EXECUTIVE SUMMARY

BUYER EQUITY

The Hidden Asset in Your Most Important Customer Relationships

TOM CATES

The asset most B2B companies already own, cannot see, and manage by accident.

THE PROBLEM

The account that looked fine

Most B2B companies already own an asset they cannot see: the position they have earned in the mind of each individual buyer. I call it **Buyer Equity**. It decides which revenue lasts, which revenue grows, and which is about to leave.

Every leadership team has sat through the annual account review. The slide is green. The account manager is confident. Someone asks how the account is doing.

> **“Fine.” “Solid.” “We’re close with them.”**

This one was worth about $6 million a year with a major automaker. Real revenue, invoices paid, no crisis, nothing in the reporting that suggested a problem. Everyone nodded, the meeting moved on, and the number dropped into the forecast as if it were settled.

Then the company did something most companies never do. It asked the buyer. We surveyed the automaker’s CFO six months before renewal, while there was still time to act. His assessment landed in the Transactional range. When operations leadership dug in, the CFO said the quiet part out loud: the program was about to go out to bid.

Three readings of the same account, at the same moment

The financial system	The account team	The CFO
About $6 million of healthy, current revenue.	A stable, satisfied client.	A relationship weak enough to reconsider.

All three existed at once. Only one was going to decide what happened next.

Nobody in that room lied. The company knew the revenue, the renewal date, the open issues, and the history of every meeting. It did not know the one thing that mattered: where it stood with the person who would decide.

“Fine” is one of the most dangerous words in B2B.

Not because fine is bad, but because fine feels safe. It tells you nothing is wrong, which is easy to mistake for evidence that something important is right. A buyer can be perfectly satisfied with you and perfectly willing to replace you. Both look healthy today. Only one is durable when something changes.

This summary covers what Buyer Equity is, why the scores you already watch can’t see it, what it is worth, and how to start managing it.

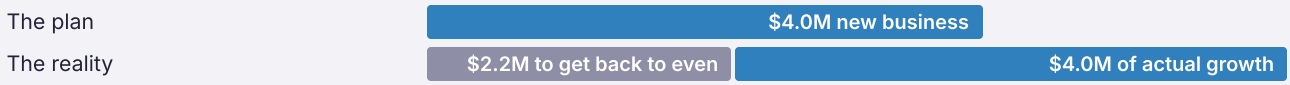
THE GROWTH MATH

Why you are probably working too hard for growth

Years ago I sat with the two founders of a logistics company I'll call 3PLCo. They were doing about $16 million a year and wanted $20 million next year. The logic was the logic of every growth plan: go sell $4 million.

Then we did the math. They kept about 85 percent of their clients each year, so roughly $2.4 million would walk out the door before they added a dollar. Existing clients had historically added only about $200,000. Their $4 million target was really $6.2 million, and the first $2.2 million of it would only get them back to even.

The minus sign in every growth plan · 3PLCo, $16M to $20M

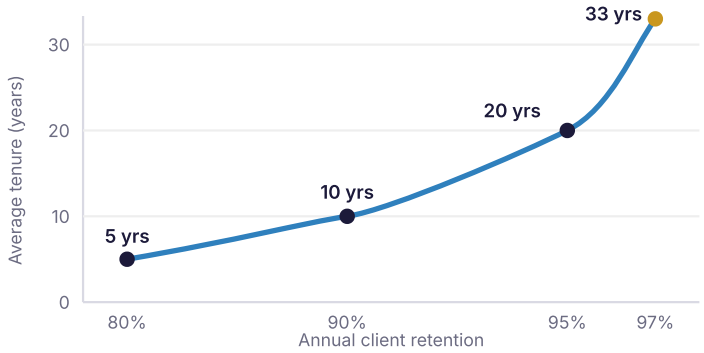


$2.4M expected to leak out, less $0.2M of expansion, plus the $4M goal: $6.2M of new business required.

3PLCo wasn't careless. It was normal. When the founders turned the order around (keep more clients first, grow the ones they had, then acquire), the new-business requirement on the whiteboard fell by about half. In the first year after it started working the base first, 3PLCo grew from $16 million to $28 million.

The same math doesn't disappear at scale. A $1 billion client of ours was leaking about $150 million a year. In its best year on record, it sold about $150 million of new business.

> **A record sales year can still be a zero-growth year.**



Small retention gains matter more than they look

Average tenure is roughly one divided by the annual loss rate. Keep 80 percent of clients and the average stays five years. At 90 percent, ten. At 95, twenty. At 97, thirty-three.

