

# SERVITIZATION AND DIGITAL SERVICIZATION

The theoretical concept behind my thesis

by Alexander Losbichler

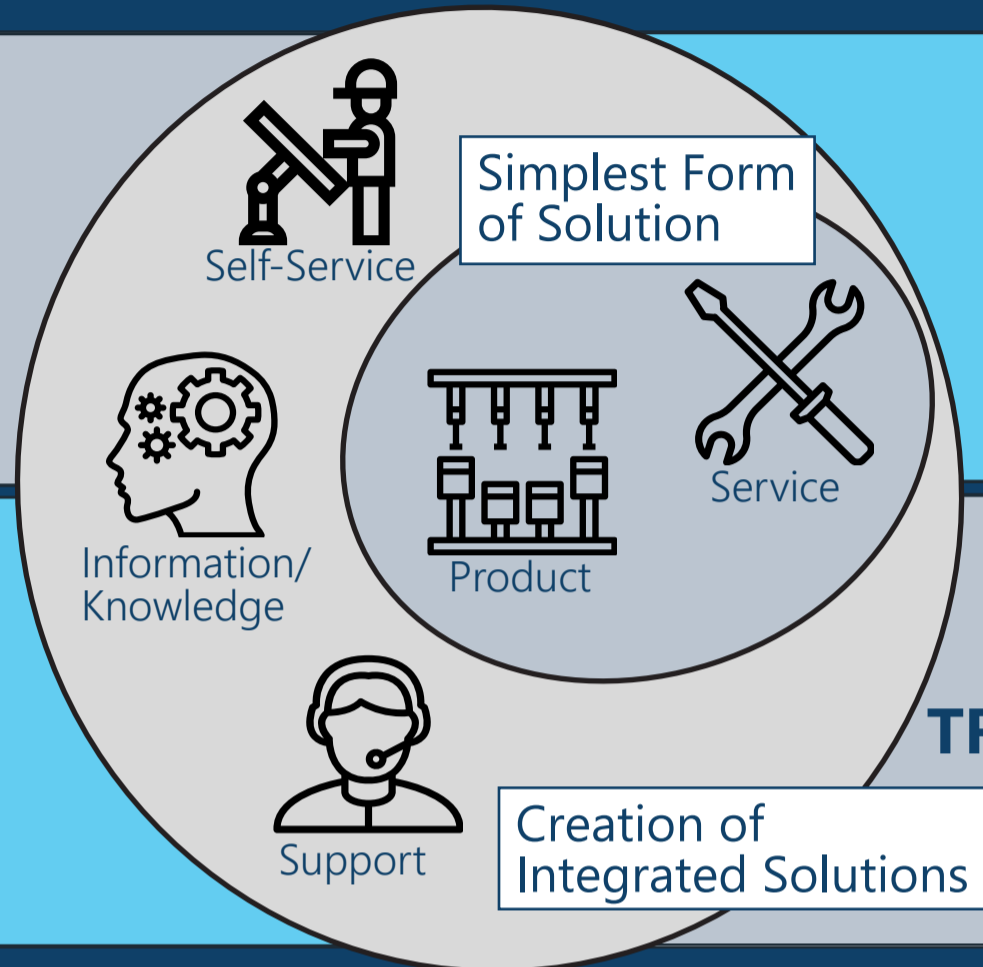


**SELL A PRODUCT  
vs.  
FULFIL NEED**

**SEVERAL  
DEPARTMENTS  
INVOLVED**

**DIGITALIZATION  
=  
ENABLER OF  
SERVICIZATION**

**STEP-WISE  
TRANSFORMATION**



## But why the effort?

Current challenges and desired outcomes



### MATURITY OF MANUFACTURING INDUSTRY

Particularly in developed countries the machine manufacturing industry is currently stagnating.

