How to Get to the C-Suite

One in a series of reports excerpted from *The Hidden Wealth of Customers* (Harvard Business Review Press, 2012)

EXECUTIVE SUMMARY

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Overview

It's not for everyone, but a business that can sell to the C-Suite can make its fortune by getting and keeping just a few of these customers. In this report, we'll see if it makes sense for your firm, and, if so, provide tips on getting there.

Why Sell to the C-Suite?

C-Level (or more precisely, "decision maker") customers can provide:

- Faster decisions, larger contracts, fewer bureaucratic hurdles, less pushback on price.
- Powerful advocacy that includes access to their networks of potential buyers.
- High impact. For even a multi-billion dollar B2B firm, just 50 or 70 such customers might comprise 70% of its revenue.
- Access to their corporate strategy deliberations, which can sharpen your own strategy.
- Increasing respect for your business in their industry.

Key Steps

- Determine whether it makes sense for your firm to pursue the C-Suite (you may be sexier than you think).
- Are your organization and its offerings ready for C-Level relationships?
- Get your organization into fighting trim.
- Build Increasing Reciprocal Value with C-Level customers (your products and services are just the start).

Bill is Founder of the Center for Customer Engagement, President of the Summit on Customer Engagement and author of *The Hidden Wealth of Customers: Realizing the Untapped Value of Your Most Important Asset* (Harvard Business Review Press, 2012)

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FULL REPORT

If your business typically sells to midlevel managers, you've likely found yourself dealing with cost-conscious buyers with little authority, limited budgets, tactical and unexciting projects, and not much potential to grow a lucrative business relationship. But if you can aim your value proposition higher—to movers and shakers in the executive suite—you'll open up new worlds for your business.

How? First, senior executive buyers (also called "decision makers" for our purposes) often have broad budget authority and can make rapid buy decisions without going through corporate bureaucracy such as human resources, IT, purchasing, and so on—or worse, committees composed of such groups. (See table 7-1.)

Second, the hidden wealth of senior executive customers—the value *beyond* what they purchase—can be extraordinary. C-Level executives can make superb advocates, influencers, and contributors for your business.

Hidden Wealth in the C-Suite: 6 Examples

- **Their networks.** C-Level executives almost always have extensive professional networks, including peers in similar positions at other organizations—a great ongoing relationship with one can open many doors over a period of years.

Just forty C-Level customers might generate 70% of the business for a $2B B2B firm.

- **Their impact.** For B2B firms in particular, just a few of these relationships can result in substantial additional business—in some cases, they can constitute the lion's share of corporate profits. A typical $2 billion business-to-customer firm might have a couple of million customers. A $2 billion B2B firm might have a few hundred customers—and forty of those might account for 70 percent of its business.

TABLE 7-1

Decision Makers (DMs) in the C-Suite want to engage with valued suppliers.

And it's worth it. Companies that engage with executive customers with advisory boards or similar programs reap substantial rewards.

	With DM program	Little or no DM program
Retention	90%	70%
Account growth rate	12%	4%
Referenceable	94%	28%

Source: Geehan Group Research and Sean Geehan, The B2B Executive Playbook: How Winning B2B Companies Achieve Sustainable, Predictable & Profitable Growth (Cincinnati, OH: Clerisy Press, 2011).

- **Inside information.** C-Level customers can provide access to their corporate strategy deliberations, which can provide invaluable information guiding your own strategic direction to ensure you continue creating and expanding the value you provide to their business.
- **Partnership opportunities.** Relationships with the C-Suite can lead to codesign or co-innovation programs, in which joint working teams can pour concrete over such strategic initiatives, turning them into reality at the product or service level.

Don't brush aside too quickly your ability to contribute to the C-Suite's agenda—even saving $5,000 per year in costs can get the attention of a prominent CIO such as Patty Morrison at Cardinal Health.

- **Their commitment to you.** As your importance to such customers increases, your success becomes increasingly important to them. They want you to have the success and funding that comes with it to continue to innovate and help their business succeed.
- **Other value (beyond purchasing).** Other value-creating opportunities that C-level relationships can create include tapping into the executives' influence and standing in the industry, manifested in speaking on your behalf or touting your service in industry publications or events as they relate the ways in which you're helping their business to succeed. They can be gold-standard customer references.

