

Four recommendations for services growth

Isurus works with a range of companies seeking to grow their services business. Some are transitioning from being primarily product focused and are now tasked with significantly increasing services' contribution to revenue. Other companies have established services businesses, but are looking for growth by expanding their portfolio of offerings or moving into new sectors. Across all of these clients, Isurus' work provides four recommendations to guide growth strategies for services:

- Finding focus
- Awareness and brand building for services capabilities
- Building relationships with new decision makers
- Adjusting the sales process and approach

1. Finding focus. Many services organizations struggle to articulate a clear focus because they see their capabilities as applicable to a wide range of business needs and challenges. This lack of focus creates challenges for Marketing and Sales. Marketing resources typically aren't sufficient to support a broad portfolio of offerings; without focus those resources are diluted across too many audiences and too many messages. Limited resources yield more return when focused on a subset of offerings that are strong competencies but also align with market needs. Sales resources and bandwidth are similarly limited: Sales is more effective when given a core set of offerings that it can learn and present effectively to prospects. Lastly, the market is skeptical of companies that claim to be good at everything – even when true, it is usually not credible to tell prospects, “we can do anything.”

If your services organization faces this challenge, you can prioritize and provide focus for the services business by finding the intersection between what the market is asking for and what your services organization does well. An additional filter on this analysis is credibility; of the market needs that align with your services capabilities, typically only a subset are seen as highly credible offerings from your company.

2. Awareness and brand building for services capabilities. Communicating with the target market about services offerings presents several challenges, depending on the lifestage of the services business. Companies that were historically product-centric need to build awareness and reshape their brand to encompass services offerings. Most of their existing brand equity resides in their product, and the market – even existing customers – think of them first for products. Depending on the company, services may be a distant second or the market may be unaware of the services offerings.

If your services organization faces this challenge, an important first step is to understand existing awareness and brand equities around services. What does the target market know about your services offerings? What's the company's reputation for services? Secondly, it is important to understand how your company is positioned relative to key buying criteria. For example, selling services may require demonstrating a deep understanding of the buyer's business needs and processes to a greater degree than required for selling products.

3. Building relationships with new decision makers. Growing a services business typically requires building relationships with new decision makers and influencers. For example, a technology provider that historically sold products primarily to the IT function may need to build relationships with Finance, Operations or other business buyers in order to sell services. Marketing messages need to reflect the business buyer's perspective and needs, which differ from IT's needs.

Marketing messages also need to reflect the target audiences' experience with and attitudes toward services. Some audiences are threatened by services; they're concerned about losing power or even their job. If the buying audience is considering outsourcing a process for the first time, they are typically concerned about whether it will work and the potential to negatively impact their business. Other audiences are very open to using outside services providers, and

increased outsourcing may be part of their operational strategy. With all of these different perspectives, messaging should be based on an accurate assessment of the buying audience's attitudes and emotions.

4. Adjusting the sales process and approach. Transitioning a sales team from selling primarily products to also selling services requires major changes to the sales process. Sales may be great at selling a product that is more or less the same from one deal to the next. Services are a lot more customized. Sales needs to use a consultative approach to uncover prospect needs, and then connect those needs to the services offerings. To do this effectively, Sales needs to be equipped to ask the right questions to uncover needs, and then align those needs with services offerings.

Services offerings often require building relationships with more senior decision makers or different functional areas, without alienating or threatening the relationship with buyers of the core offerings. Like Marketing, Sales needs direction on which functions/levels to target and an understanding of their role in the buying process.

Achieving growth from a services business raises a number of questions about the portfolio of services offerings and how to effectively market and sell those offerings. Isurus uses primary market research to help services organizations align their offerings with market needs, shape marketing strategy, and equip Sales with market insights to be effective. To learn more, visit www.isurusmrc.com.



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