for eServer, BPs, and IBM.

Fuel GROWTH
– SOSWOS: HW, SW, and Services… Competitive & "White Space" sales… Stalled and/or dormant customers… Orphaned workloads.

Grow UTILIZATION
– Scorpion studies demonstrate:
  • Avg. Intel CPU use is 2-5%; heavy at 30%.
  • Avg. Unix CPUs run at 10-15%; heavy at 30-50%.
  • iSeries avg CPU use down f/32% to 16% (12/1997-2003.)
– Unused CoD processor numbers *growing rapidly*.

Establish SKILLS
– Architecture skills, in general. *Truly on iSeries.*
– Consultative sales skills. Overall account management. Penetration to LOB apps. Re-connection with CEO/CFO levels. Increase mindshare in IBM.

Add *VALUE* (CIO Magazine)
– **69%** of CIOs say CEOs view IT as a "Cost Center".
– **21%** as "Value Center", **8%** as "Strategic Center", **2%** as "Transformation Center".

The Problems, II/III

Meet Challenges: IBM must help Customers conquer the top business challenges in the on-demand world--

Improving their customer's experience.
Improving responsiveness to customers, suppliers and Partners.
Driving product and service differentiation.
Improving employee productivity.
Analyzing and using information to make better business Decisions.
Increasing business flexibility.
Getting the most out of IT investments.
Enhancing IT security, dependability and compliance.

- **Innovating the business to differentiate and capture new value.**

- **Making better use of resources to be more productive.**

The Problems, III/III

SO, OK. WE HAVE A PROBLEM.
BUT WHAT DO WE DO NOW?
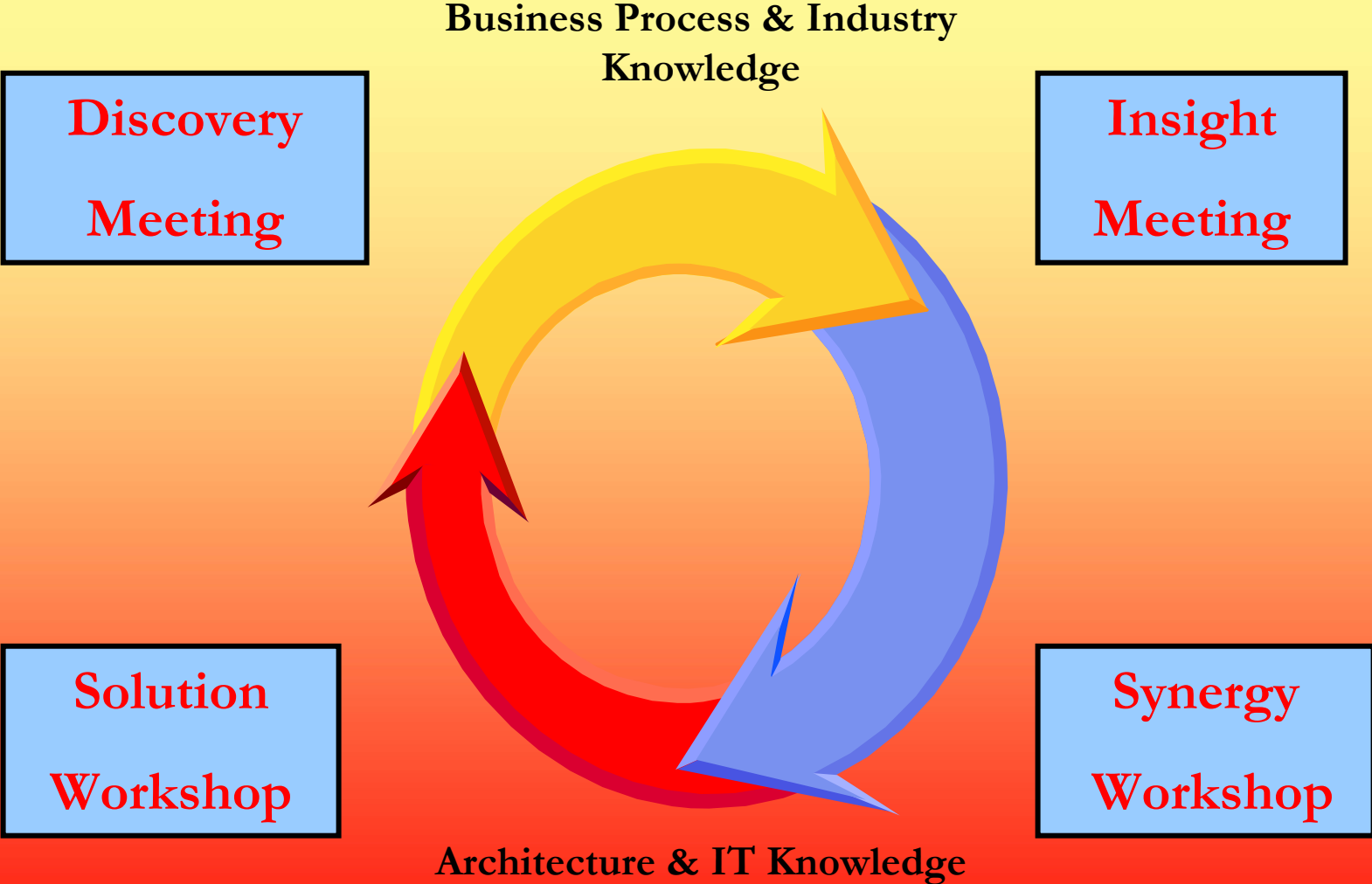
➢ Develop a <u>scaleable</u> solution.

