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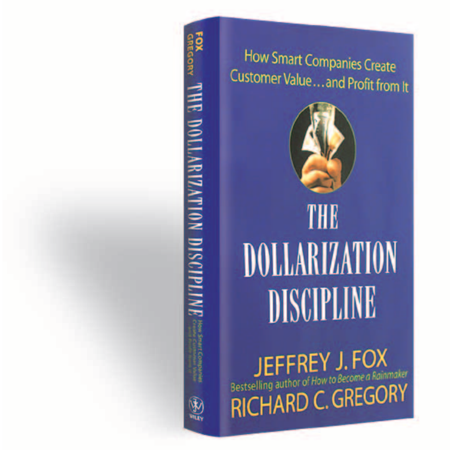

How Smart Companies Create Customer Value ... And Profit From It

THE DOLLARIZATION DISCIPLINE

By Jeffrey J. Fox
and Richard C. Gregory

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THE SUMMARY IN BRIEF

At the heart of The Dollarization Discipline *lies the concept of understanding the financial impacts a product or service has on its buyer. Although this involves the idea of "total cost of ownership," it focuses on more than just cost reduction and cost avoidance. In* The Dollarization Discipline, *marketing guru Jeffrey J. Fox, best-selling author of* How to Become a Rainmaker *and other books, and management consultant Richard C. Gregory describe how organizations can also measure the financial impact of noncost benefits, including increased market share, increased sales volume, and increased pricing power. The authors explain that "dollarization" should be a discipline that businesses apply across a broad set of sales, marketing and management activities, forcing organizations to be customer-focused and customer-driven.*

Helping companies to stay focused on the financial performance that is the ultimate arbiter of their customers' success is a primary ingredient of dollarization, and throughout The Dollarization Discipline, *the authors describe how the difficult task of dollarization can be put into practice.*

What You'll Learn In This Summary

✓ How to effectively communicate the economic value created by your products and services.

✓ How to use a step-by-step strategy to calculate the monetary gain a customer receives in exchange for the price paid.

✓ How to handle price objections, shorten sales cycles, protect business from competition, and get appointments.

✓ How to apply the techniques of "dollarization" to new product pricing, advertising and communications.

✓ Ways to discover how customers make money and align resources to help those customers make *more* money.

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THE DOLLARIZATION DISCIPLINE

by Jeffrey J. Fox and Richard C. Gregory

— THE *COMPLETE* SUMMARY

Getting Started With Dollarization

You are shopping for paint and find many choices at the local paint store. Product X costs $12 a gallon; product Y costs $20 a gallon. Which paint should you buy?

The salesperson says, "I strongly recommend product Y. Its price may be higher, but it will last eight years, while the other paint will last four at best. That means that over eight years, you'd have to buy product X twice, for a total of $24 a gallon, versus just $20 a gallon for product Y. In reality, product Y costs less!"

You reply, "That's very interesting, but I'm preparing to sell my home, so I don't care about how long this paint will last. I think I'll go with product X for $12."

The salesperson listens and responds, "I understand, but I think product Y is still your best choice. You see, product Y contains 50 percent more pigment, which results in better coverage than product X. This means you will need to apply only one coat to your house. Product X will require at least two coats. This will also cut your labor costs in half. Plus, you are guaranteed that your house will look freshly painted, which will improve your success in selling your home. Wouldn't you agree that an extra $8 per gallon is a great investment to sell your house at the price you want?"

Finally, you decide. The $20 paint is actually *less expensive* than the $12 paint.

Financial Consequences of Choosing

When businesses make purchases, too often they are myopic and overemphasize the importance of price. They overlook the many other financial consequences of choosing one offering over another. This is a failure on the buyer's part, because it may very well result in financial harm to the organization. But more importantly, it is a failure on the seller's part because the seller has missed the chance to demonstrate the true financial impact that could be provided to the customer.

