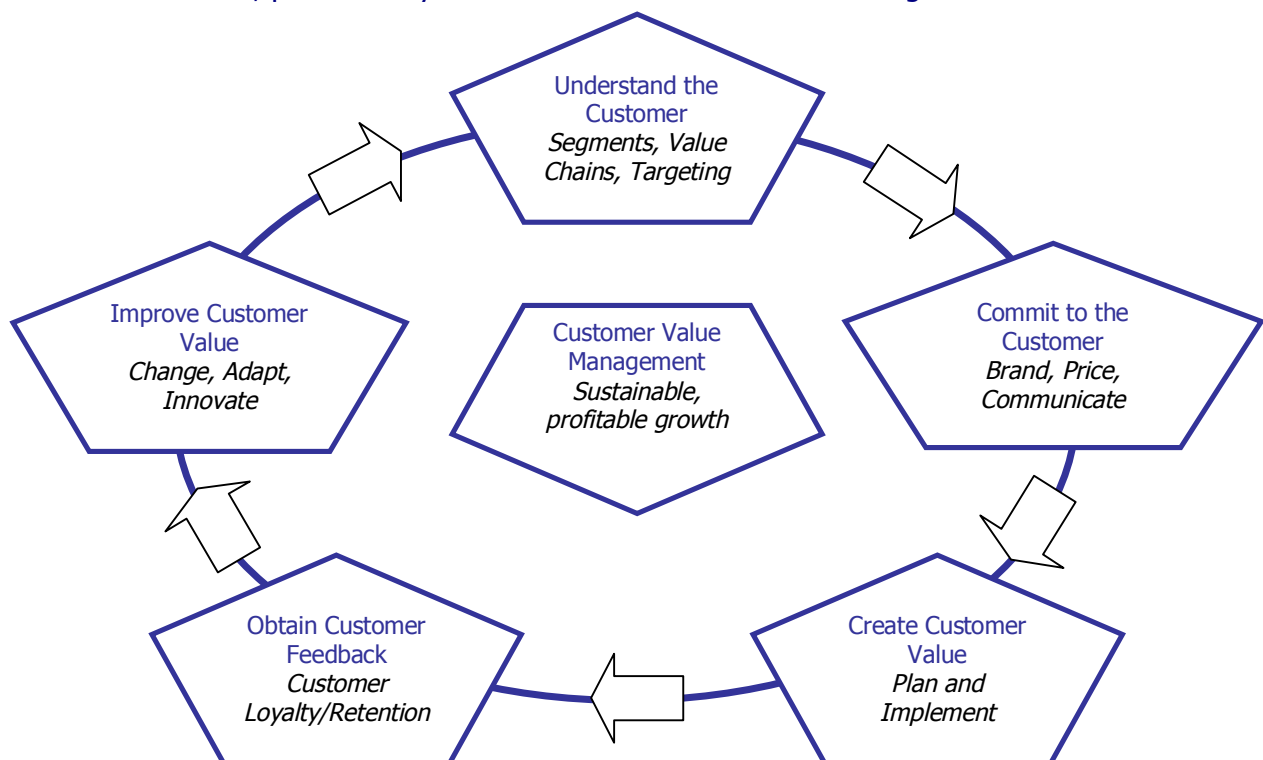


Value²: Integrated Marketing, Sales and KAM with Analytical, Planning and Interpersonal Skills

GEMS Europe has developed a unique and successful Value² series of marketing, sales and key account management programmes built around the Pentadigm[®] and Process Communication Models[®].