When to Pursue the C-Suite: You're Sexier Than You Think

Getting to the C-Suite decision maker starts with knowing how you can contribute clearly and substantially to his or her success.

Learn the C-Level Executive's Agenda: A Checklist

It's not hard to find out a C-Level executive's agenda: they tend to be public figures. Yet a surprising number of suitors skip this step (this is according to the executives whose business they're seeking!). Here's a checklist to get you started:

- **Growing revenue.** Can you connect your offerings to increases in the customer's top-line growth? If so, you'll gain the attention of senior management.
- **Cutting costs.** Alternatively, can you demonstrably help the customer to cut costs? Particularly in tough economic times, even relatively small savings might get the attention of the C-Suite—even at a $100 billion firm. As Cardinal Health CIO Patty Morrison puts it, "Don't be afraid of saving just $5,000, $10,000, or $50,000. Even at a company like Motorola, I was interested in that kind of money because budgets were very tight."
- **Reinventing customer relationships.** This is increasingly a C-Suite issue. Customers are demanding better products and services that actually help them meet their goals, as well as more honest dialogue. They also want access to peer interaction. Senior executives are realizing this more often and are looking for ways to get customers much more involved in the actual processes of the business. If you can help them do so, C-level executives will want to talk to you.
- **Achieving technological superiority.** Increasingly, top executives want to know the following: Are we keeping current? Are our systems gaining real insights into customers, markets, and our competitors from all the data that's out there? Is the product or service you are selling us keeping us ahead of our competitors or causing us to lag?
- **Improving innovation and new product development.** Companies in many industries also consider innovation a C-Suite issue. They know they must develop attractive new products and services

to keep up with rapidly changing customer needs as well as stiff competition. In many industries, the success of new product and solution development efforts remains abysmal.

- **Managing volatility.** Volatility—unpredictable and rapidly changing business conditions—is the new normal. Businesses are accepting that they can't wait it out; that volatility is here to stay. Can you help them manage or thrive or perhaps even exploit this volatility to their advantage? That's a C-Suite issue.

4 Questions to Determine: Are You Ready for C-Level Relationships?

You and your executive team may be keen for such relationships, but you'll need your organization behind you. Some issues to address first:

- **Time.** What percentage of their time are your executives spending (or willing to spend) with customers? Ten percent is not good. Thirty percent is better.
- **Focus.** Are customer issues discussed regularly and in depth in your executive meetings? Are solutions developed and followed up?
- **Company Purpose.** Which conversation is more likely to occur at your firm during product development planning: "If we can get 20 percent of our customers to buy the new offering, it will increase revenues by 8 percent" or "The new offering will help customers cut time-to-market by 15 percent, pay for itself within the first year, and address one of the top concerns they've expressed to us and talked about in their own executive forums"? That last approach will serve the C-Suite customers best.
- **Engagement.** Do you have dedicated relationship managers for your high-value, C-Level customers? These are folks who make sure that the issues they raise get addressed, that the necessary work to follow up on them gets done, and that someone communicates this to the customer.

- **Gaining mastery over complexity.** Complexity and its unintended consequences are haunting corporate performance. For example, increasingly sophisticated hardware and software systems are often cobbled together from a variety of manufacturers. How do you get these systems working seamlessly to deliver the overall result companies want—that is, how do you ensure they're interoperable? It's a complexity issue that can be critical to an organization's performance. If you can help solve it, you can get a seat at the C-Level table. You can learn how Microsoft is doing just that in our report, *How to Build—and Profit From—a C-Level Industry Council.*

"It's always important to get to know the personal agendas of C-Level customers—these are key to knowing their emotional levers."

In addition to such business issues, it's also important to get to know the personal agendas of C-Level customers as you build the relationship—these are key to knowing their emotional drivers. Are they focused on building their career further, or on building their relationships and their network? Perhaps building personal wealth drives them, or increasing their influence in their industry or profession. Or perhaps they're becoming passionate about giving back, contributing to their community, mentoring young people. Any of these can be tremendous emotional drivers—and if you can provide help or guidance, you'll find that phone calls get returned quickly and the relationship will warm up rapidly.