The meaningful way to compare the cost of two offerings is by evaluating the *total cost* of using each. In order to help customers to understand the true net cost of your product, you must *dollarize* the product's *true value*.

Dollarization is figuring out what your offering is really worth — in dollars and cents — to your customer. It is the management discipline that is missing in many sales and marketing organizations, and its impact can be great, and its applications are many.

Dollarization can help your company better understand, articulate and profit from the value you create for your customers and clients. Dollarization should become a standing discipline that guides your thinking about pricing, selling, positioning, new product development, and nearly every other area of your sales and marketing.

Value Is a Number

In sales and marketing, value takes the form of value-added, value chain, value proposition, or value engineering. When sales and marketing people talk value, they use words — words that lack precision — and rarely use numbers.

The solution is an approach to sales and marketing that goes beyond articulating features and benefits, but in fact calculates the full economic value a customer receives from a product or service; the seller is then able to price the product or service as a true reflection of that value. This approach is called dollarization.

Businesses do not buy; they invest. Every time a company makes a purchase decision, it is committing company capital. In theory, that capital is constantly being allocated and reallocated to achieve the best available

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Getting Started With Dollarization

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return. Too few companies exercise this discipline for all purchases. And far fewer companies market and sell in a way that permits customers to understand the economic value provided in return for the investment. Whatever you do, you must map exactly how your offering translates to value for your customer's business. ■

Why Dollarize?

Keep your fair share of the value created. Companies receive value from suppliers, and they compensate those suppliers by returning a portion of the value created. In turn, they create value for *their* customers and are able to extract some value in return, which allows them to generate positive *net* value for their owners. Too many companies allow their customers to keep more than a fair share of the value created. Those customers are often unaware of and therefore underappreciate the actual value created by their purchase of the supplier's product. Dollarization is the bridge that enables a company to link and leverage the value it creates and the value it extracts.

Find new ways to grow your top line. Once cost cutting reaches diminishing returns, companies must look for ways to grow the top line, through expanded sales, higher prices, or both. The traditional growth levers available to marketers include:

- **Earning more share of volume or more "share of wallet" from existing customers.**
- **Add new customers in current markets.**
- **Introduce new products or services to existing or new customers.**
- **Enter new geographies.**
- **Sell new applications or uses for existing products/services.**
- **Enter new market segments.**
- **Raise prices.**
- **Reduce controllable customer attrition.**

In the following pages, you will learn how dollarization can improve the effectiveness of each of these marketing endeavors.

Help your organization at all levels protect price. An important motivator for many companies that utilize dollarization is the protection of a price premium or the defense against price erosion (or both). While companies may recognize these as strategically important, it is important for all front-line sales and marketing staff to appreciate just how much profit leverage can be gained by protecting price.

For example, if a salesperson is considering a 3 percent price cut and the current gross margin is 40 percent, the salesperson would have to gain 8.1 percent in incremental unit volume at the new reduced price in order to generate the same amount of gross margin dollars he or she was producing before the price cut.

Strategic Value of Dollarization

Understand your customer better. In addition to winning new sales and improving pricing, dollarization also enables the marketer to gain a deeper understanding of the customer. This understanding keeps the marketer focused on what is truly important to the customer, and helps the marketer make strategic marketing decisions — about product direction, sales approaches, pricing strategies, channel development — that are fundamentally more sound than traditional approaches.

Companies that become dollarization disciplines find that inside-out decision making gives way to a customer-focused mentality. Every decision that impacts the customer can be tested through the dollarization filter: How does this impact the value we create for our customers?

Value of Competing for Inches

The power of dollarization typically lives in the leverage of a few incremental gains. The economic benefit of effective dollarization is far in excess of the cost of implementation. When an organization develops the discipline to dollarize, it wins on multiple fronts. The company begins to win more of the close competitive fights that were once lost. It also grows business with existing customers through a new recognition of the economic contributions made. Overall profit margins inch upward due to smarter pricing and an increased sense of organizational confidence. ■

Buying Motivation

There are two fundamental reasons that drive all purchase decisions: People buy either to *feel good* or to *solve a problem*. But because our personal lives are not strictly profit-driven enterprises, not every personal problem we solve can be dollarized.

