COMMERZIAL

Sustainable Scaling

Opportunity and a prerequisite for your future sales

Agenda

1. Why is sustainability relevant to you!?
2. Why do we need Sustainable Scaling?
3. Challenges and Solutions
4. Observations & Discussion

Purpose of this seminar

UNDERSTAND why sustainability is relevant?

WHICH solutions to sell?

WHAT values can you offer to your customers?

HOW to engage your customers?

WHY is it relevant for you?

A prerequisite for doing business tomorrow

License to operate in the future

Becoming a **legislative** requirement enforced by regulators

Customers

Becoming a **prerequisite for future sales**

Employees

People want to be a part of a **solution**

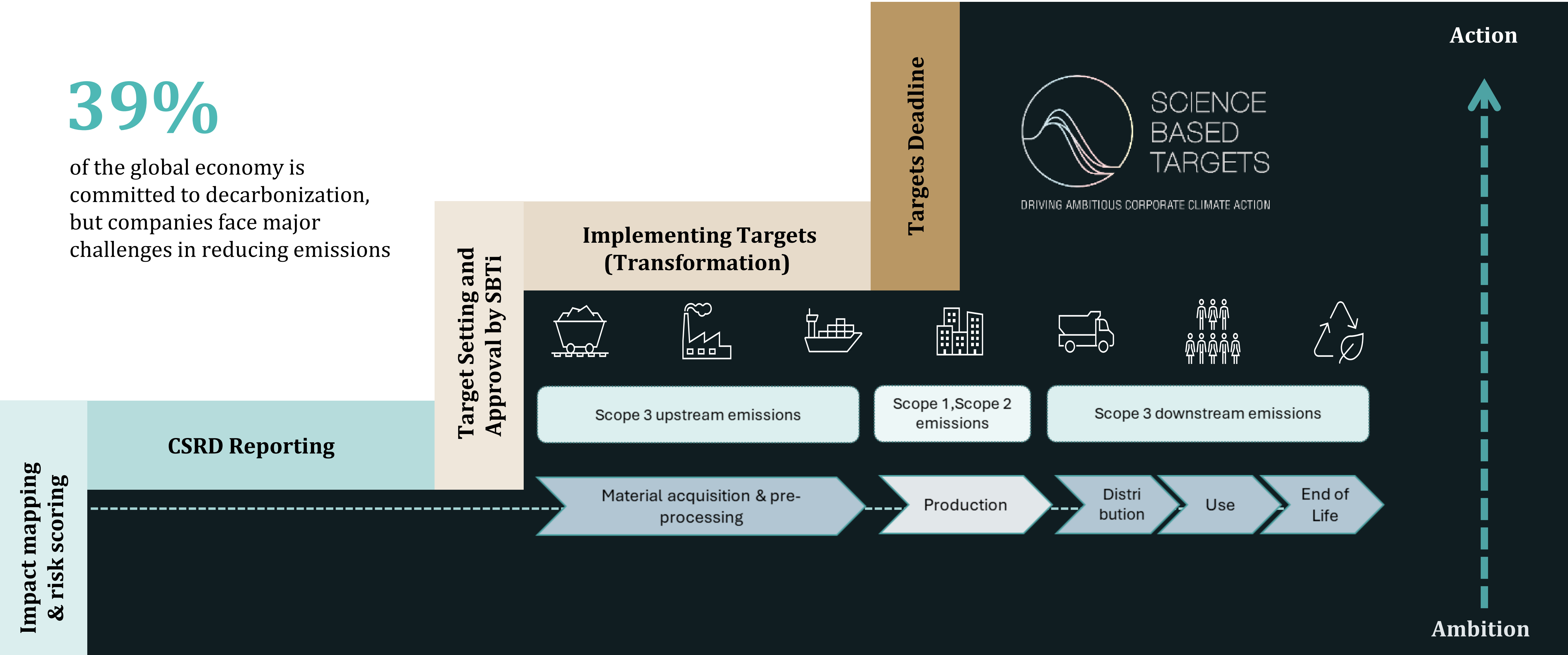
Mid/Short/Long term Access to Capital

Interest rates applicable to loans are linked to the **sustainability KPIs** and targets

Sustainability Journey –
Turning Ambition into Action

39%

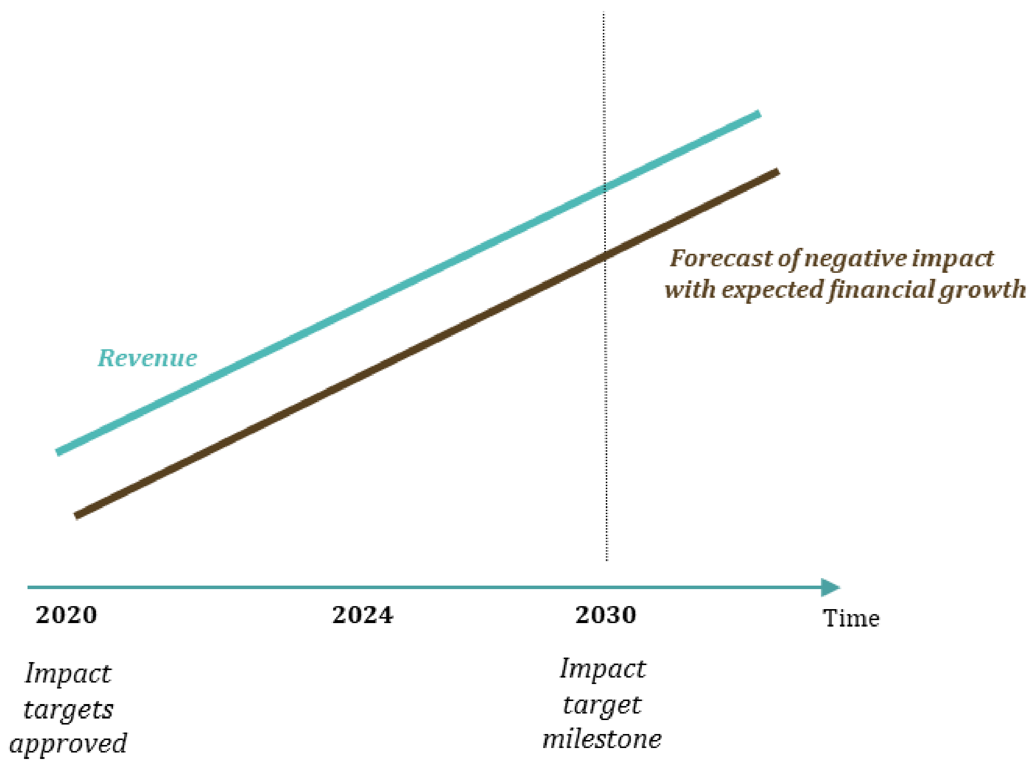
of the global economy is committed to decarbonization, but companies face major challenges in reducing emissions



*** Different levels of maturity**

Impact reductions are dependent on business change

*Impact **coupled** to growth*



Cracking the selling curve

To implement impact commitments, companies need to decouple financial growth from their value chain emissions. This requires a major transformation.

