

EXECUTIVE SUMMARY

BUYER EQUITY

How Trusted Buyer Relationships Drive
B2B Growth

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

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.

The slide was green. The revenue was real and the invoices were paid. Someone asked how the relationship was doing, and the account manager said what account managers say.

“Fine. Solid. We’re close with them.”

The number went into the forecast. What nobody in that room knew was that the customer’s CFO had already decided to put the business, worth several million dollars a year, out to bid. The company learned it only because it asked him directly, months before renewal talks would normally begin.

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.

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, what it is worth, and how to start managing it.

Why growth is harder than it should be

Most growth plans start with the wrong number. Run a \$100 million business, aim for 10 percent growth, and the gap looks obvious: go find \$10 million.

But no company starts next year with the revenue it ended this year with. If \$10 million leaks out, the sales force needs \$20 million of new business, and the first \$10 million only gets the company back to where it started.

The minus sign in every growth plan

The plan

\$10M new business

= 10% growth

The reality

\$10M to replace the leak

\$10M of actual growth

= \$20M to sell

The first \$10 million isn't growth. It's backfilling.

Small retention gains matter more than they look



Keep 80 percent of your clients each year and the average client stays five years. At 90 percent it is ten years. At 95 percent it is twenty.

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

Average client tenure is roughly one divided by the annual loss rate.

A retention rate tells you what happened. It does not 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.

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. Tenure is not loyalty, access is not influence, and familiarity is not 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.

Companies transact. People decide.

An account has never renewed anything, called anyone first, or defended a price. A particular CFO does those things, or a particular operating executive, and each holds a different position with you.

The third source of value



Product and brand are the familiar sources of the value a buyer perceives. 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. Product and brand earn you the right to compete. Buyer Equity often decides what happens once the alternatives are in the room.

What one relationship was worth, and why your measures miss it

A letter from a CFO

A CFO once wrote to one of our clients about the account manager who had served his company for years. The account manager was being reassigned, and the CFO asked the company to reconsider.

He called him “a trusted advisor to us” and “the most important reason why we would pay [you more] than your competitors.”

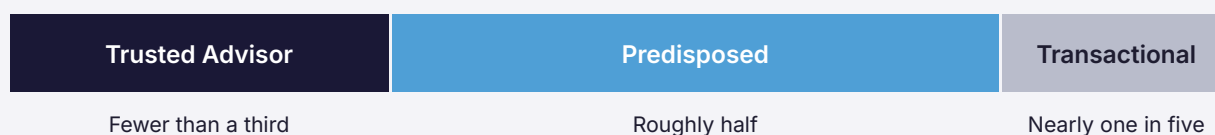
The client knew what that meant in dollars: a six-figure premium, every year, over what competitors were quoting.

A Promoter is not a position

Satisfaction scores and Net Promoter Scores do a real job, and we collect them ourselves. They answer a narrower question.

At one large services company, more than 1,000 buyers were Promoters, for an NPS of 66. We then classified each Promoter by the position the company had actually earned with that buyer.

One company's Promoters, by the Buyer Equity position each had granted



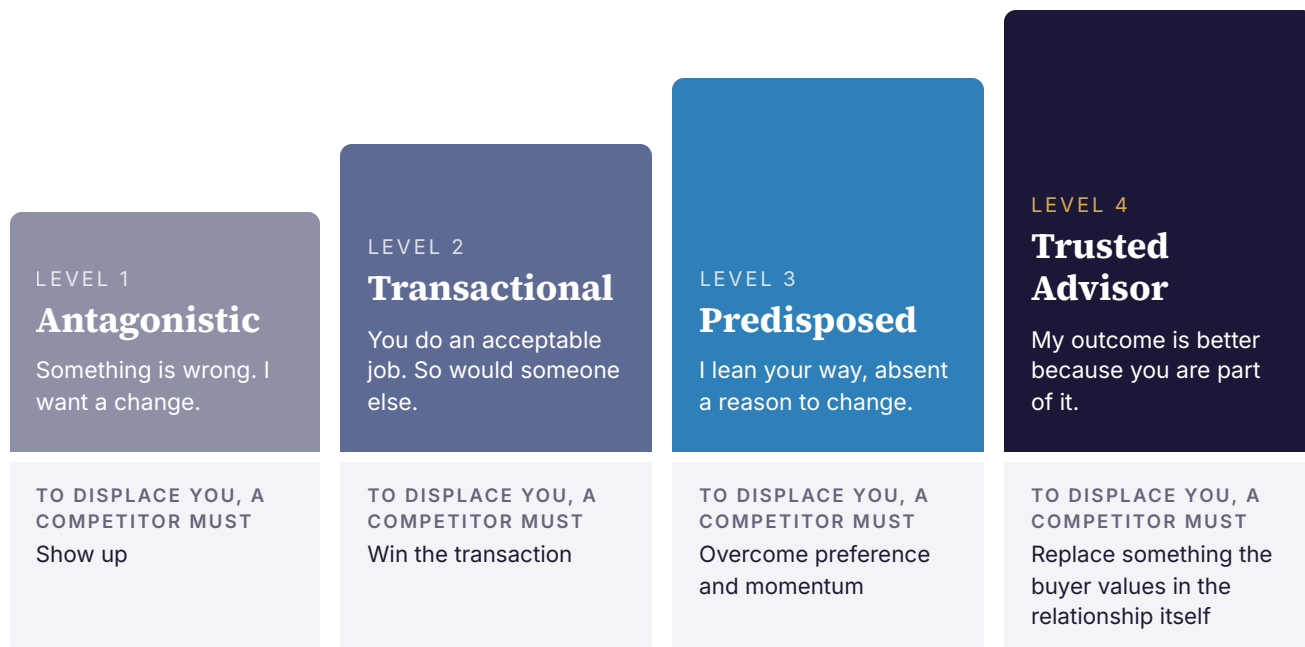
Segment widths are approximate. All of these buyers scored the company a 9 or 10 on willingness to recommend.