On the other hand, *the primary driver behind nearly all business expenditures is the need to solve some type of problem*. Further, in business, the solution to a problem represents either the avoidance of loss or the chance for gain. Both of these can be measured in dollars and cents ... or dollarized.

Examples of Avoidance of Loss	*Examples of Chance for Gain*
✓ Reduce cost of materials.	✓ Increase sales.
✓ Reduce downtime.	✓ Increase prices.
✓ Reduce labor costs.	✓ Expand market share.
✓ Reduce regulatory penalties.	✓ Enter new markets.
✓ Reduce product liability costs.	✓ Earn new customers.
✓ Eliminate manufacturing waste.	✓ Enable new products.

Dollarization and Selling

Dollarization is used most often as a competitive tool in personal, face-to-face selling. Within this realm, there are many specific situations that demand dollarization, including handling a customer price objection, dealing with a customer request for a price reduction, and escaping treatment as a commodity.

The price objection can come in many forms, and somewhere in the course of every sale at least one of these forms is likely to present itself. In order to buy something, customers must give up money, of which they have a limited supply. This creates tension, driven by the implicit economic reluctance to part with cash. In the absence of other financial information, the customer focuses on the price, which represents the imminent sacrifice of dollars.

If the seller truly believes that his or her product is worth the price, then the burden is on the salesperson to demonstrate the price/value relationship to the customer. It is the rare customer who will accurately assess this relationship without help from the seller.

Dealing With the Price Objection

To first overcome the psychological difficulties of dealing with the price objection, the seller needs to keep two simple facts in mind:

1. In most cases, the simple question "What is your price?" has no subversive intent. Usually, the customer simply wants to know the price.

2. Often, the customer is fully aware of the seller's price, the customer's own budget, and the competitive price situation *before* agreeing to meet with or talk to the seller. Despite knowing all this, the customer is still willing to discuss a potential purchase. Certainly, the customer will want to negotiate to ensure he or she pays the best price possible. And certainly, some customers use the price objection solely as a tool to drive down the seller's price. But most customers simply want or need the seller to help them understand why they should invest in the seller's offering over other options, or why they should move budget money around to enable an investment in the seller's offering. Often this is motivated by the customer's need to make the same case internally with his or her colleagues. The customer *needs* the seller *to demonstrate the dollarized value of investing in the seller's solution.*

It is also important to understand as sellers that the price-only customer is fickle and probably not a healthy addition to the selling company's customer portfolio. Price-only customers do not merit much investment of selling resources. Guard against price-only customers!

A true dollarization discipline salesperson handles the price objection by bringing it up long before the customer voices it. Early in the sales process, this salesperson says, "You need to be aware of something right from the start. When it comes time to propose a price for this program, I can guarantee we will *not* be the lowest. In fact, our price will likely be at the high end. However, as I work with you, I intend to show you how that does not matter. I will help you evaluate how my product will reduce your costs in areas other than price, so that your total cost picture will be much more attractive, even with my higher price. If that's OK with you, let's get started, OK?"

By establishing this understanding at the outset, before price is even on the table, this salesperson changes the rules of the game in favor of a total dollarized value approach. If the customer disagrees, the salesperson knows to invest his or her selling time elsewhere.

Selling Something New

One of the more difficult challenges in selling is persuading customers to purchase a new product or service when they are currently satisfied using an established, entrenched technology or methodology. Dollarization can help move even the most reluctant customer to action.

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Reduction to the Absurd

When you have exhausted all available strategies and the buyer's focus on price continues to go beyond what is rational and reasonable, it can be useful to employ *reductio ad absurdum*, or reduction to the absurd. This technique can be useful, but be warned: It must be used carefully! It is often saved as a last resort, and should be delivered with good humor (and low expectations). Consider this conversation:

Buyer: As far as we're concerned, we will buy from whatever gear company offers the lowest price. I don't care about your supposed "advantages."