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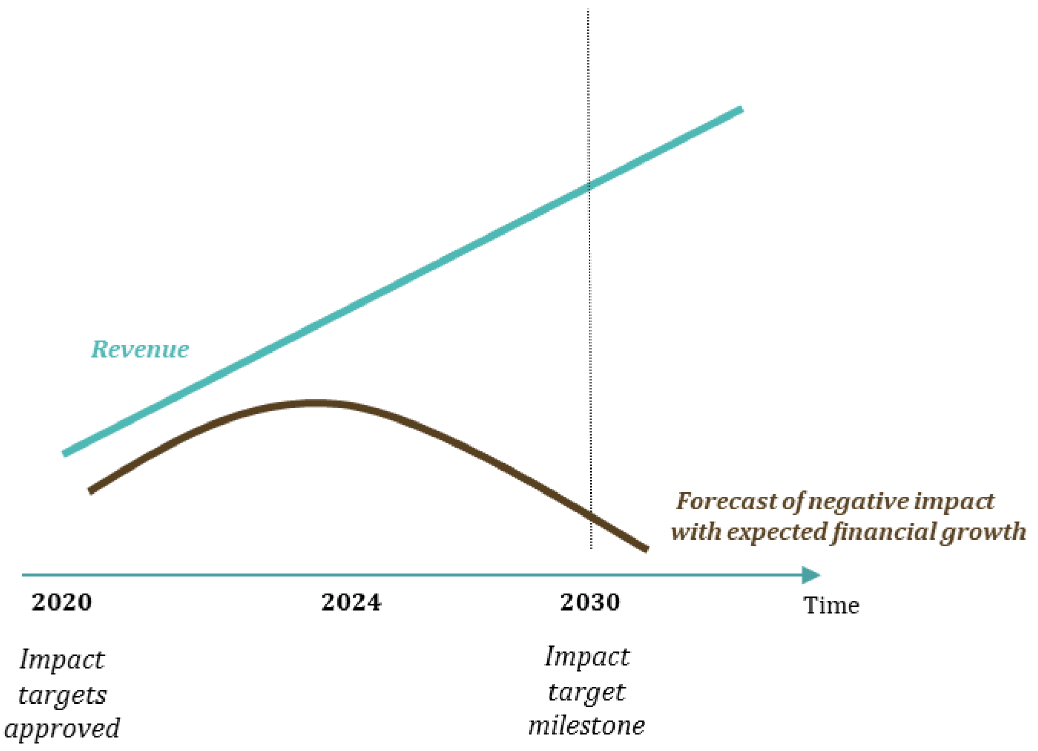
*Impact **decoupled** from growth*



Cracking the selling curve

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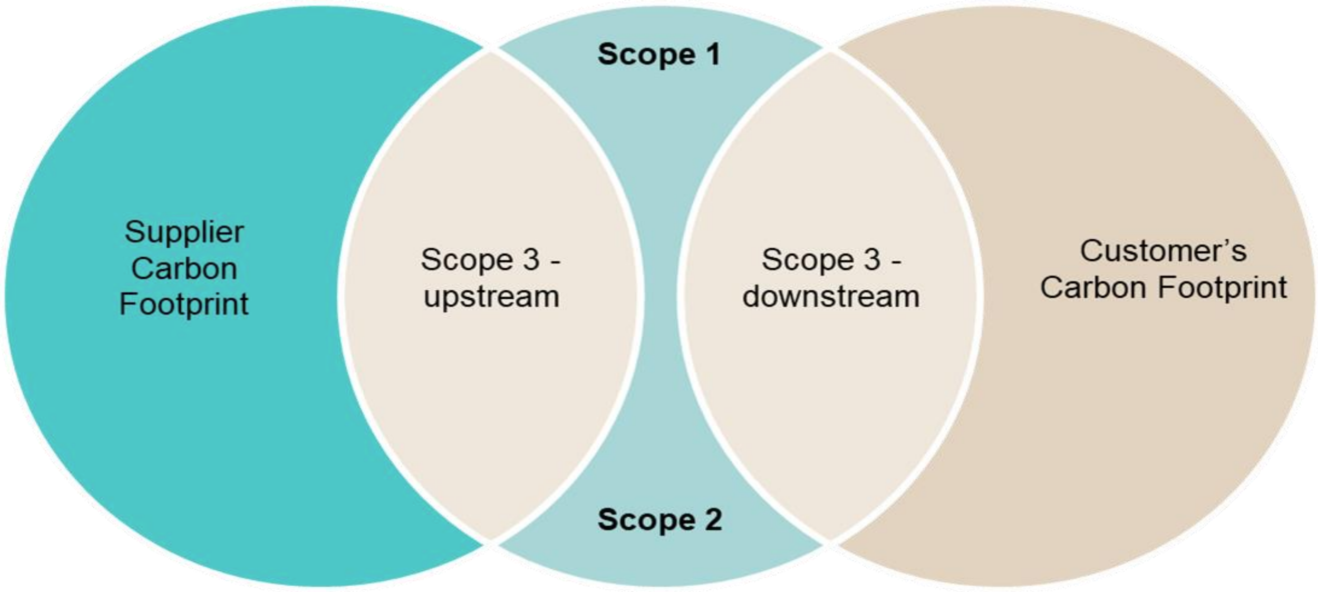
Your downstream emissions becomes your customers' upstream emissions

Downstream emissions influenced by your choices of product and revenue generation model