➢ Keep it <u>simple</u> and <u>easy to work with.</u>

➢ Use <u>known methods</u> and <u>leverage assets.</u>

➢ Bring <u>new IBM/BP value</u> to the Customer.

➢ <u>Work with SSM</u> & "Selling to Vito".

➢ Keep <u>education easy</u>.

➢ <u>Integrate the Channel.</u>

➢ Find <u>solutions to the challenges.</u>

➢ **<u>Prove that it Works!</u>**

Consultative Selling Framework/Discovery Series

The Answer: Consultative Selling Framework/DS

- Built by IBM's Kris Neely in 2002 for use in SMB competitive accounts.
- Now in Version 3. Versions 4 & 5 in process.
- Brand agnostic. HW, SW, SV agnostic.
- Transparent precursor to SSM. We *find opptys*, SSM *closes them*.
- Interfaces w/approaches like 'Selling to Vito'.
- Demonstrated in $200M to $1B+ accounts, from Lumber Mills to Insurance/Banking.
- Piloted in SMB and iSeries.
- Some pilots <u>found $2 for every $1 known</u>.
- Educational process/collateral available.
- Integrated in IBM's Infrastructure Solution Architect (IS-A) program.

Consultative Selling Framework/Discovery Series

Business Process & Industry
Knowledge

Discovery

Meeting

Insight

Meeting

Solution

Workshop

Synergy

Workshop

Architecture & IT Knowledge

CSF/DS: Meetings & Workshops, I

Consultative Selling Framework/Discovery Series

Discovery Meeting - 1-2 hours each.
- Show financial tools, examples, Gap Analysis, and RESULTS!
- Leave information, get information - corporate level.

Insight Meeting - 1-2 hours each.
- Get down to the line-of-business solutions and the money!
- Leave information, get information - LOB-level.

Synergy Workshop - 2-4 hours each.
- Ask lots of questions, bring opportunities to you.
- Leave info, get LOTS of detailed info -- IT & LOB-level.

Solution Workshop - 1-4 hrs each
- Give them the picture, define the sale details.
- Leave them a reason to buy. Get measured and start all over again.

CSF/DS: Meetings & Workshops, II

Discovery Meeting -
First Time: Establish the relationship; show Cxx the money.
2nd - nnn: Show results; get mind share; ask for more business.

Insight Meeting -
First Time: Educate, FUD, get requirements.
2nd - nnn: Focus education on next target.

Synergy Workshop -
First Time: Get "G-2"; document leads; validate w/customer.
2nd - nnn: Take leads; focus on each.

Solution Workshop -
1st – nnn: Show Synergy items. Get Measurements.

Consultative Selling Framework/Discovery Series

CSF/DS: Discovery Meeting

Discovery Meeting -

- **Input:** Customer's business, IT, and industry status. Or, IBM evidence of completed work.

- **Output, Customer:** Examples of how IBM will improve business, through IBM offerings. Or, next task for IBM.

- **Output, IBM:** A "C"-level understanding of current critical business drivers; C-level relationship. Or, next task for IBM.

Participants:

- **Customer:** "C"-level execs.

- **IBM:** Senior IBM/BP Client Team.

Duration: 1 - 2 hours

- **Demonstrates:** IBM/BP's Business Value & Accomplishments.

Consultative Selling Framework/Discovery Series

CSF/DS: Insight Meeting

Insight Meeting -

- **Input:** Customer's desire to see what IBM has to offer in industry-specific solutions, our GTO, and related R&D.
- **Output, Customer:** Customer detail requirements & interests
- **Output, IBM:** A detailed understanding of current LOB and related-IT environment & business drivers.

Participants:

- **Customer:** Entire IT Staff, as appropriate. LOB also.
- **IBM:** IBM/BP Client Rep, Staff.

Duration: 2 - 4 hours

- **Demonstrates:** IBM/BP's Thought Leadership & Business Understanding.

Consultative Selling Framework/Discovery Series

CSF/DS: Synergy Workshop

Synergy Workshop -
- **Input:** Details f/Customer's current IT & business as a whole.
- **Output, Customer:** "Strategic Overview Report" and Targeted Product Briefing
- **Output, IBM:** Detailed insight of IT/Business drivers.

Participants:
- **Customer:** Entire IT Staff, as appropriate. LOB. Exec.
- **IBM:** IBM/BP Client Rep, Architect, & Brand Staff.