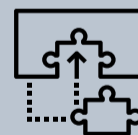
### Strategic Motives



**Increase of customer loyalty**



**Creation of (new) competitive advantage**



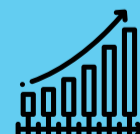
**Positioning as problem-solver**



### COMPETITORS FROM EMERGING COUNTRIES

It is getting increasingly difficult for Austrian companies to solely differentiate based on quality.

### Financial Motives



**Increase of profits**



**Creation of stable cashflows**



**Decrease costs for service provision**



### GLOBAL PRICE COMPETITION

An increasing number of competitors from whom it is difficult to differentiate increase price pressure.



# SALES STRATEGIES FOR (DIGITAL) SERVITIZATION

Matching servitization with sales

by Alexander Losbichler



1

## CUSTOMER SEGMENTATION

- Profit VS. Sales volume
- Solution VS. Product
- Management task

3

## DEVELOPMENT OF RELATIONSHIP OBJECTIVE

- Holistic customer management
- Consultancy beyond sale
- Value communication & in pricing

### Sales Strategy

2

## CUSTOMER PRIORITIZATION

- Longer sales cycle
- Resource allocation
- Internal alignment

4

## USE OF MULTIPLE SALES CHANNELS

- Sales & service channel concept
- Service infrastructure
- Alignment for CX

## Solution Sales & Value-based Selling

"Increased complexity of solutions requires B2B interaction to be more personal than ever."

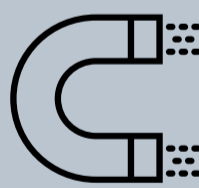
- Arli, Bauer, and Palmatier (2018)

### Solution Selling



#### I. - DEVELOP SOLUTION

- Imagine/Ask customer situation
- Listen and monitor
- Understand and match solution



#### II. - CREATE DEMAND

- Value-added to customer's offer
- Early presence in buying process
- Rethinking pricing approach



#### III. - SELL SOLUTION

- Materialize the value
- Sell less for a happy customer
- Be aware of risk & complexity



#### IV. - DELIVER SOLUTION

- Buying VS. Using
- Personal & Digital Use Consulting
- Basis for future purchasing

### Value-based Selling



Business model understanding even more important



Tapping into unarticulated customer needs



Own company's business model understanding



Business value calculation based on monitoring data



Openly discuss competitive offerings



Minimize risk by thorough explanation



# THE DIGITAL SOLUTION SALESPERSON

## 12 Competencies of New Industrial Sellers

by Alexander Losbichler



### ABILITY TO USE SOCIAL SELLING

Identify the right people at the right time and build lasting relationships.



### LEADERSHIP ABILITY

Act as single point of contact who allocates resources for solution delivery while working in matrix org.



### INTERPERSONAL SKILLS

Be empathetic, truly understand customers' needs, act as „problem-solver“ instead of mere selling.



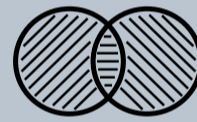
### PROBLEM-SOLVING COMPETENCE

Think in creative ways to combine products and services to a tailored solution to a customer's problem.



### ANALYTICAL SKILLS

Analyze status quo and translate data into biz benefit by focusing on customer instead of features.



### HOLISTIC THINKING

Have overview about and closely align all customer-related activities internally and externally.



### BASICS IN BIG DATA

Be familiar with basic technologies (e.g. monitoring systems, machine learning), but more important to...



### BUSINESS MODEL UNDERSTANDING

Understand own and customers' business model to avoid "service-for-free" attitude.



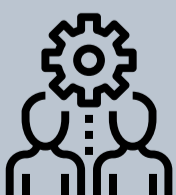
### ABILITY TO WORK IN A TEAM

Have a holistic view on customers and collaborate cross-departmentally to deliver harmonized solution.



### BUSINESS VALUE CALCULATION

Understand TCO to quantify value of solution for customer to have good basis in price negotiations.



### ABILITY TO BUILD TRUST

Reduce perceived risk for customer by showing individual understanding and consequently deliver.



### PRESENTATION SKILLS

Simplify more complex offering and price structure to make it possible to grasp the enhanced value.