Seller: So, if you could spend nothing on this gear, you'd be happy.

Buyer: Exactly. Very happy.

Seller: Well, there *is* a way you can do that and save all the money you would spend on gears: Don't buy any gears.

Buyer: Excuse me?

Seller: That's right. Don't buy any. That would save your entire budget.

Buyer: Yes, it would. But our machines wouldn't run without gears.

Seller: Oh, the operation of your machines is a factor in your decision?

The conversation has now returned to the underlying reason why the customer needs to buy the seller's product. By bringing it to an absurd level, the seller has made the point that product performance and price must be considered in concert.

Dollarization and Selling

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The challenge when selling a new concept is to demonstrate to the prospective customer that, despite the apparent risks of leaving behind the tried-and-true, the new product will produce a financial return so attractive that the customer would be committing management malpractice by not — at a minimum — testing the new product.

The financial argument plays out as follows: The customer considers the "net value" delivered by a product or service, which can be expressed as:

Net Value = (Dollarized Value – Cost of Risk) – Price

In other words, to understand the true net value of a product offering, the customer must assess the dollarized value the offering is expected to create, adjust that for any perceived risk, and then subtract the purchase price.

When comparing two established products, the customer analysis is simplified, because the cost of risk associated with the two established products, due to experience, is comparable and perhaps even negligible. However, when a customer is considering a new, unproven product or service, the net value for the new offering can be greatly impacted by the customer's perceived cost of risk for the new product.

In order to move the customer to buy, the new product seller must demonstrate that:

$$\text{Net Value}_{\text{New Product}} > \text{Net Value}_{\text{Old Product}}$$

To accomplish this, the seller's missions are: (1) to articulate the dollarized value of the new offering, (2) to develop and execute a strategy for minimizing the customer's perceived cost of risk, and (3) to present a price that makes financial sense given the other variables involved.

Mitigating the Customer's Perceived Cost of Risk

There are two key challenges in dealing with the customer's perceived cost of risk. First, the customer is frequently comfortable and complacent with the current product or service. Second, because newness brings with it a vacuum of experience or reviewable data, buying companies tend to overestimate the risk of switching to something new.

One selling strategy that has been successful in these situations involves three steps:

1. The seller works with the customer to generate a preliminary understanding of the new product's benefits and applicability to the customer's situation.

2. The seller works with the customer to conduct a pro forma dollarization analysis. This analysis is typically based largely on the seller's own background data.

3. The seller asks the customer for a conditional buying commitment. For example: "As we agreed, this widget could save your company more than $50,000 per year. If it performs as promised when tested, is there any other reason that would prohibit you from going forward with it?"

This approach works on several levels. First, it acknowledges the customer's need to test and validate the promise of the new, unproven product. Second, it puts the burden on the seller to prove the preliminary claims made about the product's performance. This creates a feeling of comfort for the customer. Third, it firmly puts the decision in financial terms: In order to save $50,000 per month, the customer must test the product. This makes the testing more likely to proceed in a timely manner. Fourth, the "Is there anything else?" question prompts the customer to verbalize any other hidden objections or roadblocks. And finally, once these are cleared up, the decision criteria are clearly established: If the product does indeed test as promised, the customer has committed to move ahead.

Unless there is a legitimate misunderstanding between the buyer and seller about the compatibility or applicability (or both) of the new product, this approach significantly increases the odds that the product will be tested and will perform acceptably for the customer. Testing the product greatly diminishes the perceived cost of risk, allowing the dollarized value to stand on its own.

Shortening the Sales Cycle

Dollarization *does* shorten the sales cycle. There are three requirements to get a business to accelerate its decision-making process on a purchase:

1. Dollarize. The seller must present a compelling dollarized financial story. This changes the way the customer views the decision. Rather than another buying decision, the customer sees an opportunity to make money, to save money, or to stop losing money. The presentation of a dollarized economic reason for moving ahead with a purchase decision can distinguish an offering and place it in a unique light. The dollarized story alerts the customer to the financial impact of making, or not making, a decision to move forward.