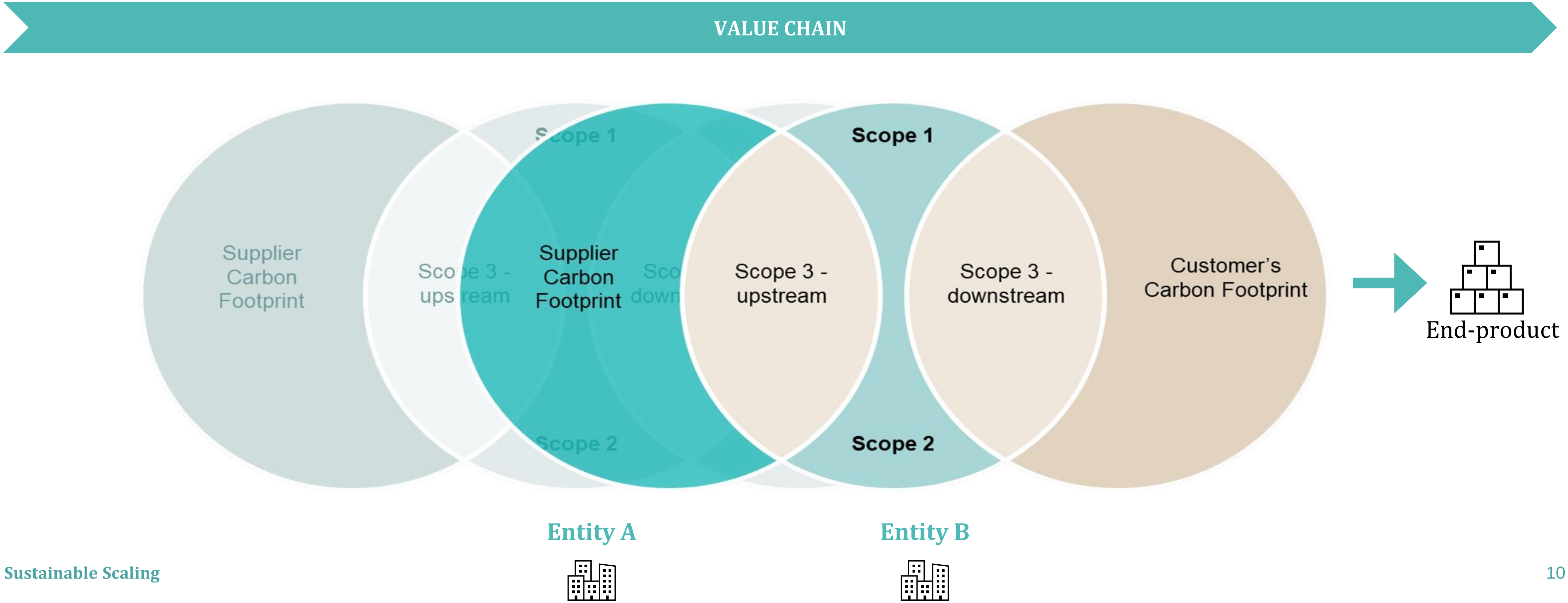
VALUE CHAIN



Entity A

Your downstream emissions becomes your customers' upstream emissions

Downstream emissions influenced by your choices of product and revenue generation model



So why is sustainability difficult to match with commercial success?

Challenge #1

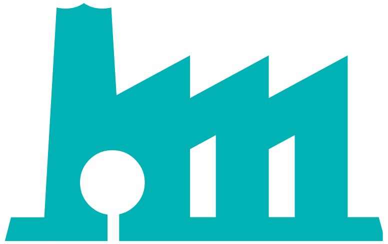
Need to de-couple growth from negative impact

Challenge #2

Need to re-align your commercial engine

...because it requires change...

VALUE CHAIN



We need the Right Products
Done Right

We need the Right Products
Sold Right

Right products done right

Sustainable Scaling

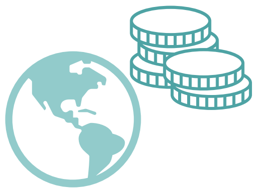
How do you define a ‘Right Product/Project’ if you want to decouple growth from your environmental impact as a company?

Double Materiality is a key driver

Right Products Done Right

Companies need to integrate both dimensions into portfolio level decision-making

Impact Materiality	Financial Materiality
+ Positive Impact	+ Business Opportunities
- Negative Impact	- Business Risks
Actual and Potential	Past and Future

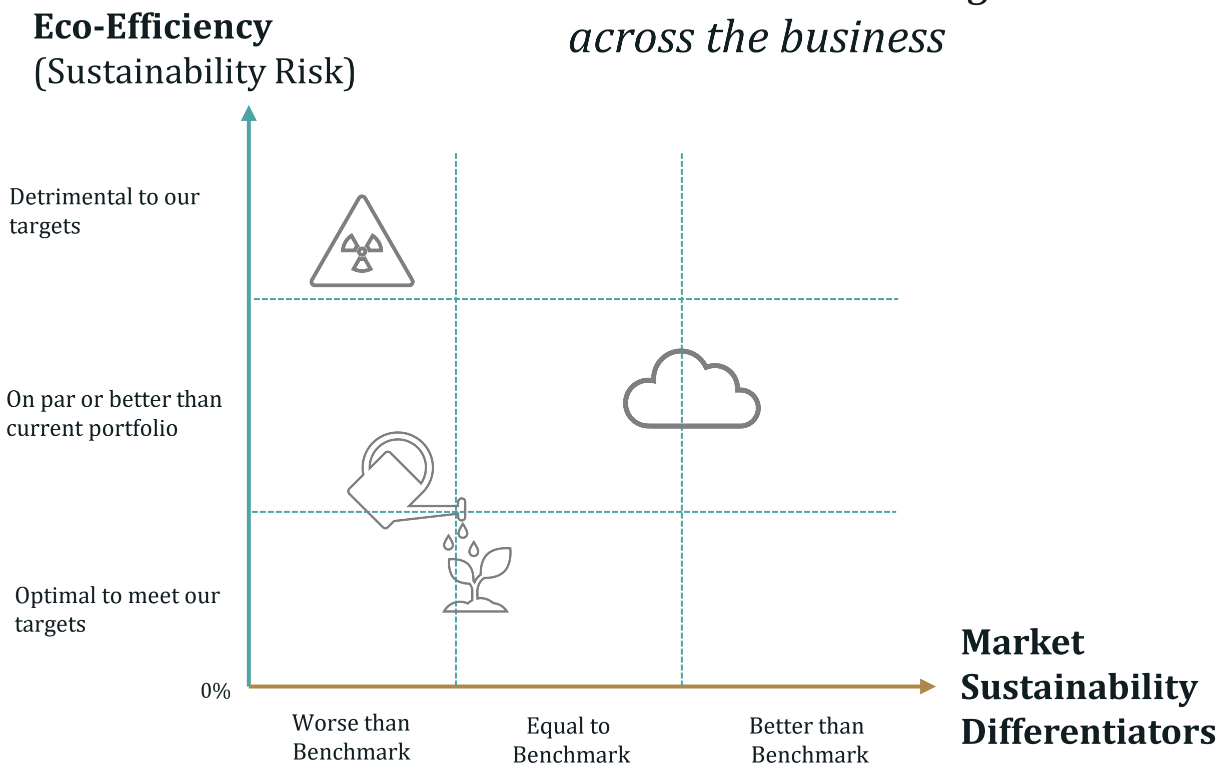


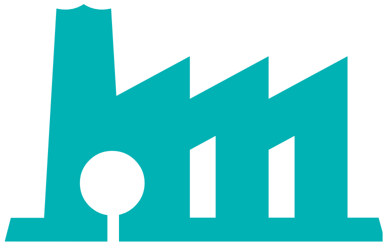
Addressing Gaps: Integrate sustainability decisively into all decisions and operations.