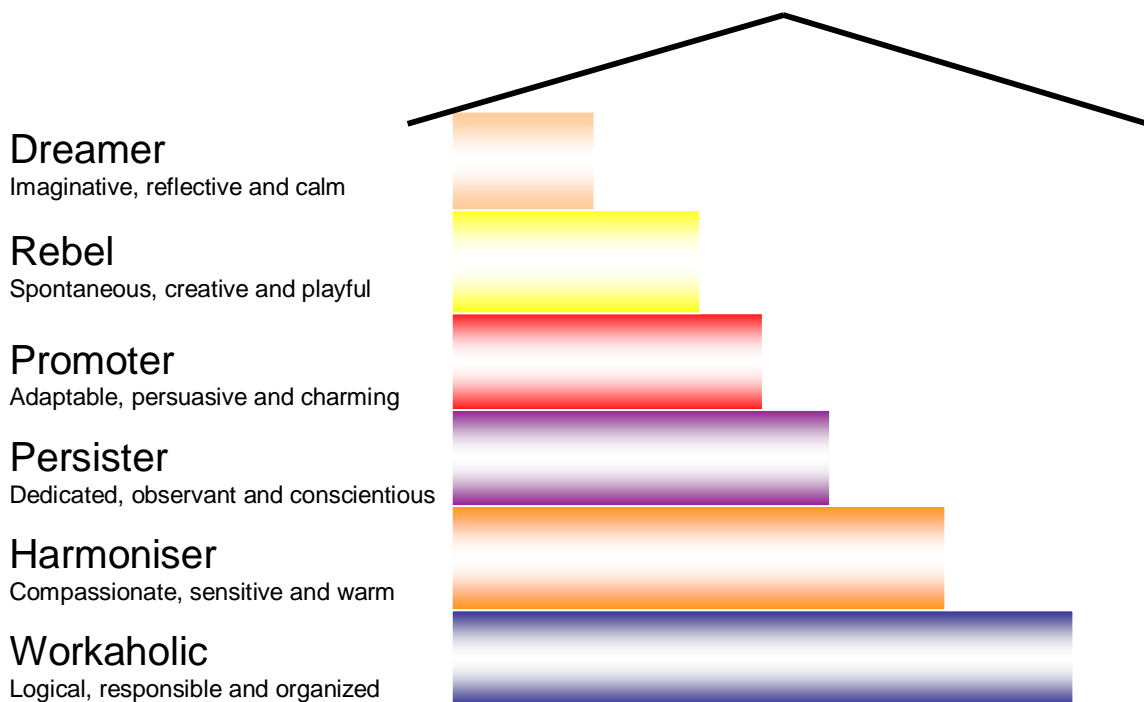
The synergies derived from the combination of the analytical and planning elements of Pentadigm and the psychological interpersonal communications elements of Process Communication Model (PCM) provide a powerful double impact to your marketing and sales activities. This unique combination addresses both sides of marketing, sales and KAM in an integrated programme that achieves remarkable results in terms of won and retained business and develops your people into fully rounded marketing, sales and KAM professionals. Value² leads to sustainable, profitable growth through a motivated team and successful customers. This combination produces numerous synergies: Value² teaches what individual customers value and how you can best market and sell that value to them.

Our well-known marketing and sales excellence and customer value management (CVM) best practice model, Pentadigm, featured in the book co-authored by GEMS International CEO, Phil Allen, "Value-Based Marketing for Bottom-Line Success: 5 Steps to Creating Customer Value", published by McGraw-Hill and American Marketing Association.



Customer Value Management (CVM) is an advanced model to develop customer value and to build long-term customer loyalty and retention. CVM enables you to create and manage value for your customers through improved Key Account Management and through the application of specific KAM models, tools and concepts. CVM enables you to capture back to your company the value you have created at your customer by value-based pricing in your advanced negotiation techniques. CVM produces a swift return on investment through improved share of business and increased bottom-line profits at your targeted key accounts.

Process Communication Model (PCM) was developed in the 1980's by clinical psychologist Taibi Kahler and has its roots in Transactional Analysis. It has been used to select and train NASA astronauts and was deployed by former US President Bill Clinton during his successful 1996 presidential campaign. PCM has been adapted for use in the business environment and has been successfully deployed in team building, change management, interpersonal communications and external communications during the last 20 years.