2. Make someone a hero. An important step in using dollarization in any customer situation is to earn the trust of one or more of the players on the customer side. You must help them understand that your dollarization approach is intended not as a selling ploy, but as a tool to make sure the customer is making a valid business decision.

3. Create a sense of urgency. Whether or not you are able to develop a partner on the customer side, the words used in presenting the dollarized case must be chosen very carefully. Telling a customer he or she "can stop losing $XX" is more compelling than telling him or her that he or she "could save $XX by investing in product Y." ■

Dollarization and Marketing

While the application of dollarization in advertising and marketing communications can take many forms, it is typically best executed using the following devices:

- **Testimonials.** A customer or other expert provides a third-party reporting of the dollarized story.
- **Case histories.** The marketer relates the experiences of prior customers in describing the dollarized outcomes.
- **Head-to-head comparisons.** The marketer states the dollarized advantages of its product versus a prominent competitive offering.
- **Test-driven data.** The marketer reports test data (third-party or its own) that demonstrates a dollarized advantage for its product versus the competition.

Sandvik Coromant

Dollarization can lead to clear positioning, messaging and communication, as seen in the following example:

Sandvik Coromant is the world's leading maker of highly engineered carbide metal cutting tools. These tools are used heavily in the automotive and aerospace industries, and in nearly every industrial segment for shaping steel and other metals, drilling holes, threading bolts, and many other applications.

Sandvik is a prolific new product marketer. Every year, it introduces thousands of new products. These products are built on technological improvements — sometimes incremental, sometimes revolutionary. The improvements tend to focus on a few key performance areas: extending tool life, faster cutting, and improving quality of cutting.

An implicit side effect of these improvements is that the consumption of tools by customers can decrease over time. For example, if a tool that currently cuts 100 pieces before breaking is replaced by a new tool that lasts for 200 cuts, the number of tools required by that customer is theoretically cut in half. Over time, this creates a governor for unit growth, so Sandvik must try to price its products to reflect the performance improvements to the customer in order to avoid long-term revenue erosion.

Every new product that Sandvik launches is backed by detailed comparative test data, developed by the product marketing teams. This data illustrates performance claims that can later be tested by individual customers. Every Sandvik salesperson is equipped with analytical tools to estimate the financial payback on converting to new Sandvik tooling. Dollarized thinking pervades the entire Sandvik approach to marketing, including its print advertising, which has distinguished itself from industry competitors for years.

Pricing New Products

Acknowledging that new product pricing is an inherently imperfect combination of marketing art and science, there are ways to add more science to the mix. New product pricing should not be strictly formulaic, as in target margin pricing, nor should it be a game of blindman's buff. Understanding the dollarized value of an offering to the target customer group is a critical ingredient to seeing new product pricing options more clearly.

The following sequence can be adapted for different product types and different markets, but the essential discipline remains the same:

1. Estimate the product's dollarized value. First you must understand the economic value your new offering delivers to your target customer. The value created by every unit of your offering establishes the dollarized price ceiling for your offering.

2. Compare the dollarized value to the price floor. The total dollarized value provides an initial snapshot of your potential pricing window. You must next compare that value to the minimum price you would accept for the new product offering.

This price floor is constructed by evaluating the direct cost of producing and delivering each unit, *plus* a minimally acceptable markup that would generate an acceptable contribution to your business. If the total dollarized value per unit is *less* than the price floor, the marketer must conclude that the product is economically viable. If instead the total value per unit does indeed exceed the marketer's acceptable price floor, the next task is to determine how far above that floor the marketer can manage to price the offering.

