

Premium Power and Services:

Revenue Exists with Differentiation and Culture Change

While the traditional grid system is struggling to provide clean, reliable power, energy service providers who differentiate their services and embrace a 180 degree turn from the usual selling perspective will find new customers and new revenue. By focusing on premium power and services matched up with an externally focused, proactive business mentality, new revenue is readily at hand.

One successful culture change is Kinectrics, a vibrant new company that grew out of Ontario Hydro's internationally acclaimed Research Division. "We realized that the methods that many of our scientists and engineers were using to approach our customers were outdated," states Bob Glassen, Vice President of Sales and Marketing at Kinectrics, "so we set out to train our people in a new way of thinking and a new business development process."

The "How To" of Culture Change

Culture changes work when a commitment exists to a proactive investment strategy in people and process. This solution frequently involves charging the largely technically oriented utility professional with the additional role of business developer.

"The people we put in front of our clients knew our services very well, they just didn't know how to get our clients' business," continues Glassen. Degrees, executive education and project/program experience rarely provide the training a professional needs to function adequately in this new, demanding role, let alone survive an intimidating culture change.

Why Selling is Not a Fit

To solve this problem, organizations have tried to run their folks through traditional sales training, often with mixed to disastrous results. To circumvent this problem, some companies go the expensive route of hiring marketing folks to be point persons in the selling process. However, these individuals often lack the technical expertise to work the business acquisition process efficiently and effectively, especially in the premium power and services sector of the utility industry. The outcome is either a demoralized tech professional not sure what role to be in, a disillusioned, unsuccessful marketing person, a frustrated manager whose revenue forecasts don't materialize, and a confused prospect not sure whom to buy from. The end result is lost opportunities.

Craft a Culture Change to Cultivate the Market for Power Quality Services

A solution to the culture change dilemma is learning a true Business Development process. Learning to develop business in the premium power market requires a radical shift from the usual selling perspective of giving presentations, overcoming objections, asking for orders, and maybe closing sales.

Instead, the process of Business Development takes the individual directly from the utility mindset to the thinking of a businessperson, from utility culture to the corporate business culture. This entails learning how to become the client's business partner and moving beyond the concept of problem solving to focusing on problem prevention.

“The impact of having a Business Development process was greater than we had originally thought,” comments Robert Pryor, Manager of Business Development at TVA. “It worked to our competitive advantage.”

When management provides the conceptual as well as the mechanical training that goes beyond traditional sales training, these professionals develop the thinking, system, process and skills that enable them to capitalize on their considerable technical expertise to solve clients’ current and future problems.

Differentiation Key to New Revenue

Is a kilowatt-hour just a kilowatt-hour to customers? Not to those who use high-density electronic loads with hundreds of servers, workstations, storage devices, switches and routers. Even the briefest interruption can cause a costly outage in high-speed networks. Those kilowatt-hours quickly become gold when the money lost during an interruption exceeds the cost of the electricity itself. By clearly distinguishing the difference in the value of a kilowatt-hour to this niche market and helping the customer determine the true monetary value of uninterrupted service, customers will pay the higher rates for premium power and service.

Another way to differentiate is for the service provider to take the position of business partner with the customer rather than presenting him or herself as a sales person or engineer. Learning to ask questions then listen for customers’ current as well as future problems helps establish this critical positioning.

“After learning to ask the right questions and then more importantly actually listen to our customers’ responses, we solidified our positioning with our customers as their valued business partner,” states Craig Rhoades, Director of Customer Service at AEP. “This resulted in higher revenues per customer.”

Problem areas to listen for include sags, surges, spikes, and outages to name a few. By not only solving customers current problems, energy service providers can differentiate themselves noticeably by working to ward off future interrupted service to customers and thereby build value for their company’s services resulting in long-term business.

New Customers, Revenue, and Higher Margins Within Reach

With the explosive global growth of the telecommunication, information technology, satellite-based communication, and portable electronics industries, as well as data centers and financial institutions to name but a few, the need for uninterrupted, quality power has become a customer driven market for savvy energy providers willing to go after it. Those energy service providers willing to make the cultural change and focus on clearly distinguishable differentiation will see new customers, new revenue, and higher margins in their immediate futures. The question is, who will those providers be?

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