

## Sales Strategy

Trying to sell your product or service without having any formal strategy or plan of how you intend to go about this and consequently having an unplanned approach will certainly yield far poorer results and is more than likely to fail than if you had adopted a strategic approach to your overall marketing and sales campaigns. As so often mentioned, it is all about following a process.

Use your sales strategy as part of your overall business plan to ensure you are maximising all the opportunities that present themselves.

### Sales strategy objectives

A sales strategy consists of a plan that positions your organisation's brand or product or service to gain a competitive advantage. Successful strategies will help your sales people focus on target market customers and communicate with them in the most relevant, meaningful and productive ways.

Sales people within your organisation need to know how your products or services can solve customer problems and satisfy a customer need. A successful sales strategy will convey this properly so that they spend time targeting the correct customers, in the right way and at the right time.

And just as importantly, sales people need to know where they shouldn't be spending their time ie: with customers who don't have a need to buy, are only information gathering or indeed are just time wasters. This comes down to effective sales account planning.

### Significance

Planning and creating an effective sales strategy requires looking at your long-term sales goals and analysing the business sales cycle, and if you have an established sales team then having discussions with them about their business and personal career goals.

Going through these exercises helps business owners and managers gain a more intimate knowledge of the sales process, everything that affects this and particularly what motivates the sales team.

After creating the long-term sales strategy based on long-term goals, a business should create monthly and weekly sales strategies based on the long-term strategy. This allows for more effective short-term performance measurement of sales – and the sales team in particular.

## Sales Strategy



Sales  
Strategy  
Prospects  
A/C Plans  
Resources  
Performance  
Reviews  
F/Cast

- Develop Sales Strategy
  - Marketing Opportunities
  - Sales Opportunities
  - Direct / Indirect / Channel
  - Leverage Existing Customer Base
- Target Qualified Prospects
- Account Planning & Management
- Assess Resource Development
- Conduct Performance Assessment
- Regular Reviews
- Detailed Business Forecasts

## Types

Businesses typically employ one of two basic types of sales strategies to implement their overall plan: direct or indirect.

With the direct sales approach, sales people will typically cover off the competition head on when talking to the customer – so they know how to position their business correctly and focus on the key features, benefits and USP's. They talk about each feature of the competition's product and compare it to theirs. The term "negative selling" refers to the direct sales approach.

The indirect sales approach (online for example) applies subtler techniques by demonstrating features and benefits not available with the competition's products or services without ever mentioning them by name. This more sophisticated, positive sales strategy requires a detailed research and analysis of the competition so that you know exactly how to compete and maximise your sales opportunity when you're not face to face with a customer.

## Components

A successful sales strategy includes product placement, promotion and testimonials in addition to the core selling strategies that your organisation will utilise. Product placement and promotion create brand awareness by using the various marketing channels available today. For example, social media networks offer a free platform for increasing brand and product awareness. Businesses have the opportunity to utilise these tools in the most effective and productive way they can.

Existing customer testimonials that are readily available for prospective customer to read or watch will lend credibility and authority to your business and the products and services you offer.

## Function

Regardless of whether any business uses a direct or indirect sales strategy, or a combination of the two, that business needs to work very closely with the people who will be doing the actual selling, and what sales techniques they will use.

New customer acquisition and customer retention require two very different approaches. A sales strategy together with a detailed sales account plan lays out the steps and methods necessary for customers who are at different stages in the sales process.

- **Potential customers** - need regular and definitive communication from you that introduces the brand and product or service in ways that show how it can solve their problems and meets their needs.
- **Existing customers** - require more personal communication about new features or benefits to keep them engaged. It's all about 'up selling' more products and services, whilst additional promotions and referral discounts work to motivate these customers to spend more money and to act as referrals in order to spread the word to others.

### Considerations

Creating an effective sales strategy requires market knowledge, awareness of competitor activities, awareness of current trends and detailed business analysis.

Unless they have specific knowledge in all these areas, certain businesses who are looking to create and implement a sales strategy for the first time may want to hire a professional business consultant to help guide them through the various stages of the process.

Looking at the whole strategic sales methodology will give you a comprehensive, logical approach and ensure that you are:

- Marketing your business in the most effective manner possible,
- Identifying and reaching out to the right potential customer (who have a definitive need for your product or service), and
- Converting these potential prospects into actual customers in the most efficient and effective manner.

A sales strategy needs to be based around your business and marketing plans. It looks at how you will deliver the objectives set out in your marketing plan, as well as how you have chosen to segment your target market, how you will fund your marketing activities and how you will resource your sales plans.

A sales strategy is not the same as a marketing strategy. Whereas marketing is about getting your name out there and tempting new customers to come to you or rekindling interest in your business, a sales strategy is more about how you not just close the deal but are also talking to the right prospects in the first place.