Nearly one in five saw a Transactional vendor: willing to recommend, and not much beyond that. For these buyers nothing had gone particularly wrong, and nothing had gone particularly right either.

A Promoter is not necessarily an invested buyer.

The four levels of Buyer Equity

Buyer Equity exists by degree, and the four levels are different economic positions, not different amounts of satisfaction. 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, and the largest economic differences appear toward the ends.

The dangerous level is Transactional

Antagonistic relationships are loud, so they get attention. Transactional ones produce 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 is indifference. An angry buyer gives you something to repair. An indifferent one gives you very little to work with.

The third outcome reporting misses

A chief executive once told me how he handled a supplier he was tired of but contractually tied to. He left them the commodity work and moved every new product with real margin elsewhere.

He never left. On every retention report that account was secure, and it had stopped growing for good.

Invested buyers are the exception. Across the industry benchmarks in our research, Trusted Advisor relationships run from roughly one buyer in three at the high end to fewer than one in twenty at the low end.

How Buyer Equity is earned

Buyers reach conclusions about you the way people reach conclusions about anything that matters: they accumulate evidence and decide what the pattern means. That is why the position can be managed.

When I speak, I sometimes ask a volunteer to stand and “do Integrity” for the room. Nobody can. 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.

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 and a field test with real buyers, and they have held up across two decades of use.

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.
Can this relationship carry candor and risk?	Chemistry	We can disagree and still work together.

Integrity and Competency are the cost of admission. Your serious competitors have both, so clearing that bar earns you no distance from anyone. **Great against great is average.** You can be operationally excellent and still find your buyers stubbornly Transactional. Nothing is wrong. Nothing is motivating them either.

Time does not build Buyer Equity. What happens during the time does. Ten years of ordinary, competent delivery is ten years of evidence that you are an ordinary, competent provider.

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.

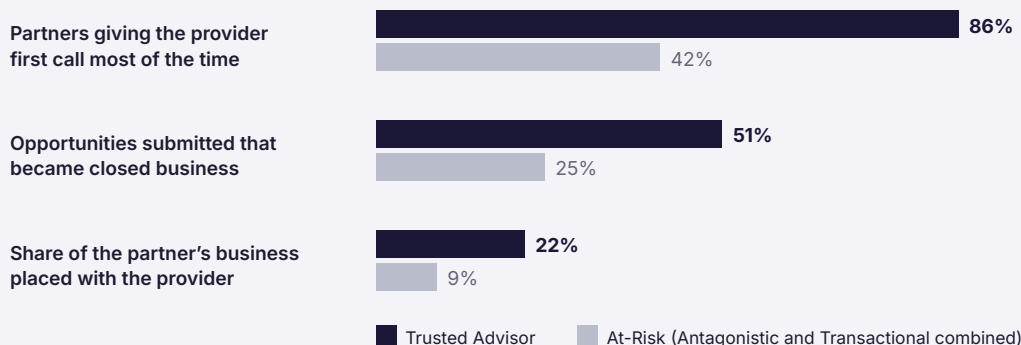
EXPANSION

Advocate

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

ACQUISITION

One provider's channel partners: Trusted Advisor against At-Risk relationships (n = 221)



2×

Trusted Advisor relationships lasted more than twice as long as At-Risk ones at one large services company.