3. Consider the target customer's investment criteria. In order to be enticed to buy, the customer will demand to keep some of the incremental value created by the new product. The amount kept must satisfy the customer's investment criteria for making the outlay for the price of the product. Whatever the customer's method for evaluating the attractiveness of an investment, you must understand it and account for it in your pricing strategy.

4. Account for other marketplace dynamics. Dozens of factors come into play here, but some of the common considerations are the following: How defensible is your competitive advantage? What is the conventional market price? How homogeneous is the market?

5. Consider unconventional pricing structures. If you anticipate emotional customer resistance, look for ways to unbundle your pricing. This could involve charging for use instead of a one-time price, or one stripped-down price for the core product, and then charging extra fees for other components of the offering. Some companies charge special handling fees, odd-lot fees, engineering surcharges, environmental fees, etc. ■

Dollarization Techniques

When a company decides to put dollarization to work in sales and marketing, there are three major disciplines that must be addressed. Each requires a different set of skills and each can be accomplished through a variety of approaches. However, a dollarization strategy that under-invests in any one of these activities will underperform.

Dollarization Process Steps

The three process steps are:

1. Dollarization discovery. Determine how your offering results in financial value to your customers. The outcome of this step is the arithmetic formulas required to calculate your dollarized value. The actual data needed to populate those formulas must be developed separately.

2. Data development. Develop the data required to calculate the dollarized value you deliver to customers. This step enables you to complete the equations developed in the discovery phase with real numbers.

3. Strategy integration. Determine how to use your dollarized story to shape your marketing and sales approaches. This is where dollarization is put to work to improve your business.

Discovery and Data Development

The strategy integration opportunities offered by dollarization were covered in the previous pages of this summary. The remainder of this article looks more closely at how to implement the discovery and development phases of the dollarization process.

Whenever you start identifying and quantifying the value you create for a single customer or an entire population of customers, it is important that you methodically review all the potential impacts. Leave no stone unturned. Whatever sources you use to develop your understanding of the value created, the following steps will guide you:

1. Determine who is your competition. You must know what you are selling against before you can begin to dollarize. Often, you will need to dollarize against multiple enemies.

2. Articulate your differentiating features. When compared to the competition you are facing, what are the specific differentiating elements of your offering? Consider every element of your total offering, from the product itself, to the service package that comes with it, to your overall company picture. You must be precise and comprehensive in this assessment.

3. State your benefits. Next, you must identify all the ways your differentiating features benefit your customer. It is helpful to ask yourself the following questions, and to try to answer them from the customer's perspective: How does this feature help the customer? Why should the customer care about this feature? What customer problems does this solve? What are the consequences if the customer *does not* get this feature?

4. Quantify your benefit. The next step is to determine how to quantify each benefit delivered by your product or service. This is where you convert benefit words into numbers. For example, improved productivity becomes eight more units per hour, and better performance becomes a 3 percent gain in market share for the customer.

5. Dollarize. Finally, you must determine how the quantified benefit results in dollars-and-cents savings for the customer.

After you have worked through this five-step process, you will have drawn the connection between your offering and exactly how it creates value for your customer. Also, you must always probe beyond the obvious benefit of your solution. This requires knowing your customer's business, knowing contacts throughout the organization, and asking excellent needs-analysis questions. Identify the real value and you will be rewarded for it.

Developing Dollarization Data

Once the marketer has developed an understanding of the *mechanisms* by which his or her offering creates value for customers, the marketer is faced with the challenge of actually quantifying and dollarizing that value.

The two key areas of information requiring development are:

1. Data that *quantifies* the performance advantage.

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Three Steps in One Meeting

In some cases — especially when the marketer's offering is engineered or tailored for each customer — the "needs analysis" phase of face-to-face consultative selling might encompass all three steps.

For example, a salesperson might enter a conversation with an existing or prospective customer with a dollarization mind-set and proceed to probe for customer problems for which the seller's offering provides potential cures. In the course of that probing, the seller might discover the economic consequences of those problems (discovery), and if prepared and alert, might also discover the building-block data required to calculate the actual dollarized values (data development). Additionally, during the same visit, the salesperson might learn about the decision-making process at the target customer, and thereby gain insight as to how to use his or her dollarized story to shape his or her selling strategy (strategy integration).