In order to build a comprehensive strategy for your entire business, you will need to sit down and come up with a different sales strategy for each of your product and service lines. This is because it's important to be aware of the differences between your various products and services and the customers who have a need for them.

An effective sales strategy encompasses a number of elements, including of course your overall marketing strategy.

**Marketing Strategy:** This is a clear, differentiated set of messages from your business which need to consistently communicated throughout the overall organisation and externalised through networking, via the website, advertising, customer programmes and positioning statements.

The business would need to look closely at what marketing opportunities would be the most beneficial to the organisation, both in the short and medium term and then also looking out longer term.

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This is looking at those 'prospects' that would deliver:

- 'quick wins' initially, and then
- medium to longer term opportunities

Making the required number of sales to meet the organisation's revenue and profit targets invariably comes through the generation of sufficient enquiries and qualified leads from a variety of marketing activities.

Your marketing strategy must be to represent your range of product and service offerings in the most comprehensive and effective manner so that they fulfil a need and represent a beneficial and cost effective solution that will satisfy each customer's particular needs.

You would need to position your business as a 'best value', high quality provider of products and services in your particular marketplace. What you ultimately deliver must then back this up and ensure that you not just meet but indeed exceed your customer's expectations.

To achieve this, you should explore the effective use of a wide variety of marketing methodologies and materials that would deliver the number of suspects and prospects you require to fulfil your forecasts, and then look at how you are going to sustain all of the above activities.

Whilst all of the above marketing activities can be utilised in the appropriate manner at the appropriate time in order to maximise lead generation, each has a cost attached, and should be viewed therefore in accordance with a planned and budgeted strategic marketing action plan.

### **Marketing**

Of all the detailed marketing or marketing related activities that will be undertaken by the business, it will be essential that there is a formal reporting procedure in place, together with full control and costing of who is doing what, where, when, with whom and to whom. This all needs to be fully documented from a marketing / sales perspective.

There needs to be a real appreciation of all direct costs and indirect costs of what marketing (and selling) activities have been incurred to date to get to where you are now, what actual (and profitable) revenue do you have to show for this activity, and what should you be doing now to achieve further sales.

In the short term, your principle marketing goal must be to build a 'pipeline' of strong 'suspects' which would then need to be comprehensively qualified in order to obtain good solid prospects, some of whom you would then be able close which in turn would in turn start to generate profitable revenue for the business.

Essentially, you would need to maximise your efforts with regard to sourcing good quality leads in the most efficient and timely manner.

## Marketing Literature

This would need to be looked at in order to assess what would actually be of benefit to prospective customers.

Typically, this would be downloadable documents in the form of PDF files that could either be emailed out to people or could be downloaded from your website.

Literature of this nature is all about reinforcing your marketing message and ensuring that it provides the reader with all the information they need.

It should therefore be informative, detailing key features and benefits, focusing on USP's etc and providing key people such as decision makers and economic buyers with the information they need to help them make a decision.

## Analyse your market

Find out why your clients need your business. Find out who they are and the problem they need to solve and why they have approached your business. Find out who your competition is. Find out if your clients are also talking to them. You get the message?

Identifying why your existing customers use your business and what benefits they have seen will help in the way you approach new prospective customers.

Make a list of five or six reasons why customers are better off using your products and services. Differentiate between your business' features (what it has) and benefits (what it does). Put yourself in your customer's shoes and try to work out what they are looking for, and then try to match your business proposition to their needs. Make sure you emphasise the benefits as well as the features in your promotional material.

List your clients' similarities and differences to help you create profiles for each type of client. If you are starting a new business, try to also find out about your competitors' clients: who could possibly in the future be your customers.

Rank these profiles and groups in order of profitability to give you an idea of where you should be aiming to spend money.

Factor in your sales 'lead' times from enquiry to suspect to prospect to customer. How long could sales this typically take to materialise – daily, a few days, a few weeks, a few months, a year, more than a year? It all depends on your type of product or service. But everything has a 'cost of sale' attached to it, and this will determine whether (ultimately) you have the right marketing and sales strategies for the products and services you are selling.

If a client is costing you more than you are making from them, then make sure you have a very good reason for selling to them. For example, if you are selling to a large company, it might be that they are

providing you with regular revenue or drawing attention to your business in their promotional activities.

Analyse your sales costs and try to cut down on your sales costs to unprofitable customers. This might be by using an alternative distribution method or cheaper sales channels.

### Specific Target Markets

As the focus during the first three to six months of any new campaign is to generate profitable new business as quickly as possible, the business must generate as many good quality qualified leads as possible, and in the most cost effective manner.