GEMS International has developed the Value² Integrated CVM and PCM training programme for specific application in marketing, sales and key account management.

The two models – CVM and PCM - are taught in combination during an integrated programme of three two-days workshops spread over a period of 6 – 8 months. Often clients find it beneficial to reinforce workshop learnings with coached business projects, coaching of teams and coaching of individuals, which GEMS International's expert practitioners are ready, willing and able to provide and support.

The coaching conducted between the workshops ensures a deeper application and adoption of learnings into a real and sustainable behaviour change in the day-to-day working life of the workshop participants.

GEMS International can also offer to measure the impact of the training programme through the unique Self-Efficacy measurement model and tool.

Here are some cases of successful implementation of Value² at some key clients:

Case1: Calculating Customer Value; Creative Pricing to Capture value

Current solution sells for around \$0.45/lb

Our solution costs to make \$0.85/lb

Current solution is under threat of possible health issue. What should we price at??

Client wanted to go at \$ 0.96/lb – cost plus pricing

We disagreed and proposed value-pricing.

Customer Segmentation: **Target Leaders**

Leaders

Lead the thinking in the industry

Likely to consider alternatives without legislation

Fence-sitters

Undecided and unlikely to decide

Followers

Only switch if forced by legislation

What value our offer?

Hypothesis

Fears about health risks could impact 10% of customers not to buy their product

Results in 10% loss of sales and earnings

Look up company results in internet

Earnings from relevant toys \$MM 60

Potential loss of earnings \$MM 6

Value Equation

Margin per toy	50%
Sell Price	US\$ 30
Cost to make	US\$ 1
Cost to ship and market	US\$ 14
Plasticiser per toy	0.2 lb = US\$ 0.09
Proportion of total toy cost	10%
Hypothesis: Toy marketer will invest up to 20% of cost to make to save 10% of margin	US\$ 0.09 + US\$ 0.20 = US\$ 0.29
Work back to per lb price	0.2lb = US\$ 0.29 x 5 = US\$ 1.45 per lb

We approached CEO with the **hypothesis** of potential earnings losses of US\$ MM 6
He did not know what a plasticizer was nor that his company used them

Got his IMMEDIATE ATTENTION

Met with CEO and COO – no purchasing

CEO and COO instructed purchasing to change to our solution

Price negotiated with purchasing

We started at US\$1.50 and won the business at US\$1.32 (REMEMBER client wanted to price at US\$ 0.96)

SUSTAINABLE PROFITABLE RESULTS

We started at US\$1.50 and **won the business at US\$1.32** (40% above client's original cost-plus price)

Improved negotiating and selling skills of sales force

Added several millions US\$ to bottom line profit in one year

After 7 years price is still at \$1.15 despite attempts by strongest competitor to penetrate on price

Case2: E-bid avoided through offering *The Power of Choice*

Effectively negotiated and sold to the right customer in the right way

Chemicals company supplies a mixture of commodity and speciality chemicals to a major plastics producer

They also support the contract with technical service and support

The purchasing VP informs the key account manager that they will put the contract on an e-bid, when it comes due for renewal

Chemicals company fears that ebid could reduce pricing by as much as 20 %

That's when they called in Value².

We created 4 scenarios of choice for the client's customer

E-bid.... BUT

E-bid.... PLUS

Service PLUS

Strategic Partner

Our client's customer rejected all 4 scenarios.....

....and then we entered into an interesting dialogue with the customer....

....about what they really valued and they defined and designed their own offer for us and with us.

RESULTS:

Client retained the business and grew their share from 40% to 60%

Client won the contract at an overall price premium of 5%

Contract was extended from 1 year to 3 years

Client won Supplier of the Year award later that year

Key Account Manager was promoted one year later

To discover how Value², Pentadigm and PCM can benefit your organisation and your people, please call Phil on +41 7 9423 1390 or email him at phil.allen@gems-europe.com.