

WHITEPAPER

**LEAN THINKING AND
VALUE-ADDED
SELLING**

Lean Thinking and Value-Added Selling

Jumbo shrimp, serious fun, and detailed estimate are just a few of my favorite oxymorons. How about lean and value-added? They are more alike than different.

Companies that practice a lean operating philosophy are especially predisposed to Value-Added Selling. Can you imagine the offspring of a union of sales and operations? Many of the principles implicit in lean thinking are foundational for a value-added sales approach. The progeny of this marriage—sales and operations—is a potent go-to-market strategy.

Let's begin with the value-added philosophy: **do more of that which adds value and less of that which adds little or no value.** Isn't that the essence of lean thinking—eliminate waste and continuously improve? Value-added salespeople understand that those things (processes, procedures, policies, and paperwork) that add cost without value diminish their position with customers. Lean thinkers seek to eliminate waste while pursuing ways to get better. Both aspire to identify and to do more of what adds value to customers.

Lean thinkers and value-added salespeople begin at the same starting point; they define value in customer terms. Value, like beauty, is in the eye of the beholder. And the only beholder that matters is the customer. Otherwise, it's seller-focused value. How many companies have lost valuable ground because they were more in love with their products than the customers were? With their analytical skills tightly focused on customer value, value-added salespeople drill down on customer needs while lean thinkers map the customer's value stream. Both share a common goal—to deliver customer-focused solutions that provide sustainable, long-term value for customers.

Value-Added Selling and lean thinking are first and foremost philosophies of effectiveness. Value-added salespeople waste little time pursuing business that fails to generate value for their companies. Lean thinkers waste little time pursuing processes, systems and projects that contribute little value to their companies. They both realize that Peter Drucker's words apply especially to them: "There is nothing so useless as doing efficiently that which you shouldn't do to begin with."

Flow is seamless. As quasi supply chain managers, value-added salespeople seek ways to make it painless for the customers to do business with them. Lean thinkers want value to flow unobstructed to the customer.

Value-added salespeople work as hard to keep the business as they did to get the business. This means they are in a constant state of re-creating value and reinventing themselves to relevance. Lean thinkers have an insatiable thirst for continuous improvement. Both operate from a simple humility that says, “We cannot get better until we first admit we can get better.” Their humility coupled with a healthy curiosity about their potential is a dynamic force for growth.

Many lean organizations offer low-cost advantages for customers. Unfortunately, too many customers misunderstand this value—low cost does not mean low price. Low cost is about efficiency and effectiveness over the long haul. Low price is a short-term number. Salespeople live with the daily reality of price resistance. For them, responding to this resistance is very much the same challenge as it is for a low-cost provider. It is a customer messaging problem. Just as low cost does not necessarily mean low price, Value-Added Selling is not about charging the highest price for something. It is about providing a total solution that is financially equitable for buyer and seller.

For companies that embrace lean thinking at the operational level, Value-Added Selling is the correspondent field-level philosophy. In each of their charters is the mandate to do more of that which adds value and less of that which adds no value. Both focus on the customer. Both concentrate on eliminating waste. Both embrace continuous development as an evolutionary mandate. If strategy is a coherent response to a challenge, a coordinated sales and operations effort is a powerful go-to-market strategy.

About the Author



Tom Reilly is co-author of *Value-Added Selling*, 4th edition (McGraw-Hill 2018). Additionally, he has written twelve other books including the hot-selling *Crush Price Objections*. His award-winning column appears in *Industrial Distribution Magazine*. Tom has a Master’s degree in psychology and is a faculty member at the University of Industrial Distribution. He began his career as a salesman for a Fortune 500 chemical company and then opened his own distribution company in Houston, Texas. He sold that in 1981 to pursue a full-time speaking and sales training career. You may contact him through his website www.TomReillyTraining.com.