Getting Into Fighting Trim

Once you begin to uncover your C-Level prospect's agenda, the next obvious question is, Can you help her achieve it in some significant way? There are a couple of things to remember here. First, don't brush aside too quickly your ability to contribute: if your product or service contributes at all to an item on a C-Level executive's agenda—however small the contribution—you've got a shot at getting the business, as we saw with Patty Morrison, above.

Second, don't get hung up on pursuing C-Level *titles.* Sometimes highly influential executives with large, discretionary budgets will have nondescript titles that provide no indication of the power they wield. You don't want to overlook such people. At the same time, some executives with titles that sound high powered wield very little influence or budget. That's why it's

Don't get hung up on pursuing C-Level titles. Sometimes highly influential executives with large, discretionary budgets will have nondescript titles that provide no indication of the power they wield.

The Company–Customer Relationship

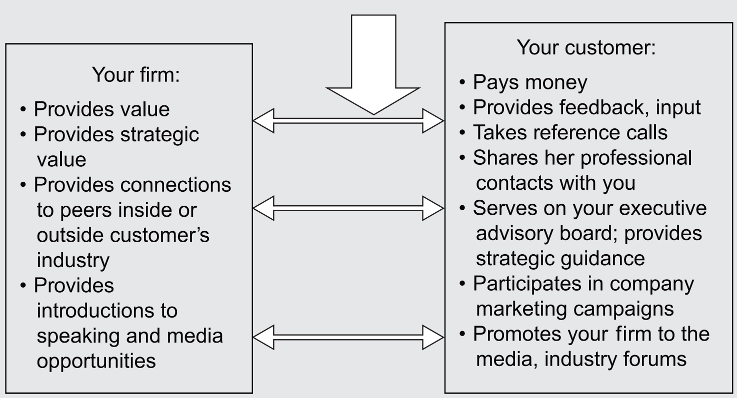
The first figure illustrates how many companies look at their customer relationships, even their C-Level relationships.

A static value relationship

While products and services may change, the value relationship doesn't.

A dynamic C-Level relationship, based on Increasing Reciprocal Value.

Both sides' contributions of value continue to grow.



important to cultivate relationships with employees at your customers who know the ins and outs of their organization and can provide you with access to the *real* powers that be.

Third, look beyond your product and services to create exceptional value for C-Level customers. Companies that get skilled at this provide such customers with connections to peers that could be interesting and useful, or perhaps an industry conference where the executive could speak, or form advisory boards or industry councils that address key issues of great importance to our C-Level prospect.

What such firms develop is an expanded view of the customer value proposition, what I call "Increasing Reciprocal Value."

Developing C-Level Relationships with Increasing Reciprocal Value

The graphic "The Company–Customer Relationship" illustrates the typically static way that most companies view their customer exchanges versus a much more expanded, fulfilling view.

To illustrate the concept of increasing reciprocal value, let me offer the example of one of my own new-client relationships. The client is a talented executive who had recently taken a marketing position at a global technology firm. Her business goals included energizing her new team to make a quick and significant impact on the performance of the marketing organization. Her personal goals included continuing to grow her career in marketing and, in particular, customer engagement and business development. To that end, she hoped to grow her network and raise her visibility in the appropriate professional communities.

We began by engaging her and her team in a day-and-a-half workshop that got the team energized and focused on three exciting, high-value goals. As I followed up later to guide the team toward significant progress in implementation, the client and I developed a trusted adviser relationship. Based on what I learned about her personal and professional goals, we created a video testimonial, copresented a teleconference together, worked on a case study for this book, and along the way provided mutual introductions for each other to our networks as appropriate. On a personal level, it's been exciting for both of us to help each other succeed and grow in the process.

Key Steps

- Determine whether it makes sense for your firm to pursue the C-Suite (you're probably sexier than you think).
- Assess: Is your organization ready for C-Level relationships?
- Get your organization into fighting trim.
- Build Increasing Reciprocal Value with C-Level customers (your products and services are just the start).

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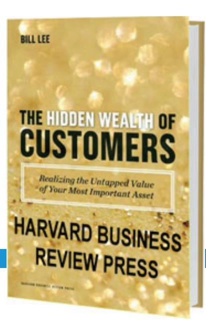

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