Duration: 1/2 - 1 day
- **Demonstrates:** IBM/BP's Commitment to Customer

CSF/DS: Solution Workshop

Solution Workshop -
- **Input:** Details from Customer on current state of IT and business as a whole.
- **Output, Customer:** A Detailed Solution Report.
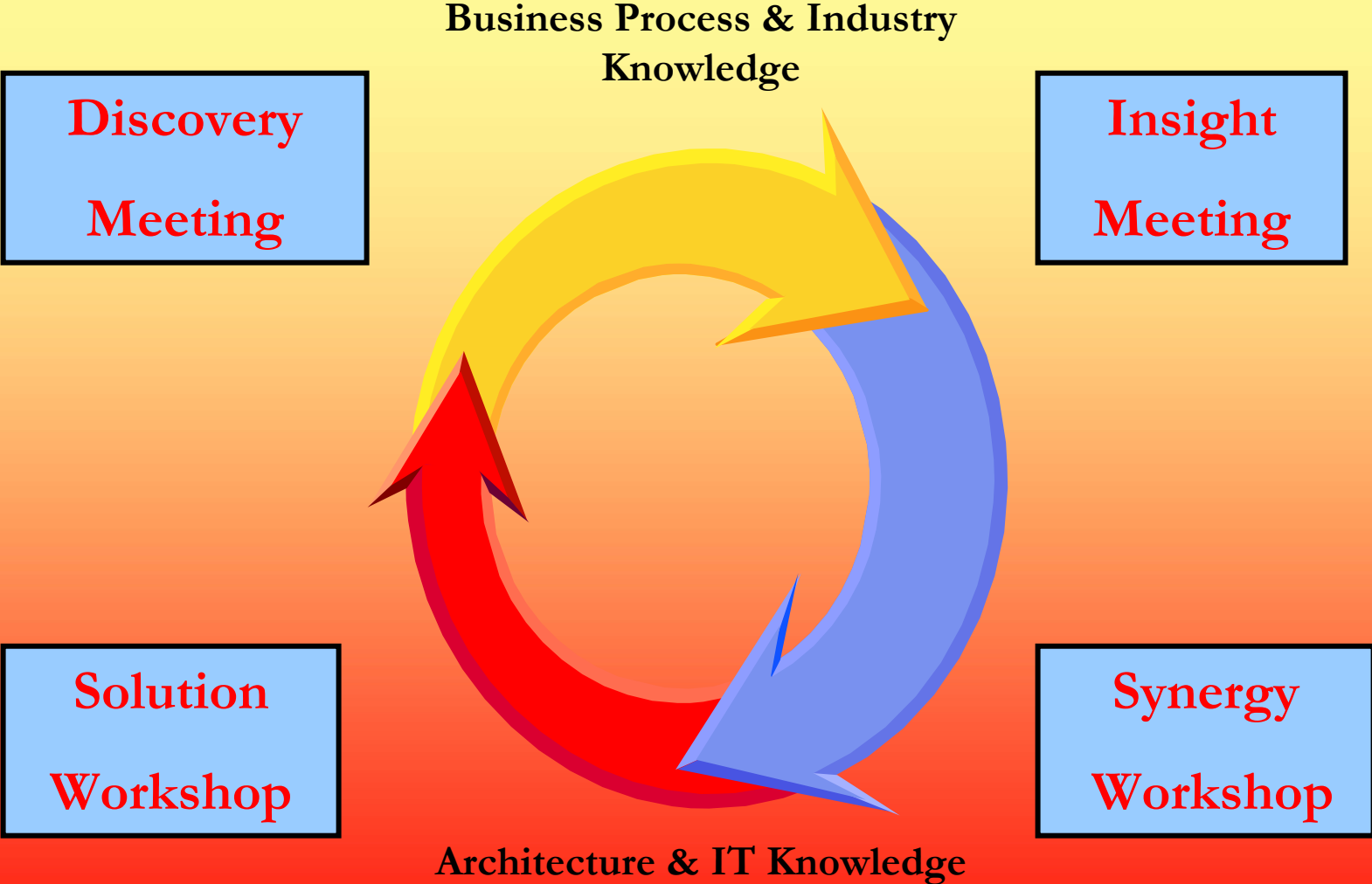- **Output, IBM:** A detailed architecture which addresses the customer's requirements.

Participants:
- **Customer:** IT Staff, as appropriate.
- **IBM:** IBM/BP Client Rep and Architect.

Duration: 1/2 - 1 day
- **Demonstrates:** IBM/BP's Big Picture Solution View.

Consultative Selling Framework/Discovery Series

Business Process & Industry
Knowledge

Discovery

Meeting

Insight

Meeting

Solution

Workshop

Synergy

Workshop

Architecture & IT Knowledge

Consultative Selling Framework/Discovery Series

CSF/DS: Success Rehearsal Team

Success Rehearsal Team -

* Use ex-customers and seasoned IBM'ers to 'play the role of the Competitive Customer' & Supply NEEDED Expertise!

* Rehearse your pitch to 'A Customer' before presenting it to "THE Customer."

* Gain confidence in your approach.

* Uncover weak logic.

* Discover how to WIN!

CSF/DS: Shout-Out Call

Consultative Selling Framework/Discovery Series

Shout-Out Call -

•   A team of highly qualified technical and CSF/DS mentors and resources, available every business day.

•   KNOW you can get access to a CSF/DS-related resource!

•   Get fast answers to architectural and other complex questions!

•   Get solutions advice and tips.

CSF/DS: NEW Account Planning Tools from the SYNERGY WORKSHOP!

Synergy Workshop, alone, delivers extraordinary new insights, detail, and opportunity support. Deliverables includes:

1: *Opportunity Headlights Account Planning Spreadsheet*
- **All opportunities headlighted** at this Customer.
- Opportunities **with pricing**.
- **Summary by brand w/prioritization timeline**.