Far too many companies operate on the flat part of that curve.

A retention rate tells you what happened. It doesn't tell you why, or whether it will hold. To manage retention and expansion, you have to look past the account to the people whose decisions produce them.

THE IDEA

What Buyer Equity is

Buyer Equity is the position you have earned in the mind of an individual buyer.

Three things are packed into that sentence.

- **It belongs to a person, not an account.** A $20 million customer is one line in the financial system. Inside it are eight or twelve or thirty individual relationships, each in a different position. The account is green. Several of those positions are not.
- **It is granted by the buyer, not declared by the seller.** You cannot put "Trusted Advisor" on a slide and make it true. You can mistake tenure for loyalty, access for influence, and familiarity for preference.
- **It is relative.** The buyer judges you against the alternatives they believe they have. You can be very good and still hold an ordinary position if everyone else is very good too.

What one relationship was worth

A CFO at one of InsurCo's larger customers (a commercial insurer we have studied for more than two decades) wrote a letter about Joe, the account manager who had served his company for ten years. Joe was being moved off the account, and the CFO asked InsurCo to reconsider.

> "He is a trusted advisor to us."

He went further: Joe was the most important reason his company would pay InsurCo more than competitors were quoting. That premium came to roughly **$150,000 a year**. Our survey had already put a number on Joe's position, 95 out of 100, before the letter put a price on it.



The third source of value

Product and brand are the familiar answers to where a buyer's value comes from. Buyer Equity is the third, and often the hardest for a competitor to copy.

In mature markets, several credible competitors clear the product bar and carry a strong brand. When several strong brands compete, being equally strong makes them equally average. **Product and brand earn you the right to compete. Buyer Equity often decides what happens once the alternatives are in the room.**

> **Companies transact. People decide.**

THE MEASUREMENT TRAP

The score that says everything is fine

Most executives will tell you they already measure this. They run surveys, publish Net Promoter Scores by division and quarter, and watch the dashboard. Those measures do a real job, and we collect them ourselves. In high-value B2B, they answer a much narrower question than the one that decides your revenue.

At InsurCo, seven in ten buyers scored the insurer a 9 or 10 on willingness to recommend. Only one in twenty were Detractors. **Net Promoter Score: 66**, a number most companies would celebrate. Now look at what some of those Promoters said on the rest of the assessment.

PROMOTER	WOULD RECOMMEND	AND ON ANOTHER QUESTION…
Buyer A	**10**	**1** on “does what it says it will do”
Buyer C	**10**	**1** on “acts fairly”
Buyer G	**10**	**5** on intending to keep doing business with InsurCo

So we classified every one of InsurCo’s Promoters by the position the insurer had actually earned with that buyer.

InsurCo’s Promoters, by the Buyer Equity position each had actually granted



Fewer than a third — Roughly half — Nearly one in five

Segment widths approximate. Every buyer shown scored InsurCo a 9 or 10 on recommendation.

1 in 20
buyers were Detractors.

~4 in 10
were At-Risk, and nearly nine in ten of those still scored recommendation 7 or higher.

3×
as many At-Risk Promoters as Detractors.

It isn’t one company. Across thousands of Promoters in other industries, half were not Trusted Advisors, and At-Risk buyers outnumbered Detractors roughly two to one. Detractors are the buyers who would criticize you. At-Risk buyers are the ones who could leave quietly.

A free answer about a costly act

Recommending a hotel costs nothing. In strategic B2B, the real act is expensive: vouching for a supplier to a peer, defending it to your own CEO. Answering the survey question stays free. The more the real behavior costs, the less the hypothetical answer resembles it.

