



## **Customer Value Management Case History: *Redefining Value to Double Selling Effectiveness***

**Business Issue:** A leading medical products company had licensed one of its technologies to a larger, more price-oriented competitor. Despite being the “inventor” of the technology and having a product widely regarded as “easier to use” than their licensee, their market share lagged. The sales force started to focus on other easier to sell products, and new instrument placements fell further behind. Management wanted to identify the winning value proposition and create more compelling sales tools to demonstrate that value.

**What was done:** The client formed a dedicated team to quantify the value to the customer from the current offering. The team was trained in the Customer Value Management methodology and tools. Following that approach, value word equations were defined to jointly measure the value of the services with targeted customers. Once customer data had been gathered, a customer value model was created and analyzed. With proven customer value, value-based sales tools (called a value calculator and target tool) were designed for the sales force.



**What was learned:** The current product was easier to use, but it did not translate into significant time savings for lab technicians. Instead, the ease of use enabled the instrument to be moved from a specialized lab with an 8 hour shift to the general lab with 24 hour testing. Earlier test results enabled doctors to begin the proper treatment regimen up to 24 hours earlier. With earlier treatment, patient length of stay was reduced which significantly lowers the total cost of patient care.

### **Results:**

- Sales force now believes the product is the easiest to sell.
- Within 12 months, new instrument placements more than doubled and overall product line revenues increased by 20%.
- Instrument rose to #1 market share.

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*James Anderson and Axios Partners work together seamlessly to implement customer value management at client firms.*