2: *Synergy Workshop Report*
- 20-30 page report with Top 5 "strategic" and "tactical" opptys – **Report validated by the Customer!**

3: *CSF/DS Technology Analysis Recap*
- **Lists <u>ALL</u>** Network, App, Infrast., Security, etc, Customer data.
- An IBM Autonomic Computing **assessment** report.

4: *"Architect At Speed" Interface*
- The CSF/DS Architect can now function as a **consulting architect** at this Customer, **w/o going back to Square One!**

Effort to Deliver a Synergy Workshop

Step	Calendar	Effort (hours)
Gain customer buy-in to the Synergy Workshop.	Day 1	2
Review the scope of the workshop with the IBM / Business Partner team.		
Review the scope of the workshop with the customer and gain customer buy-in.		
Develop the meeting objectives with the customer.		
Prior to meeting, deliver data-gathering questionnaires.	Day 2–7	0.5
Conduct analysis of the questionnaires.	Day 7	2
Deliver the workshop.	Day 8	4
Document data in a Discovery Series OH spreadsheet.	Day 9	4
After the meeting, deliver the OH spreadsheet to the IBM and Business Partner participants (to gain their balanced view by classifying the elements.)	Day 9-10	1
Classify the issues.	Day 10	1
Write the report (Executive summary and Strategic and Tactical blocks.)	Day 11–12	8
Review the report with the IBM / Business Partner team.	Day 13	1
Deliver the report to the primary customer representative.	Day 14	1.5
Hold a call to discuss the findings in the report with the primary customer audience.		
Adjust the report, when necessary.	Day 14	0.5
Deliver the report to a wider audience when necessary.	Day 15	1.5
Prioritize opportunities with customer for immediate action.	Day 15	
Agree to next steps.	Day 15	
Totals	15 days	27 hours

Where in the World do Architects Come From?
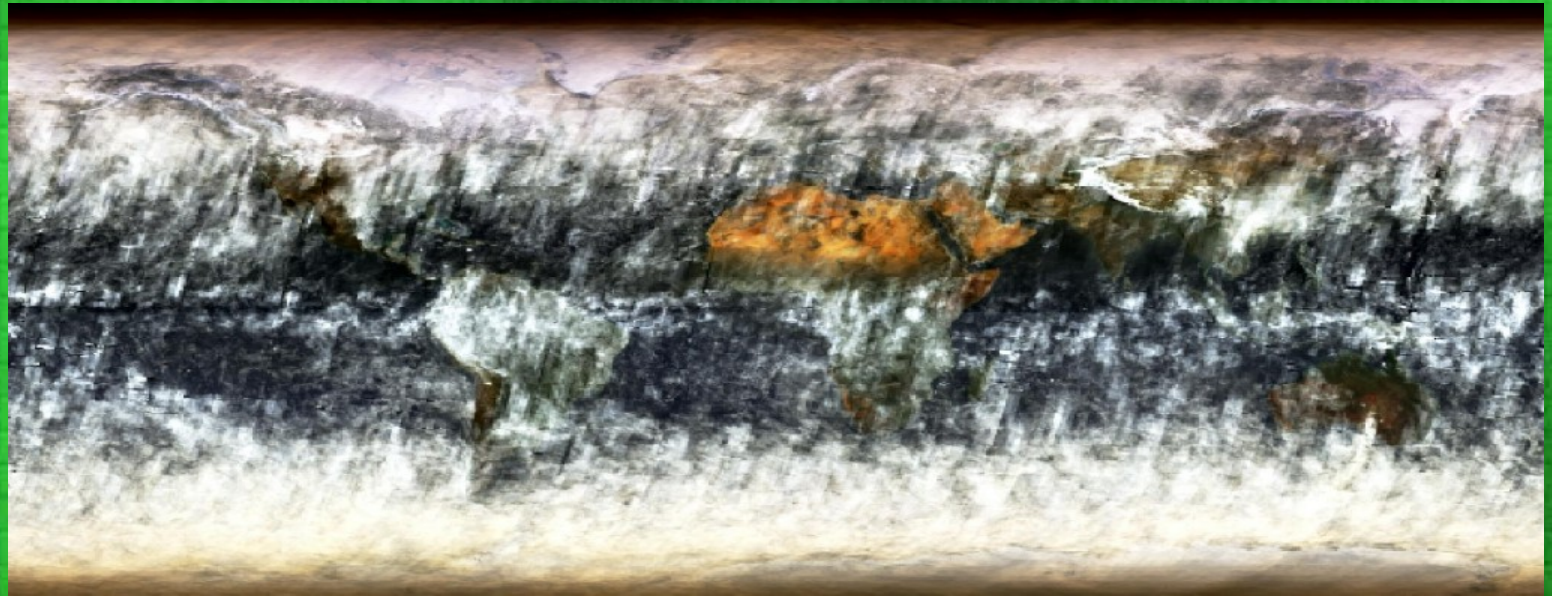
- **IBM Certified Infrastructure Systems Architect (I-SA) Program**
- **The Open Group Architecture Framework (TOGAF)**