Grading their own decision

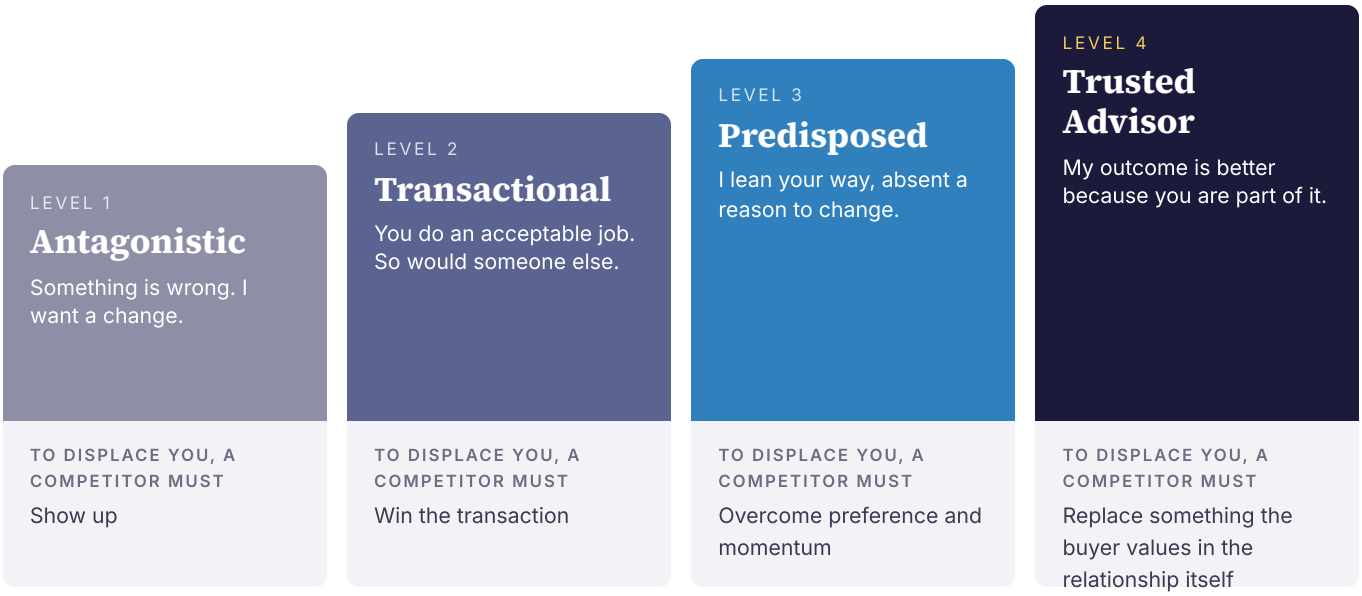
The person answering often chose you, defended the choice internally, and put their own judgment behind it. Asking whether they’d recommend you is partly asking them to grade their own decision. Very few people mark their last significant call a four.

> **A Promoter is not a position.**

THE MAP

Fine is not the same as invested

Buyer Equity exists by degree. The four levels are different economic positions, not different amounts of satisfaction, and a single account can contain all four at once.



The levels are not evenly spaced. The broad middle behaves more alike than the labels suggest; the largest economic differences appear toward the ends. Antagonistic and Transactional together are At-Risk.

The dangerous level is Transactional

Antagonistic relationships are loud, so they get attention. Transactional ones throw off stable revenue and high satisfaction scores for years. Nothing has gone particularly wrong. Nothing has gone particularly right either.

The opposite of investment is not anger. It's indifference. Anger gives you something to repair. Indifference gives you very little to work with; the relationship never became important enough to disappoint.

Predisposed is a trap of its own: preference is not investment. At InsurCo, Predisposed business sold at almost the same discount as At-Risk business. Only Trusted Advisors paid a premium.

The third path reporting misses

The chief executive of a large bank once told me how he handled his card processor. He found them infuriating, and he was locked in by a contract with more than a decade to run.

So he marginalized them. He left them the commodity work and moved every new product with real margin to other providers. After that he thought about them once a year, when he went in to beat them up on price.

He never left. On every retention report that account was secure. Most reporting recognizes two outcomes, retained and lost. This was the third: **kept, serviced, counted as retained, and stripped of its growth.**

Invested buyers are the exception. Across industry benchmarks in our research, Trusted Advisor relationships run between one buyer in ten and one in three in most industries, and fewer than one in twenty at a single client. Whatever your account team calls them, most buyers sit below that line.

THE MECHANISM

How Buyer Equity is earned

When I give a talk, I sometimes ask a volunteer to stand and “do Integrity” for the room. They grin, shrug, shift their weight, and before long would very much like to sit down. Nobody can do it. Integrity is not a behavior. It is a conclusion a buyer reaches from what you do.

> **You control what you do. The buyer controls what it means.**

That is why the position can be managed. Buyers accumulate evidence and decide what the pattern means. Six perceptions carry the weight, and they answer four questions every serious buyer is working out. They came from more than 200 interviews across seven industries, survived a field test with real buyers, and have held up across two decades since.

SATISFIERS: THEY KEEP YOU FROM LOSING

Can I trust you with the work?	**Integrity**	You will do what you say.
	Competency	You can do what you say.