Select the right products for us & our clients

Decoupling growth from negative impact requires quantification at early-stage NPD

Ambitions and thresholds agreed across the business



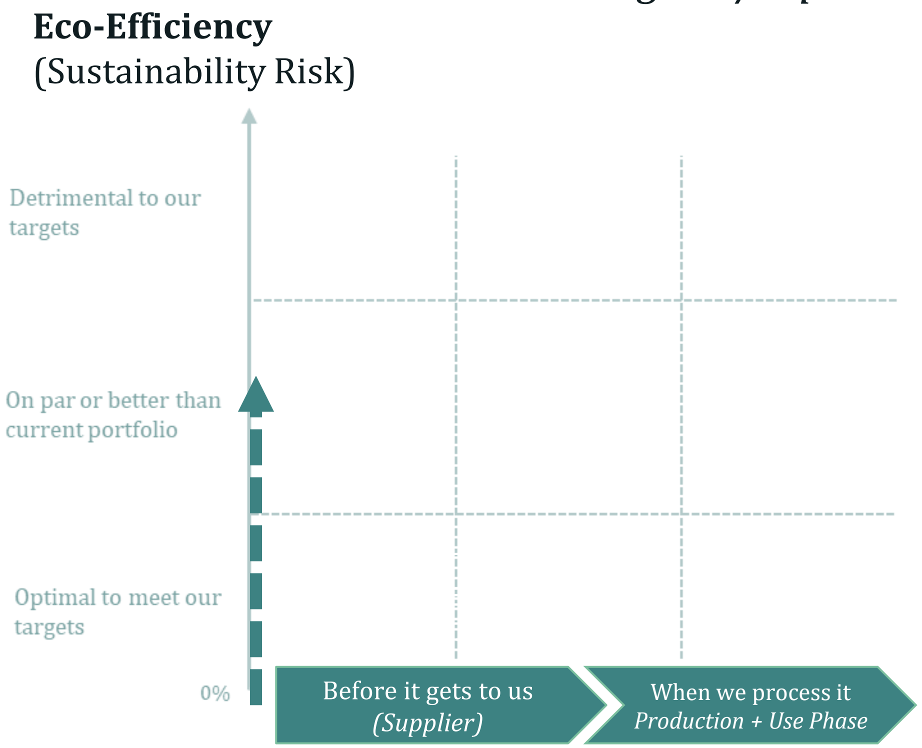


Right Products Done Right

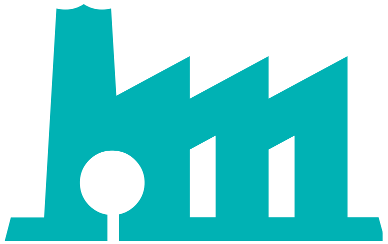
Select the right products for us & our clients

Beyond understanding whether a New Solution is good or bad, we need to understand whether it helps us to drive our strategy or hinders our efforts to achieve our environmental targets

Cradle-to-gate / Upstream Value Chain



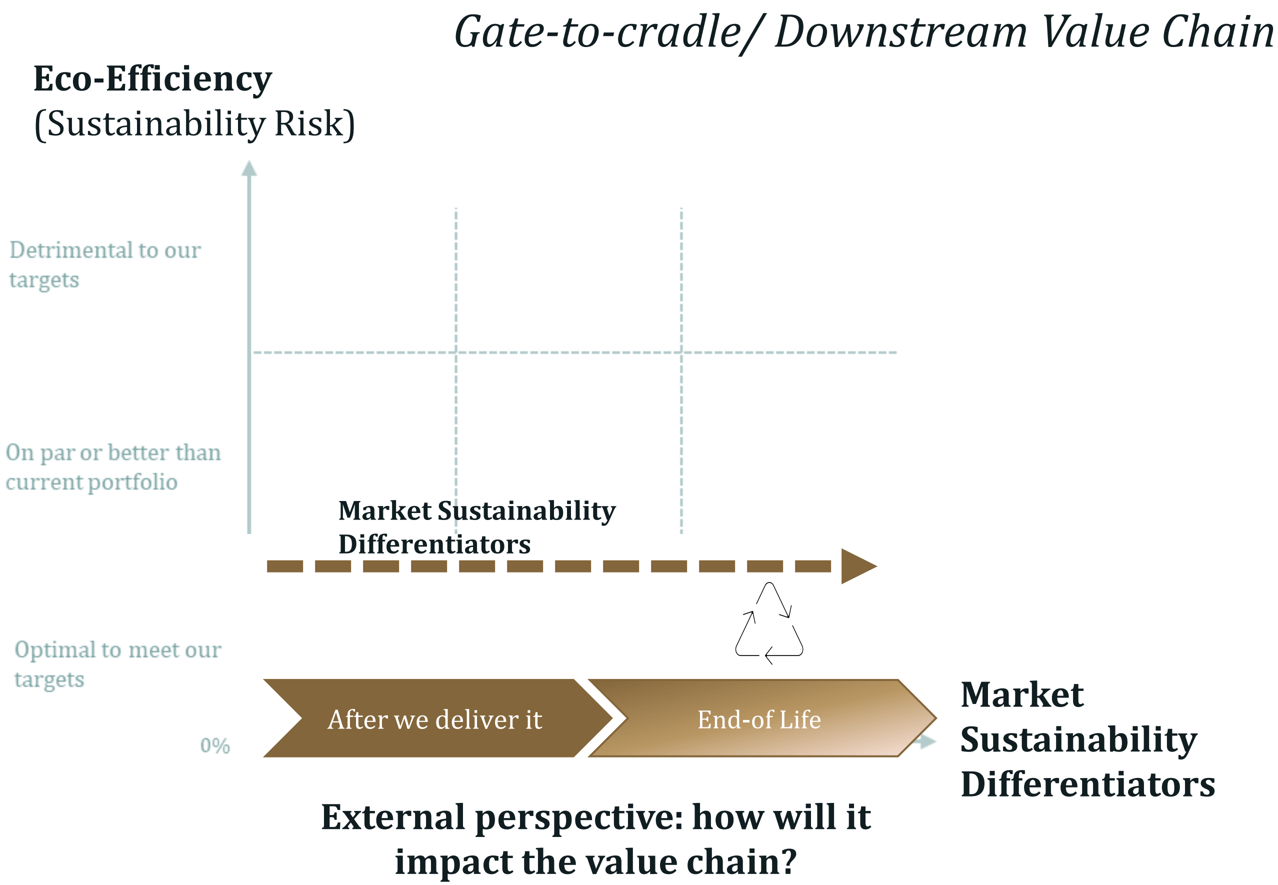
Internal perspective: Based on our materiality and own targets

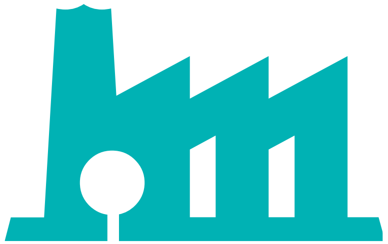


Right Products Done Right

Select the right products for us & our clients

Market signals captured via market sustainability differentiators





Right Products Done Right

Apply solid methodology and tools

Right Products Done Right

Framework needs to be analytically solid: e.g. aligned to material issues/targets, include cannibalization etc., and requires inputs from e.g. sales & marketing teams, sustainability officer etc.