Consultative Selling Framework/Discovery Series
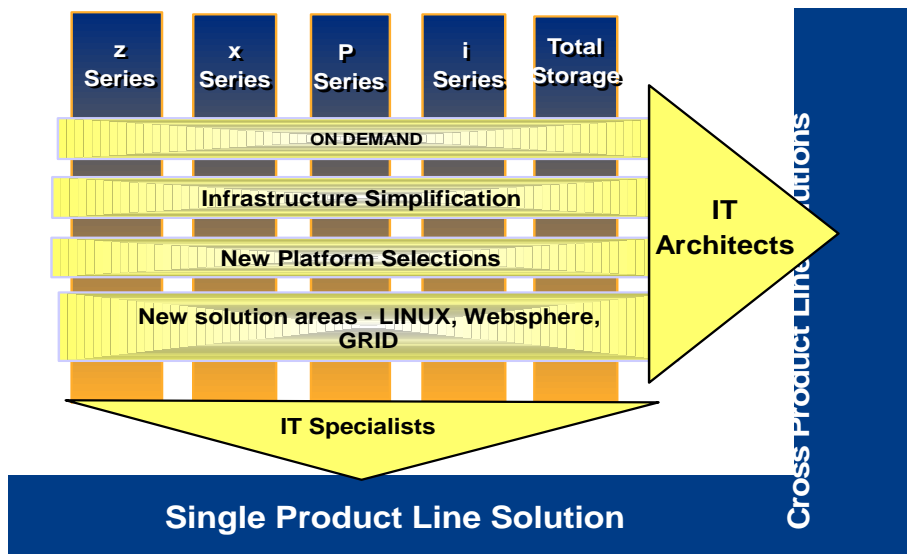
IBM Certified Infrastructure Systems Architect

Primary Responsibilities

► Represents IBM's Infrastructure "point of view" to the Client

► A "Technical Sales Support" resource who will work with clients to architect, design, present and propose Total Infrastructure Solutions that leverage IBM cross-platforms

► Build strong technical relationships with IBM and senior client technical influencers

► Lead the IT Industry in proposing and implementing the most competitive and technologically advanced on demand solutions
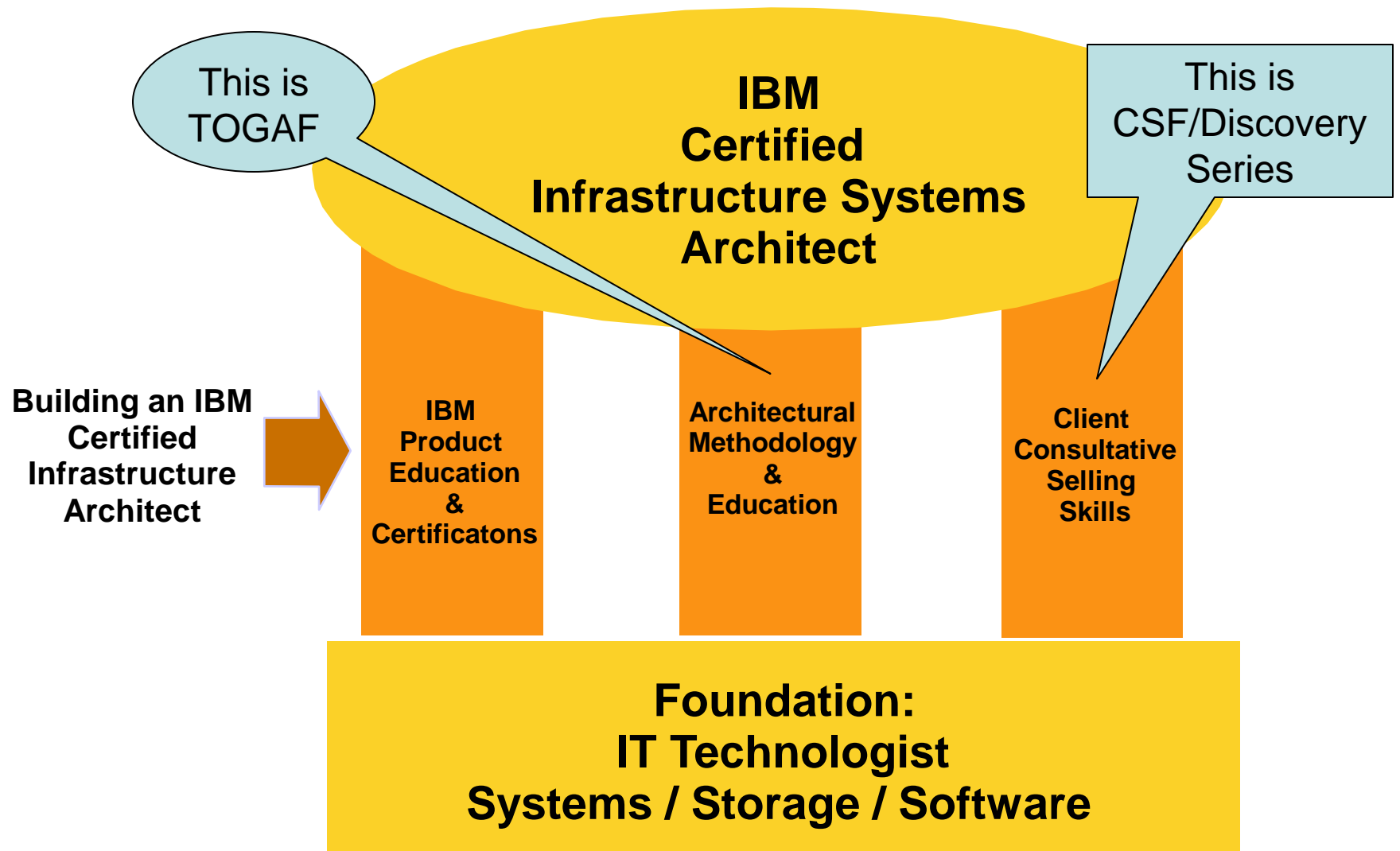
z   i   x   p   Total Storage