MOTIVATORS: THEY HELP YOU WIN

Are you invested in me?	**Recognition**	I matter to you.
	Proactivity	You are looking out for me.
Can you help me win?	**Savvy**	You understand my world and what I am trying to accomplish.
Can this relationship carry candor and risk?	**Chemistry**	We can disagree and still work together.

Great against great is average

Integrity and Competency are the cost of admission. Your serious competitors have both, or they wouldn’t still be competing for your buyer. Clearing a bar everyone clears gets you in the game and earns you no distance from anyone. A buyer can find you completely trustworthy and highly capable and still put the work out to bid.

That is why capable companies find their buyers stubbornly Transactional. Nothing is wrong. Nothing is motivating them.

~19,000

buyers in 83 assessments over two decades show the shape. Loyalty falls fast when Integrity or Competency is weak. Once they reach about 6 out of 10, raising them further adds little. Buyers who rated the four motivators weakly **stalled below 8 on loyalty**, however high their Integrity and Competency went.

You cannot satisfy your way to Trusted Advisor.

Time does not build Buyer Equity. What happens during the time does. Even after ten years, two-thirds or more of buyers in our data were not Trusted Advisors. Tenure buys occasions to supply evidence, not equity.

THE ECONOMICS

What strong Buyer Equity changes

Buyers at different levels behave differently, and those behaviors have prices attached. The behavior moves before the revenue does, which makes Buyer Equity a leading indicator.

Protect

The buyer defends what already exists.

RETENTION

Open

The buyer gives you access to information, people, and problems while they are still taking shape.

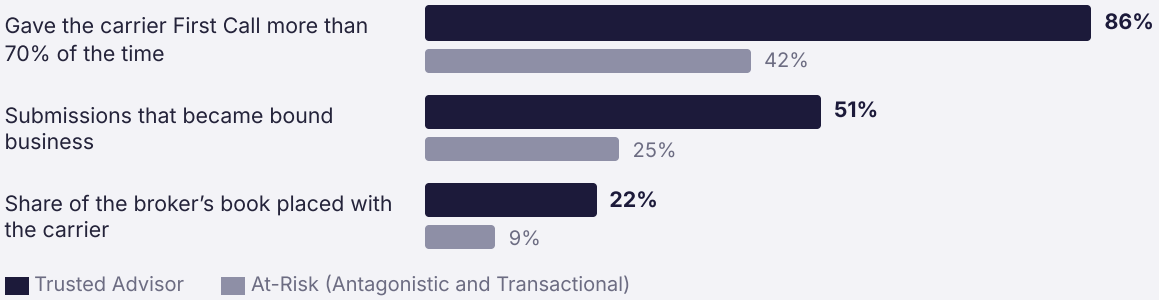
EXPANSION

Advocate

The buyer spends their own credibility on you, inside the account and beyond it.

ACQUISITION

InsurCo's broker channel: Trusted Advisor against At-Risk brokers (n = 221, premium-weighted)



What did not predict First Call was price. Brokers' views on whether the product was worth its premium had essentially no relationship to who got the call. One broker put it better than any statistic: *"Surely pricing and product are important... but I want to work with [Frank]!"*

14 pts
of realized price, against InsurCo's own target rate, separated Trusted Advisor from At-Risk business.

22 pts
when the economic buyer was the Trusted Advisor. Predisposed business earned no premium at all.

1.5×+
the share of customer spending for Trusted Advisors across a group of technology resellers.

⅕ less
account-team work to serve Trusted Advisor relationships, in a study of team hours.

The position travels with the buyer. When InsurCo buyers who had been Trusted Advisors moved to a new company, they were Trusted Advisors at the new one six times in ten, two and a half times the usual rate. The position was never the account's. It was the buyer's.

These are associations from field studies, not laboratory results. Different industries produce different numbers. The pattern has been consistent: strong Buyer Equity makes today's revenue harder to lose and tomorrow's revenue easier to create.

> **Opportunity does not begin with white space. It begins with permission.**

THE ASSET

What an owner is actually buying

Two companies each report $100 million in revenue. The number alone tells you nothing about which is stronger.

Company A

Buyers are largely Transactional. They stay because the service works and switching is a nuisance. Expansion requires active selling, competitors get access, and few customers advocate.

Company B

Buyers are invested. They give the team room to recover from a mistake, expose adjacent needs, bring the provider in before requirements are written, and introduce them elsewhere.