For additional information on soft costs, go to: http://my.summary.com

Customer Buy-In Is a Must

Dollarization without customer buy-in will not succeed. If a customer views your analysis as a self-serving tool to coax the customer into paying for your solution, that customer will likely be reticent in sharing information, will discount your claimed outcomes, and will undermine your efforts with other colleagues. An important early selling step is to help the customer understand that, as a consultative seller, you are sincerely interested in helping improve the customer's business situation. Dollarization is your tool to make sure the economic returns to the customer are acceptable.

Dollarization Techniques

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2. Data that *dollarizes* the quantified performance advantage.

Often, both of these discovery steps can be accomplished in the course of routine interactions with the customer, or the marketer will find that the required data can be developed quite fully through internal means, with just a few bits of data needed from external sources. But in many cases the data appear elusive, so the marketer must develop creative means to collect the necessary information.

Direct Interviews With the Customer

When a company is selling products that are custom-engineered, services that are specifically tailored, or other offerings that are unique to each buying customer, the only feasible approach for developing applicable dollarization data is to pursue a direct, preferably collaborative approach with the target customer. Because much of this work is done face to face (or by phone) with the customer, it requires careful training, practice and diligent planning.

Indirect Customer Research

When a product or service offering is expected to impact the way your customer's *customers* benefit from enhancements to your customer's offering, it is useful to seek the perspective of the end market when assessing your value. Your customer's sales and marketing organization can be a good source for intelligence here. You might ask them, for example, how a specific enhancement to their product would be received in their marketplace. You also might ask them how certain aspects of your product or service offering might help them to raise prices, attract more customers, or both. ■

For additional information on hybrid approaches, go to: http://my.summary.com

The Dollarization Doctrine

Here are 10 rules to successful dollarization:

1. Always remember "price" and "cost" are not the same thing. Price is one of many costs. When convenient, buyers will discuss price as if it were the only cost. They will use the words interchangeably. Don't succumb!

2. Ask "So what?" Don't let your sales and marketing people talk about features and benefits without answering "So what?" How do those features and benefits translate to money in your customer's pocket? What are the consequences if they do not buy from you?

3. Let dollarization guide you. A key criterion in your new product development process should be the value a product can deliver to customers. If your current offering lacks meaningful value, look for enhancements that will fill the void.

4. Use numbers. Resist the temptation to use words when numbers can do the job so much better. "Twenty-five percent faster" is more compelling than "much faster."

5. Sell the concept first. A great dollarization story will fall on deaf ears if the customer does not first understand that the analysis is meant to help the customer and his or her organization. Worse yet, it will be viewed as a selling ploy and discounted accordingly.

6. Show your calculations. Show every step in the math to make your dollarization work. Otherwise, a customer might be unable to recreate the math in your absence, which will prevent him or her from sharing it with peers, which is a critical step in the commitment process.

7. Do your homework. Before sitting down with a customer to work through your dollarization math, you will need two things: a set of calculations that will dollarize the value points you have identified (with the numbers left blank) and a set of pro forma numbers based on your homework. These numbers will be your fallback if your customer is unable to provide a piece of data.

8. Use customer numbers. Whenever possible, ask your customer for the pieces of information required to build your dollarization analysis. In selling, customer participation begets persuasion. Any number you provide will be discounted. The customer's own numbers are indisputable.

9. Competition will always be a downward force on your prices. This downward force of competition will never go away, so you need opposing forces on your side. The dollarized value you create and document will counter the negative pull of competition.

10. Don't forget to dollarize defensively. If you have a customer you can't afford to lose, be sure to periodically report the dollarized value you deliver as part of your day-to-day relationship. Don't let an information vacuum allow your customer to be tempted by the lure of a low-priced competitor. ■