Infrastructure Systems Architect
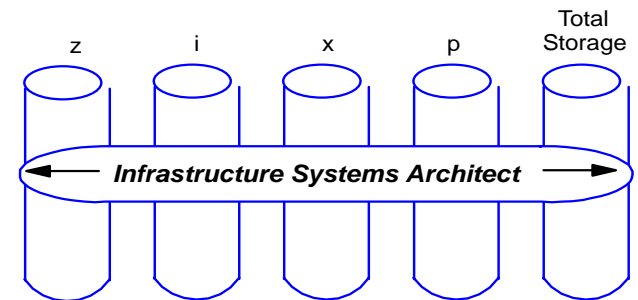
I-SA Guidelines

- **Strong IT infrastructure and system skills** demonstrated by depth of experience

- **Proven technical project leadership** skills demonstrated by customer face to face experience

- Ability and desire to *maintain technical skills* on the most advanced technologies

- Experience and knowledge in one or more Industries

- Knowledge of *Architectural Methodologies*

- IT Professional *Certification as an IT Architect.*

z Series   x Series   P Series   i Series   Total Storage

ON DEMAND

Infrastructure Simplification

New Platform Selections

New solution areas - LINUX, Websphere, GRID

IT Architects

Cross Product Line Solutions

IT Specialists

Single Product Line Solution

IBM Certified ISA - The Framework

This is TOGAF

This is CSF/Discovery Series

IBM Certified Infrastructure Systems Architect

Building an IBM Certified Infrastructure Architect

IBM Product Education & Certificatons

Architectural Methodology & Education

Client Consultative Selling Skills

**Foundation:
IT Technologist
Systems / Storage / Software**

The Open Group Architecture Framework (TOGAF)

> *"Enterprise Architecture provides the strategic context to enable organizations to move from innovation to assembly line production information products, and still meet the constantly changing needs of the business environment."*
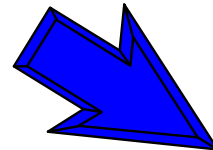
The TOGAF Enterprise Edition is...
- an *Architectural Framework* consisting of....
- *a method* and a set of supporting tools....
- for developing a *broad range of Enterprise Architectures.*
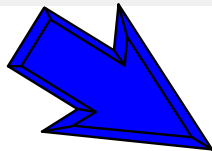
The TOGAF Enterprise Edition...
- is developed and endorsed by the Architecture Forum of *The Open Group*
- represents an *industry consensus framework* and method for Enterprise Architecture

The TOGAF Enterprise Edition enables...
- the business and IT community together...
- *to design, evaluate and build the right architecture*
- reduce the Cost of planning, designing and implementing architectures based on Open Systems solutions
- *develop an Enterprise Architecture*

IBM'S Consultative Selling Framework/Discovery Series (CSF/DS)

> The Results? Staggeringly impressive!

CSF/DS: Just a Few Sample Results

- **Example results from just a 4 iSeries pilot "Road Tour"**

- **$27M in opportunity in 4 SMB Customers.**

- *$18M Net New via Discovery Series.*

- **Put headlights on $2 for every $1 we knew about before!**

- **Median Customer Results Here: ~$8.1M**

- **Opportunity headlighted for 4 quarters -- plus out years!**

- **The Lion's Share (65%) were at risk with BAU selling (35%).**

* (All items based on internal IBM reviews.)

CSF/DS Gives YOU the Opportunity Headlights – AND THE CUSTOMER VALIDATES THE PIPELINE!

	A	K	L	M	N	O	P	Q	R	S	T	U
24	i830s DASD increases in 2004	iSeries DASD (70gb IS 4K) Assume 500GB	32000					0		32000	iSeries DASD; possible Shark	2Q04
25	Possible Power 5 SCON opportunity here	Convert install base to consilated POWER4=> 870 (8/16way)	1500000					0		1500000	Power 5 iSeries	3Q04
26	Standardized mobile offices via IBM ThinkPads	Thinkpads (10 OFFICES * 2.5 PEOPLE +25 @ HOME)	125000					0		125000	IBM ThinkPads	2Q04
27	No standard framework for messaging middleware & application integration. Strategy is new functions added via packaged solutions.			WMQ (5574/proc)* 2 processors for iSeries and 2 for windows	22296	500 hours for sw mods and install test* 200/hour		100000	100000	122296	MQ Series messaging	4Q03
28	Need capability to rapidly integrate to hospitals, etc, while maintaining customer security/privacy.			WMQI (97k/proc), Adapter (4.2k),WBC(35k/proc),TI M,TAM	354800	200*560hour s		112000	112000	466800	MQ Series, Websphere, Tivoli	1Q04

CSF/DS: Additional Results

**A Banking/Insurance Corporation – <u>TWO Synergy WS!</u>**

- *<u>This Customer had "thrown IBM out"</u>*
- **Insurance Division:**
  - Helped get IBM back "in the door"
  - In excess of $6M in net new hardware sales.
- **Banking Division:**
  - Similar results and MUCH better IBM relationships!