Same $100 million today. Very different future cash flows. Strip away the jargon and a business is worth what its owners expect it to earn, discounted for the risk that those earnings won't arrive. Buyer Equity bears on both halves of that: how much of today's revenue survives and compounds, and how exposed it is when a competitor shows up, an executive changes, or your team has a bad quarter.

Durable revenue is worth more than fragile revenue.

Stronger Buyer Equity produces revenue that is harder to lose, holds price better, takes less effort to win, and expands further. Those are precisely the characteristics owners and acquirers pay higher multiples for.

For investors: the questions diligence leaves open

Diligence will tell you how much the ten largest customers spend and whether they renewed. It will rarely tell you why. These questions are far cheaper to answer before the purchase price is set than after.

Who decides?	Which individual buyers control the revenue in the largest accounts, and what position has the company actually earned with each?
Durable or merely retained?	How much revenue rests on buyers who value the relationship, and how much on inertia, contract terms, or switching costs?
Institution or individuals?	Do the relationships live with the company, or with a founder and a few rainmakers who may not stay after the close?
Unused permission?	How much expansion permission have buyers already granted that the company has never converted?
Known or assumed?	Where is management's confidence about its customers running ahead of what those buyers would actually say?
Which direction?	Are the positions with the buyers who matter most strengthening or weakening?

Revenue tells you what buyers have done. Buyer Equity tells you how durable that revenue is and how much permission exists for it to compound. That is what makes it equity.

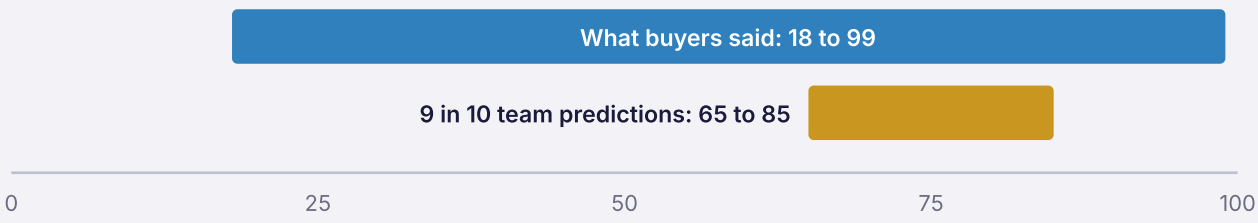
THE FINDING

Your teams can’t tell their relationships apart

For nearly twenty years we have asked account managers to predict how a named buyer will answer, on the same questions and the same scale, before showing them what the buyer actually said. Across 43 studies and 10,836 matched assessments, **71 percent of account teams had at least one material blind spot**: a gap of three or more points on a ten-point question.

One 2024 study shows why. We assessed 196 CXO-level relationships at a global business-process outsourcer.

What the account teams predicted, against what their buyers said (196 CXO-level relationships)



Buyer Equity score, 0–100. Not one of the 196 predictions fell below 60.

The teams weren’t reading individual relationships and arriving at different answers. They were giving roughly the same comfortable, slightly-better-than-average answer for every buyer. What they believed explained only about a fifth of what their buyers actually said. That one habit produces two expensive errors.

Hidden Risk

Weak relationships get overestimated. For the typical Antagonistic buyer, the team’s prediction ran **44 percent higher** than the buyer’s own. The team knows something is wrong, just not how wrong. This is revenue that looks safe and is not.

Hidden Growth

Strong relationships get underestimated. **Four in five Trusted Advisors** were scored lower by their own teams. The buyer sees a Trusted Advisor; the team calls it “good.” This is permission the company has earned and never used.

19 vs 54
Across 21 organizations, the NPS teams predicted for their own buyers, against what the buyers actually gave.

85%
of the clients InsurCo lost in one analysis had already been classed At-Risk. The rest were Predisposed.

0
of those lost clients had been Trusted Advisors.

None of this comes from incompetence. The people running your most important accounts are often your strongest people. Familiarity makes gradual change hard to see. And the gaps cluster in the personal questions (whether the buyer feels invested in) that no one can see from the seller’s side of the table.

THE DISCIPLINE

What leaders do differently

No CFO would accept “we have a good feeling about it” as an investment portfolio review. Yet the relationships carrying most of next year’s revenue are routinely governed by exactly that standard. Leaders who treat buyer relationships as assets run four steps, in order.

See

What do we actually have?

Name the buyer, have the team predict the answer, then ask the buyer and compare.