Thresholds for Decision-Making

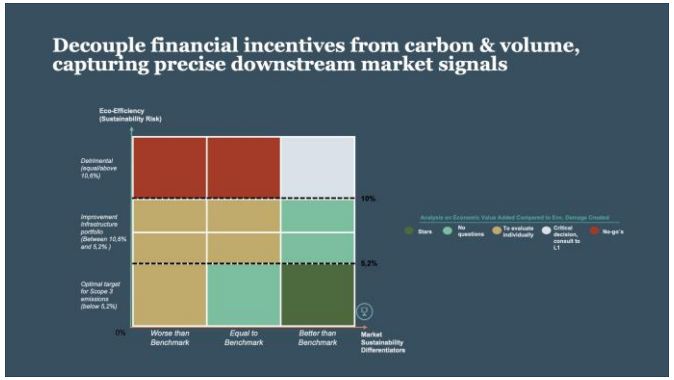
Set thresholds based on targets to guide decisions and decouple financial incentives from carbon emissions and volume.

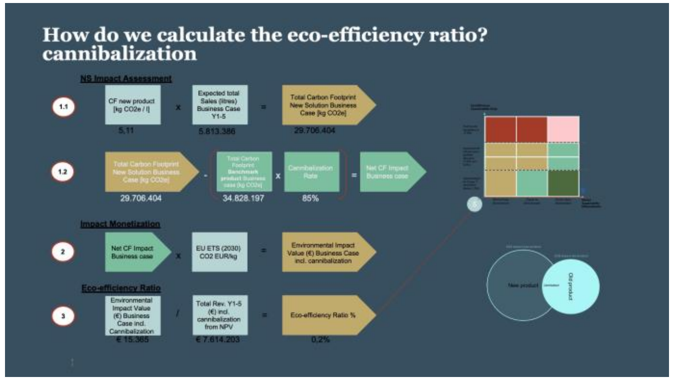
Analysis and Quantification

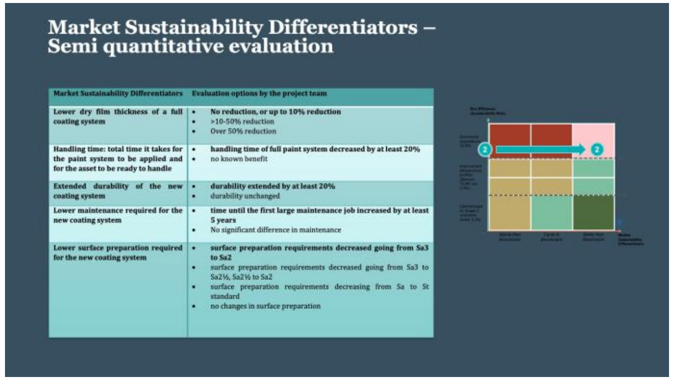
Use detailed analysis and quantification, such as carbon pricing, EU ETS tax, and potential cannibalization.

Align with Market Standards

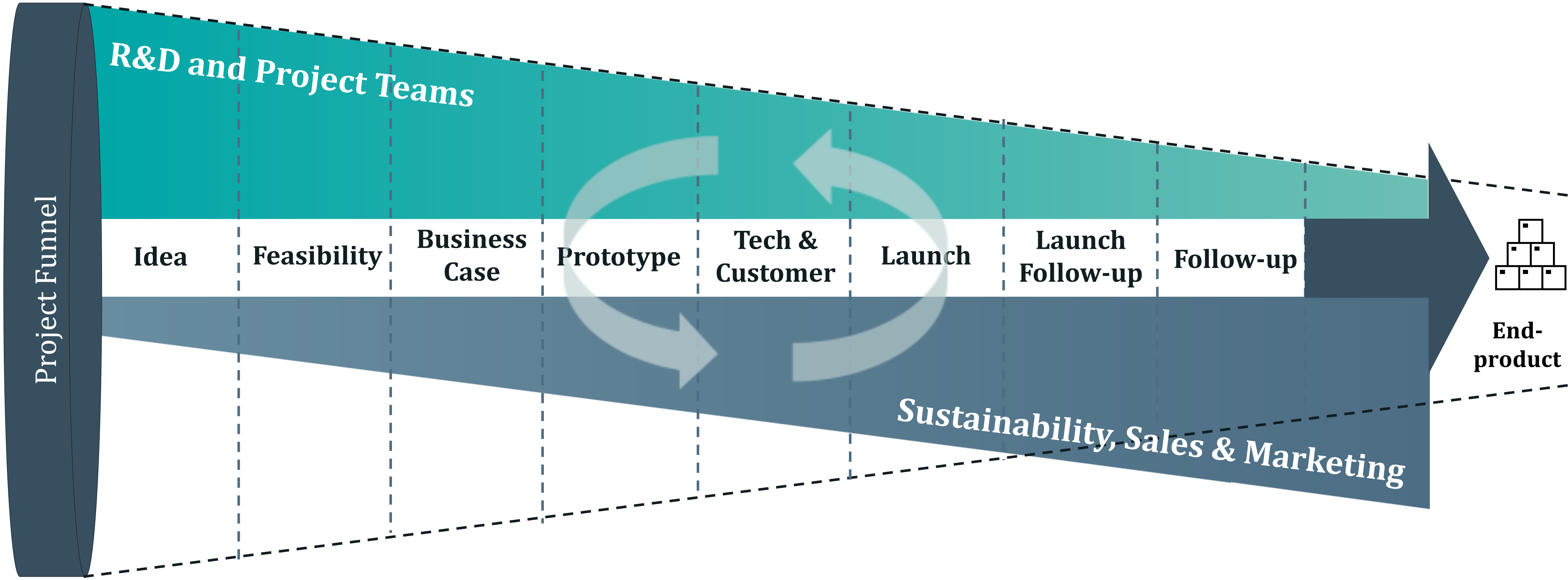
Align sustainability value drivers with legislation, industry standards, and trends to differentiate sustainability efforts.