A Lumber Company

- *<u>Order of magnitude increase in OI!!</u>*
- New level of consultative relationship w/customer – after 20 years of sales!
- Several new opportunities for BP to gain additional sales skills, extending BPs LOB.

- **Smallest EVER Customer Results: To $1.0M up from $100K.**

* (All items based on internal IBM reviews.)

IBM'S Consultative Selling Framework/Discovery Series (CSF/DS)
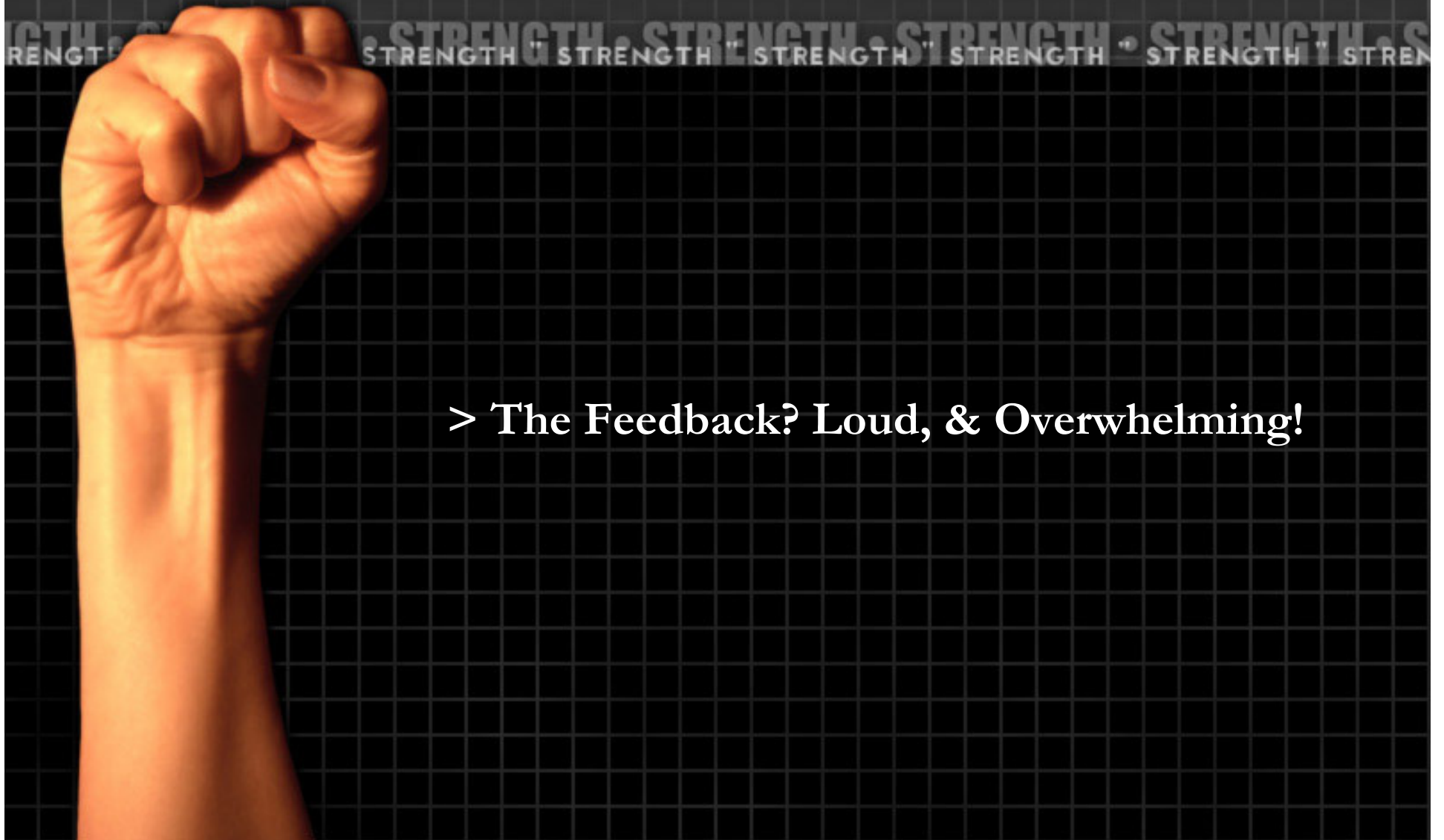
> The Feedback? Loud, & Overwhelming!

CSF/DS: Feedback from the Field

BP Sr. VP, Two Synergy Workshops - "…an extremely valuable process for creating credibility…allows us to move the sales discussion to an entirely different level" … " ..without the workshop we would have realized $100K in revenue this year; with the workshop we've uncovered two years worth of projects for more than $1 Million Dollars..."

BP Sales Exec, Synergy Workshop - " This process helped me better understanding of which (customer) IT initiatives and issues we could assist with, that could drive more IBM iSeries hardware and software revenue…"

IBM, TWO Synergy Workshops - "…it provided us a venue for truly understanding a LOB's current problems, and for aligning their IT plans with business objectives."