14 pts

Higher realized price against the same company's own target price.

3×

More than three times the share of customer spending, across a group of technology resellers.

What did not predict first call was price. One channel partner put it better than any statistic: "Surely pricing and product are important, but I want to work with [him]." Strong relationships are also cheaper to serve: in a study of account-team hours, Trusted Advisor relationships required about a fifth less work.

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.

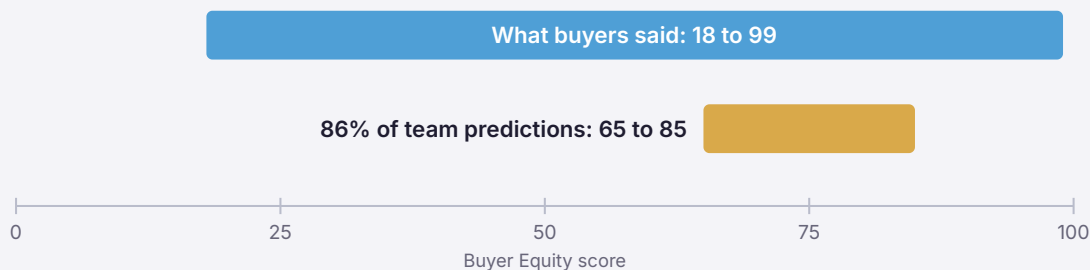
The blind spot

Account teams cannot tell their relationships apart.

For nearly twenty years we have asked account managers to predict how a named buyer will answer, before showing them what the buyer said. In three recent enterprise studies covering 2,223 matched assessments, 70 to 83 percent contained 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 197 CXO-level relationships at one global services company.

What the account teams predicted, against what their buyers said (197 CXO-level relationships)



What the teams believed explained about three percent of what their buyers said.

The teams were giving roughly the same comfortable answer for every buyer. That one habit produces two expensive errors.

Hidden Risk

A weak relationship gets overestimated. The team knows something is wrong, but not how wrong. This is revenue that looks safe and is not.

Hidden Growth

A strong relationship gets underestimated. The buyer sees a Trusted Advisor and the team calls it "good." This is permission the company has earned and never used.

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.

81%

of the clients one large services company eventually lost had already been classified At-Risk. The average lost client was worth millions of dollars a year. None had been Trusted Advisors.

What leaders do differently

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 edit a buyer's conclusion. You can change the evidence that produces it.

Prove

Did anything move?

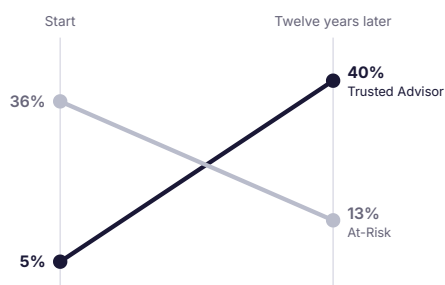
Perception moves first, behavior next, economics last. Watch that chain instead of waiting for revenue.

What See bought one company

The account from the opening was real. Our client surveyed the customer's CFO well before renewal talks would normally begin. The account team had called the relationship fine. The CFO's assessment landed in the Transactional range, and when leadership followed up, he told them a bid was already planned.

Operations leadership and the CFO's team put the issues on the table and resolved them. The account renewed. **The measurement did not deliver a better score. It delivered time.**

Positions move when management pays attention



Share of one large services company's buyers at each position.

At one large services company, relationship management moved out of a staff function and into the operating line. Trusted Advisor relationships rose from about one in twenty to two in five.

At a software company, a matched group of 115 buyers moved from roughly 8 percent Trusted Advisor to 48 percent over four years.

Positions also move down. In one cohort of 312 buyers tracked over three years, a third of those who started as Trusted Advisors did not hold the position. It has to keep being earned.

Why now, and what to do Monday

Why now

Understanding thousands of individual buyer relationships used to cost too much, so companies averaged. That was never stupidity. It was arithmetic.

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.

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.

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

About the research

27,000+

buyer assessments

1.4M

individual ratings

20+

years of field research

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

- **The unit is the individual buyer**, not the account.
- **It is paired.** In thousands of those assessments, the account manager predicted the buyer's answers before seeing them.
- **It is longitudinal.** Some of the same buyers were measured repeatedly over several 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.

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 the founder of The Brookside 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 at the University of Massachusetts Amherst.

GET THE BOOK

Buyer Equity: How Trusted Buyer Relationships Drive B2B Growth

Planned for release in Fall 2027.

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