Securing cross-functional involvement from day one



Case Example

Right Products Done Right

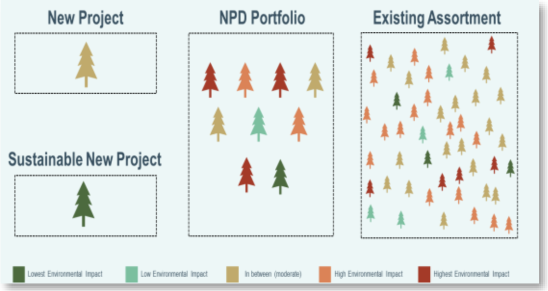
Issues

- Not able to deliver on SBTI Scope 3 commitments within the existing NPD process. Emissions are coupled to volume and revenue.
- Projects financial and sustainability business cases were reviewed isolated from each other
- Low success-rate of "sustainable product" launches

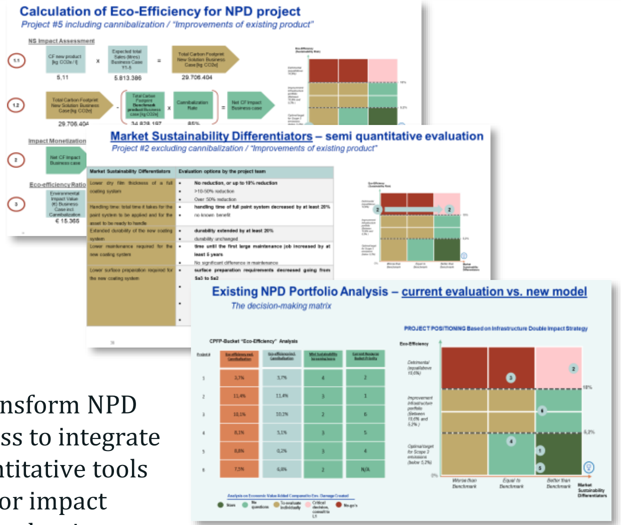
Value Proposition

- Integration of environmental sustainability in portfolio level decision-making.
- NPD Decisions aligned with own long-term sustainability targets
- Inclusion of customer and market sustainability value-propositions in NPD

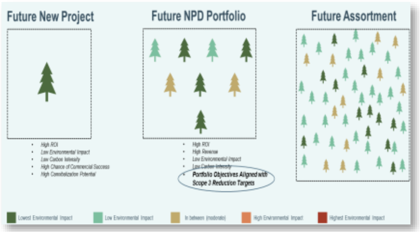
Approach



Assess current NPD selection process, gates and decision criteria



Transform NPD process to integrate quantitative tools for impact evaluation



New projects / products with focus on internal & external sustainability fit

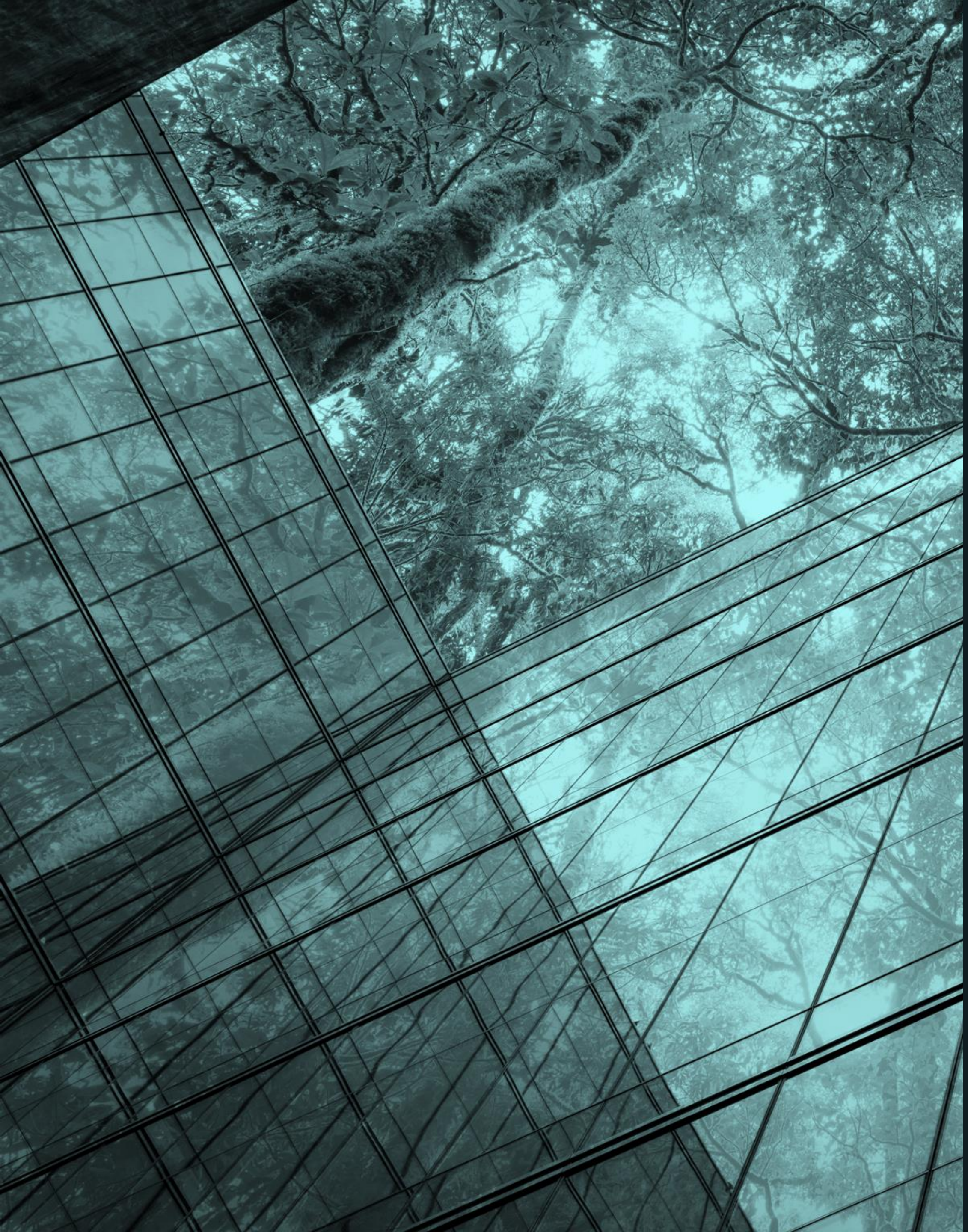
Success factor

- Aligning NPD Portfolio with companies financial and sustainability Objectives
- Solid and data-driven approach to selecting new products to bring to market
- Increased collaboration with sales, marketing and product management to ensure traction

We need the Right Products SOLD Right

COMMERZIAL

What challenges do you face with “selling” sustainability to your customers?