BP Sales Exec, Synergy Workshop - "The Synergy Workshop provided the ultimate opportunity to work with everyone for one unified purpose which was to provide more flexible, pro-active, intelligent and less costly technology services to their business.."

IBM, Synergy Workshop - "The overall view of the customer and review of their plans is of tremendous benefit; it alone made the session worthwhile."

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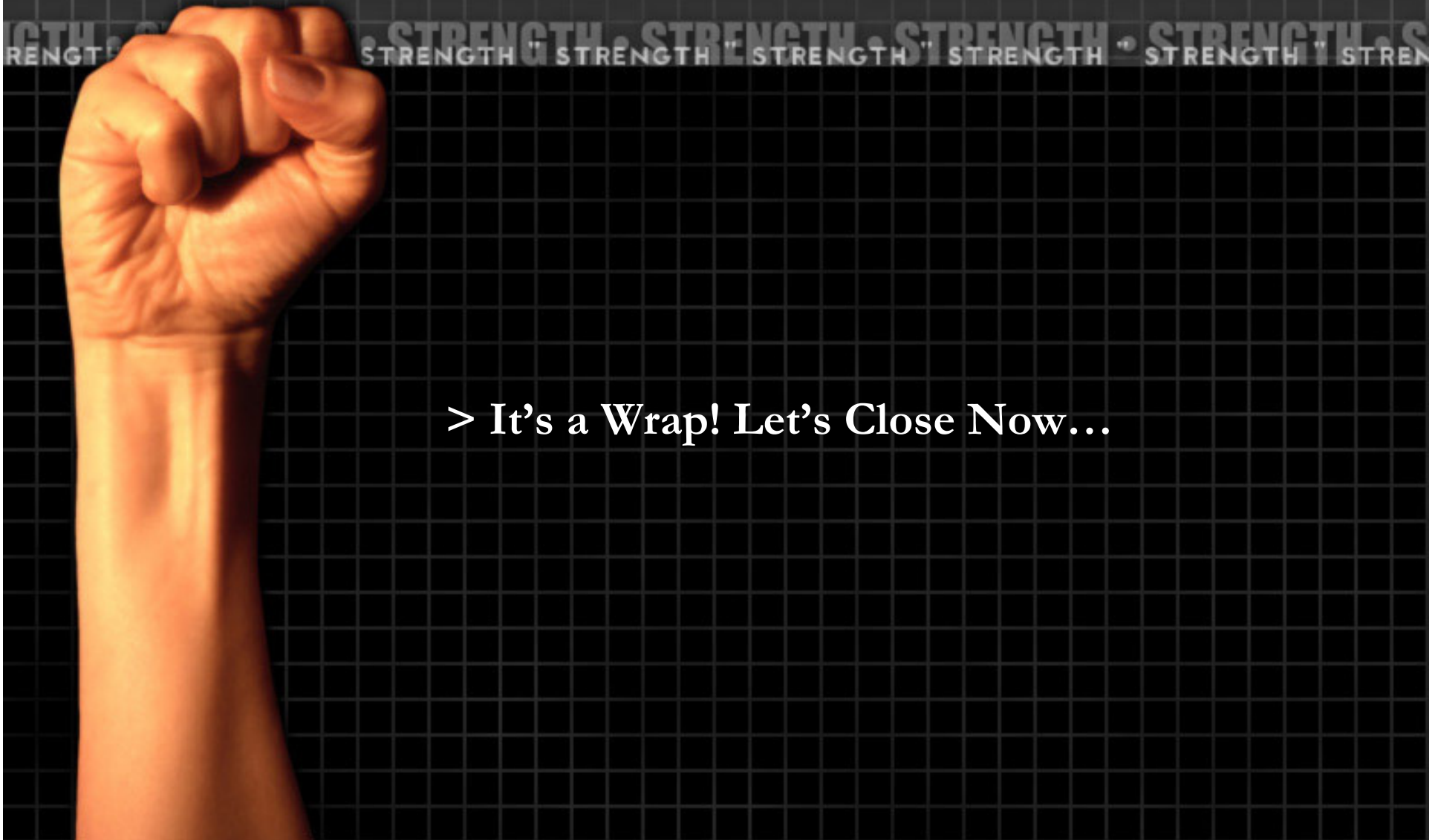
> It's a Wrap! Let's Close Now…

CSF/DS: We Addressed "The Problems" and Kept Our Promise…

1. Developed a <u>scaleable</u> solution…

2. Kept it <u>simple</u> and <u>easy to work with…</u>

3. Used <u>known methods</u> and <u>leveraged assets…</u>

4. Brought <u>new IBM/BP value</u> to the Customer…

5. <u>Worked with SSM</u> & "Selling to Vito"…

6. Kept the <u>education easy</u>…

7. <u>Integrated the Channel…</u>

8. Found <u>solutions to the challenges…</u>

9. **<u>Proved that it Works!</u>**

CFS/DS Delivery Skills

Business Process & Industry
Knowledge

Discovery Meeting

Insight Meeting

Solution Workshop

Synergy Workshop

Architecture & IT Knowledge

It's a Wrap!

- Thanks for your time!

- E-mail us if you have any questions on IBM's Consultative Selling Framework/Discovery Series (CSF/DS)

    – Mr. Kris Neely -- kneely@us.ibm.com
    – Mr. Kelly Lee – kglee@us.ibm.com