



Thriving in a Hostile Environment

Beachgrass Consulting

Financial Sales Tools

In the B2B space, the first question to consider when preparing financial sales tools is:

”Which parts of the customers’ financial statements are affected by our products?”

Basically, there are three main parts that can be affected by your sales:

- **Fixed assets**, if you sell investment goods (e.g., machines, land, property)
- **Working capital**, if you sell products (production consumables) that are used to manufacture the customers’ products or services (e.g., components, sub-assemblies, products to be sold by distributors)
- **Operating expenses**, if you sell products or services (operation consumables) that the customers use to perform their business activities (e.g., office equipment, insurances, security services, event organizations)

Even though all financial sales tools have to demonstrate **profit-justification** each part of the financial statements requires different tools.

For the investment goods, **discounted-cash flows** or payback period are used. To provide relevant inputs to build a realistic discounted-cash flow analysis, the sales person needs to understand thoroughly the customer’s operations and its finances.

For production consumables, sales people should be trained on evaluating the impact their sales will have on the customers’ working capital turns. Here the profit-justification is less obvious; it is a **mix of discount, payment terms and scheduled deliveries**. There are tools to precisely evaluate the impact of each of these elements on the customers’ working capital, enabling the selling company to offer a mix that is more attractive to a given customer than

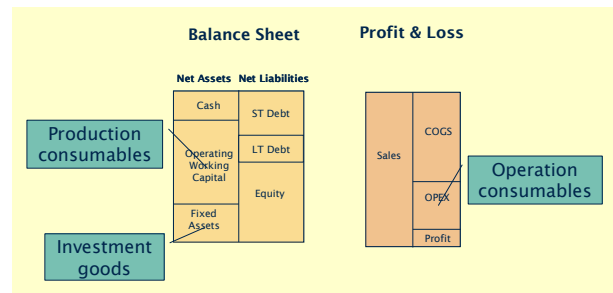
a mere discount. Sales people need to have a good appreciation of the customer’s working capital and profit values. Because companies have different working capital structure and profitability, the proportion of the mix components varies from customer to customer and evolves in time.

For operation consumables sales, sales people need to evaluate the **savings** their products will provide to the customer (**time, energy, material waste**). This is rather complex but once the methodology has been designed and checked with some customers, it can be rather simply transferred from one customer to the next.

Financial sales tools are very powerful:

- They open constructive discussions on the benefits of the proposition,
- They address customer top management’s main issue (profitability),
- They position the sales person as a business manager who speaks the same language as the customer top management
- And they demonstrate the sales person’s interest in the customer’s profitability.

In a nutshell, they build trust and reinforce the seller’s image and likelihood of winning the deal.



Call us (+41 22 785 23 14) or email us (info@beachgrass.ch) for more information.