Overview

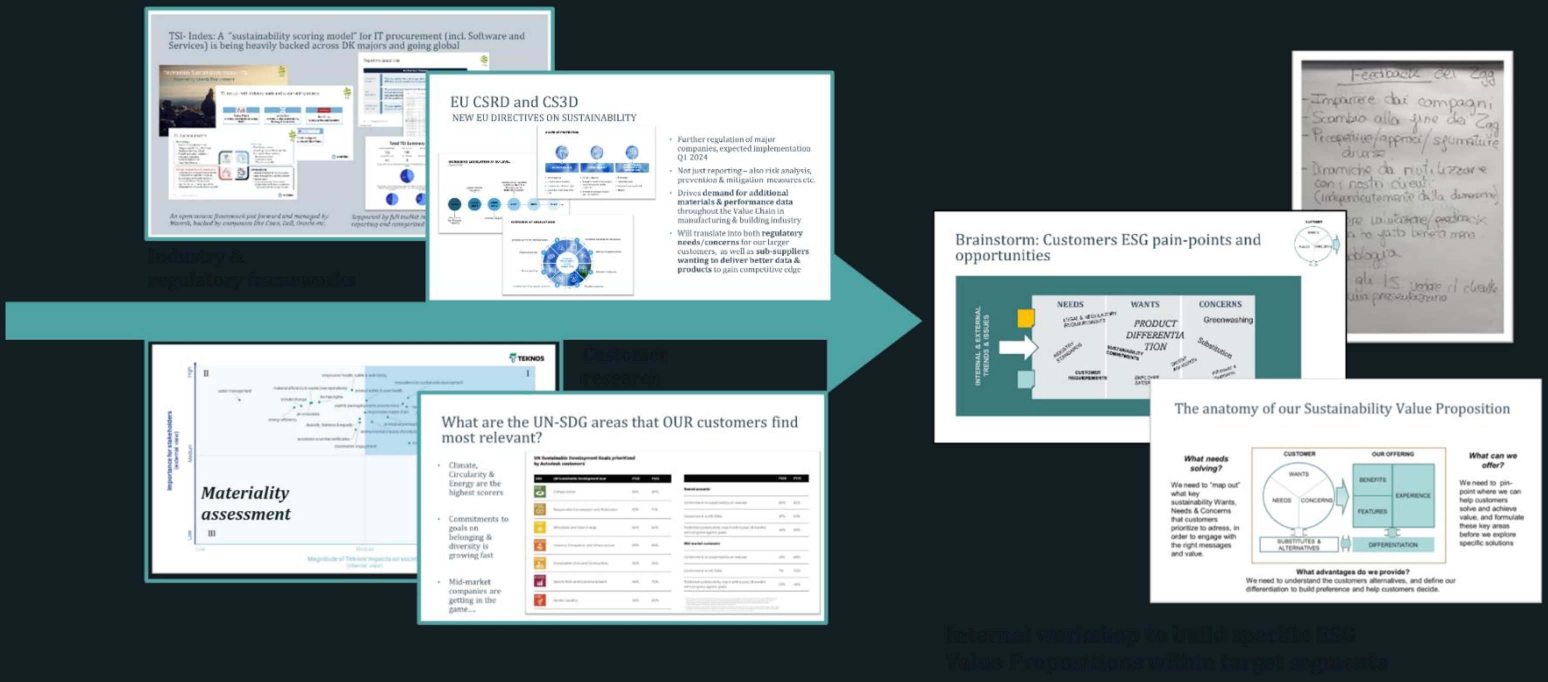
Re-align Commercial Engine

- Re-define your VPs on sustainability
- Re-segmentation of your customers
- Re-vamp you Sales Process & develop your sales teams' competencies

Do we have the right Value Propositions?

- Understand the specific value of key sustainability elements
- Target The Value Propositions to address different stakeholders' key pains
- Substantiate with data and relevant benchmarks

Target customers material sustainability issues



Have we (re-)segmented our customers?

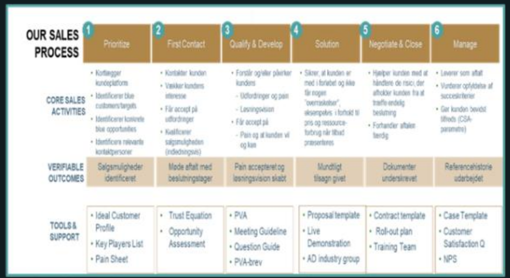
- Identify which customers are ready for the sustainability dialogue (with you)
- Evaluate ESG (added) value before adding premium price
- Start with “low hanging fruits” to build confidence and momentum

Define the customers that are ready and willing to listen

Have we aligned to a new buying process?

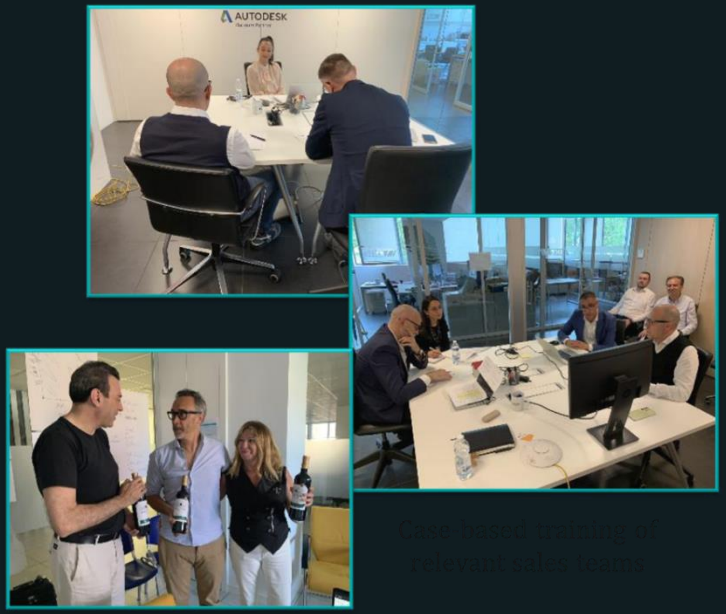
- We need to align our sales process to a new buying process
- Map new ESG stakeholders and evaluation criteria
- Support your customers – they may now know how (yet)

Revamp your sales process & train your sales teams



Updated sales process aligned to new buying process

Sales management coaching tool



Case-based training of relevant sales teams

Case Example

Issues

Super sustainable solutions, relevant for all target customers

Strong market interest but low win-rate of sales opportunities

Long sales-cycles and frequent stalling

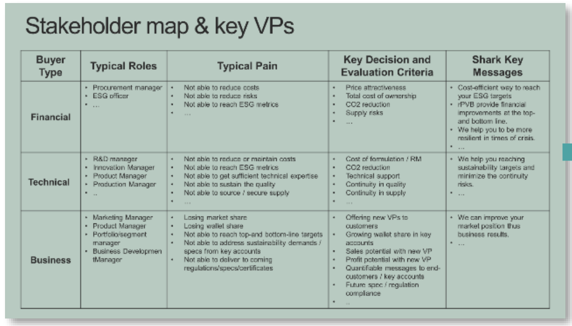
Solutions

Re-Mapping of key stakeholders and buying process

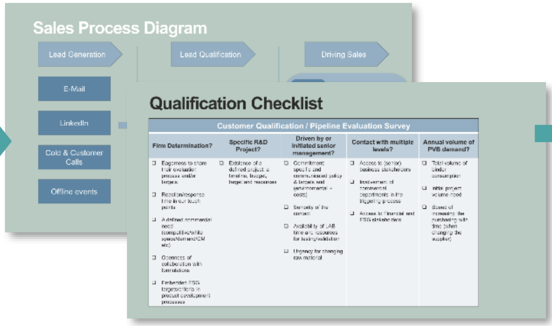
Tight segmentation of customers, target mature ones first