Aim

Where should attention go?

Protect revenue that can leak. Invest where value can compound. Most buyers need neither, and that is also a decision.

Shift

What must the buyer experience differently?

You cannot install a conclusion in a buyer’s mind. You can change the evidence that produces it.

Prove

Did anything move?

Perception moves first, behavior next, economics last. Watch that chain instead of waiting for revenue.

What See bought the automaker account

Back to the $6 million account that was “fine.” Once the CFO’s Transactional assessment was on the table, operations leadership and the CFO’s team put the issues out in the open and resolved them together. The account renewed. The measurement did not deliver a better score. **It delivered time.** That is what a check engine light is for: it comes on while the car is still running.

Positions move when management pays attention



Relationship management could easily have stayed in a corporate staff function at InsurCo. Instead, an executive who owned divisions and operations pulled it into the operating line. Over the first thirteen years we tracked its buyers, the share of Trusted Advisor relationships nearly tripled, **from about one buyer in seven to two in five**. At-Risk relationships fell from 42 percent to 23 percent.

At a software company, a matched group of 25 buyers followed over four years went from **8 percent Trusted Advisor to 48 percent**.

Positions also move down. In one cohort of 337 InsurCo buyers tracked over three years, a third of those who started as Trusted Advisors did not hold the position. Some fell two levels. Strong Buyer Equity gives you more room for error, but less room for betrayal. It has to keep being earned.

WHERE TO BEGIN

Why now, and what to do Monday

Why now

People have always bought from people they trust, and great account leaders have always known their buyers deeply. What has changed is the ability to do it systematically. Understanding thousands of individual buyer relationships used to cost too much, so companies averaged, and the differences that mattered vanished in the roll-up.

AI changes the arithmetic. No system decides whether a CFO trusts you. But it is now affordable to hear far more buyers, notice when an important relationship changes direction, and put the right context in front of the person who has to act. What great account leaders did by instinct with a handful of buyers can become an organizational capability.

> **Augment judgment. Do not abdicate accountability.**

Start Monday

You can begin on your ten largest relationships with no software and no survey. Put five questions to your executive team.

1. Which specific buyers most influence the economics of our ten most important accounts?
2. Which of those relationships are we assuming are strong rather than knowing?
3. Where might current revenue be less durable than it appears?
4. Where has a buyer granted us more permission than we are using?
5. What would we need to hear directly from those buyers to replace opinion with evidence?

Then have each account team write down what it believes each of those buyers would say, before anyone goes and finds out. Then ask one more question, the one that tends to produce a long pause: *name one meaningful dissatisfaction this buyer has that they have not told you directly.*

You already own the relationships. The choice is whether you will manage them as the assets they are.

BEHIND THE BOOK

About the research

30,000+	66	1.4M	20+
buyer assessments	client organizations	individual ratings	years of field research

The work spans insurance and financial services, technology, business-process outsourcing, professional services, logistics, healthcare and medical technology, industrial manufacturing, and software and data. Three features make it unusual.

- **The unit is the individual buyer,** not the account.
- **It is paired.** In more than 11,500 assessments, the account team predicted that named buyer's answers before seeing them.
- **It is longitudinal.** Thousands of buyers were measured more than once, some for many years, so positions can be watched as they move.

Each finding comes from the specific study named beside it and is not pooled across industries unless stated.

What the book gives you

- **Part I · The Hidden Economics.** Why growth is harder than it should be, and why the account is the wrong unit.
- **Part II · What Buyers Are Deciding.** The six perceptions, the evidence that builds each one, and the practices that supply it.
- **Part III · From Knowing to Managing.** See, Aim, Shift, Prove, and how to lead it at scale with AI.
- **The evidence, claim by claim.** An appendix that shows the data behind every finding.

About the author

Tom Cates has spent more than two decades on one question: why some B2B customer relationships become durable and compound while others, producing identical revenue, remain easy for a competitor to replace.

He is founder of The Brookeside Group, a management consultancy that works with B2B companies on their most important customer relationships, and president of Encompass-CX. His measurement approach is the subject of two US patents. He holds an MBA from the Wharton School and has taught management at the Isenberg School of Management, UMass Amherst.

Get the book

Buyer Equity: The Hidden Asset in Your Most Important Customer Relationships

Planned for release in Fall 2027.

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FOLLOW THE RESEARCH
linkedin.com/in/tomcates

PASS IT ON
Forward this to the CEO, CFO, or growth leader who owns your largest accounts.

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