New sales process and supporting messages

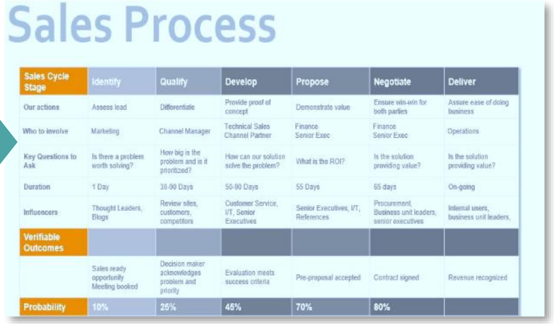
Approach



Strengthen Value Proposition and align with new stakeholders and their business pains



Re-segment target customers and qualify “hot” opportunities early



Identify changes in buying process, stakeholders and decision-makers, and align own sales process

Success factor

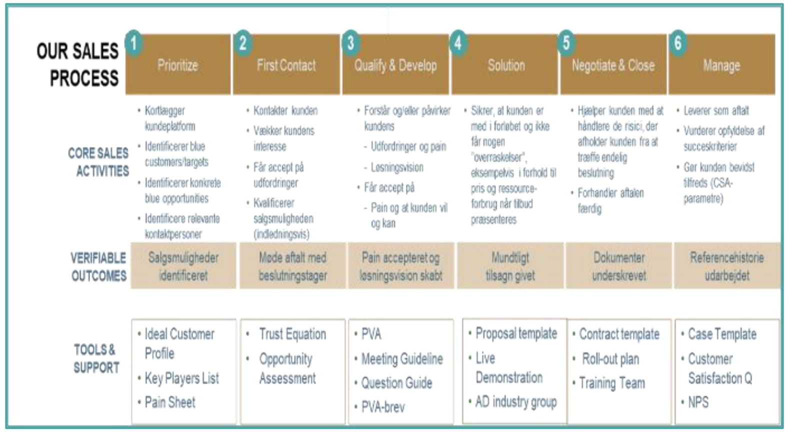
Sales process align with new buying process

“Education” of customers in how to buy the solution

Tough customer-selection

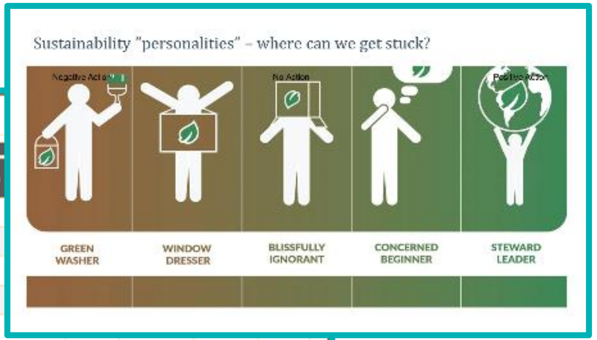
Re-vamp you Sales Process & develop your sales teams' competencies

Re-align
Commercial Engine



OUR SALES PROCESS	1 Prioritize	2 First Contact	3 Qualify & Develop	4 Solution	5 Negotiate & Close	6 Manage
CORE SALES ACTIVITIES	• Kortlægger kundeplatform • Identificerer blue customers/targets • Identificerer konkrete blue opportunities • Identificere relevante kontaktpersoner	• Kontakter kunden • Vækker kundens interesse • Får accept på udfordringer • Kvalificerer salgsmuligheden (indledningsvis)	• Forstår og/eller påvirker kundens - Udfordringer og pain - Løsningsvision • Får accept på - Pain og at kunden vil og kan	• Sikrer, at kunden er med i forløbet og ikke får nogen "overraskelser", eksempelvis i forhold til pris og ressource-forbrug når tilbud præsenteres	• Hjælper kunden med at håndtere de risici, der afholder kunden fra at træffe endelig beslutning • Forhandler aftalen færdig	• Leverer som aftalt • Vurderer opfyldelse af succeskriterier • Gør kunden bevidst tilfreds (CSA-parametre)
VERIFIABLE OUTCOMES	Salgsmuligheder identificeret	Møde aftalt med beslutningstager	Pain accepteret og løsningsvision skabt	Mundtligt tilsagn givet	Dokumenter underskrevet	Referencehistorie udarbejdet
TOOLS & SUPPORT	• Ideal Customer Profile • Key Players List • Pain Sheet	• Trust Equation • Opportunity Assessment	• PVA • Meeting Guideline • Question Guide • PVA-brev	• Proposal template • Live Demonstration • AD industry group	• Contract template • Roll-out plan • Training Team	• Case Template • Customer Satisfaction Q • NPS

Updated sales process aligned to new buying process



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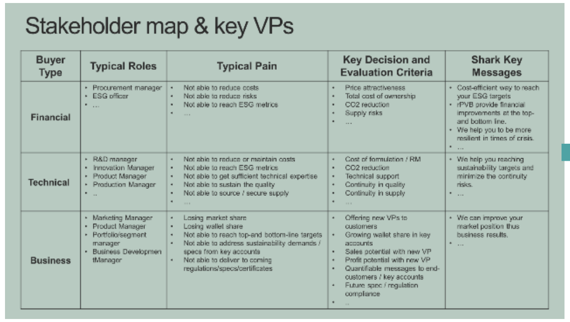
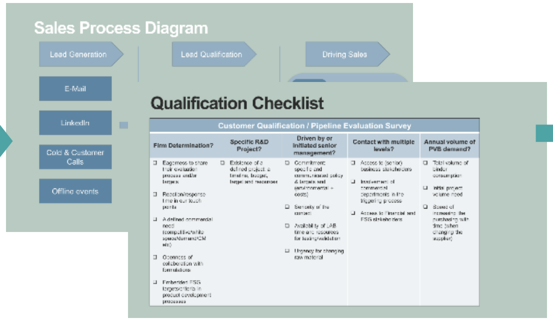


Strengthen Value Proposition and match to new stakeholders and their business pains



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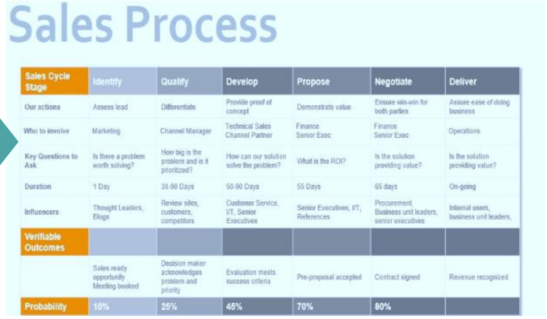

Identify changes in buying process, stakeholders and decision centers, and align own sales process

Success factor

Sales process align with new buying process

“Education” of own team and customers

Tougher customer-selection and qualification

Get moving from Ambition to ACTION

- Change focus on sustainable business outcome
- Alignment of all functions is needed
- Expect internal resistance
- It is NOT a simple task for either buyers or sellers!
- Rather start “small” to get the snowball rolling
- Has many characteristics of a major product launch

Call us for a meeting to discuss further by scanning QR Code on your tables