New leads are essential in order to boost the sales funnel and ensure that you are talking to more 'suspects' as some prospects (who at one time seemed certain to 'close' within an expected timeframe) will undoubtedly fall away due to circumstances that are often beyond your control. This then has a major impact on your sales forecast and consequently your revenue. It's all about ensuring that you always have a 'back-up' plan.

You need to concentrate your initial marketing efforts on specifically targeted market areas – that will be defined once you have completed the Product Targeting process.

**Geographic Strategy:** Your overall business strategy is to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.

### Issues to be aware of:

- **Competition** - There are many other organisations who will be offering competitive solutions. Do you know who they are? Can you be competitive – on price, service, positioning for example? How will you compete? You need to conduct research to understand who your competitors really are, and not just locally but all over the country.
  - Who is offering what?
  - What do others offer that you do not?
  - What should you offer that others cannot?
  - What can your USP's be - that will make you stand out from other suppliers?
- **Price** – Is always going to be competitive, in any marketplace, with many suppliers all over the country offering similar products / services at similar prices. How can you keep abreast of all this? How can you ensure that you stay competitive?
- **Technical Support** – Can you provide all the support that will be expected and must be delivered to customers? How will you deliver this? Most clients will expect to have a Service Level Agreement (SLA) in place in order to guarantee and safeguard the level of support that they will receive from you, and at what times. You cannot afford to fail here as credibility is everything and you will either succeed or fail here. There are no second chances.

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## Decide on your sales channels

Reaching the right customers is easier said than done. Once you have worked out what your market is and how it's broken down, you need to decide which sales channels to use:

- Direct or on-site sales are face-to-face, and is the model used by many companies (retailers for example) but this requires a dedicated sales team with all the associated costs.
- The internet is a very versatile way to sell and most businesses will utilise a combination of offline and online channels to market and sell their products and services.
  - The big advantage of the Internet is that you have a 'shop window' to a potentially global audience, 24/7.
  - This also means that you have to have a service and support operation that will look after your customers no matter what time of the day or night that they decide to purchase your products or services.
  - This needs to be factored into your overall business strategy to ensure that you have the capability, resources and funding to accommodate this.
  - The one important thing to remember about selling over the Internet is that (obviously) it is not face-to-face and there is no opportunity to build a personal relationship with your customer. They will expect you to provide them with a 100% service and to give them what they are looking for speedily, efficiently and with the minimum of fuss.
  - Get anything wrong, and they may well not use you again, or at the very least be much harder to win back.
- Telesales can be effective for business-to-business and repeat sales, but generally has a low conversion rate. It is also expensive because it is very resource intensive.
- Direct mail also has quite a low conversion rate but is less intrusive than telesales.

If you are a manufacturer perhaps, you might want to sell through an agent or intermediary. This could be a retailer, or it could be an agent abroad.

## Set out your sales objectives

Start by setting out the prime sales objectives for each of your products and services.

- What do you want to sell?
- What is your market sector?
- What is your target market?
- Who are your competitors?
- Who are your target customers?
- What are the timescales involved?

Decide where your focus will lie - whether that's on a specific product / service or a specific client base, and what needs to be done, or to change for you to meet these objectives.

For each sales objective, list the steps you will have to take in order to meet them. There should be five or six steps for each objective, and these need to be:

- Specific
- Measurable
- Achievable
- Realistic
- Time-sensitive

Consider how you will remove barriers to sales rather than asking how you will make sales when you're coming up with your objectives. Barriers can be anything from not making enough calls or customer visits to the need to give your sales team better training or the need to recruit another sales person.

Equally how are your sales team managing their prospects and/or existing customer accounts?

- Do you actually have a sales team?
  - If not, who are you going to use?
  - Do they have the right skills, with the right knowledge?
- Are they utilising dedicated sales account planning – so their efforts can be measured and accounted for?
- This is essential in order to ensure that you are maximising everyone's efforts on business which is 'winnable' and ensuring that everyone is focussed in the right way and on the right tasks

Look at the marketing and sales activities your business has previously undertaken and try to work out what you're most profitable activities have been. This could be over the course of the last month, three months or even a year.

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## Prospect Pre-Qualification

As with all the above, the potential for success is all about identifying which organisations you should approach and which you should not.

Are there specific criteria that any particular opportunity or 'suspect' should meet before you even enter into any detailed discussions?

Is there a particular size of prospective business that below which, it is not worth bothering with? Do you have a template for this that makes this 'early qualification' of any 'suspect' paramount before you go any further in the sales process?

What you need to do is to introduce a structured pre-qualification plan which you can use to address each prospect in turn:

- Who are they?
- Where are they?
- Why are you talking to them?
- Who are your contacts? What roles do they have?
  - Are you talking to the right people / decision makers / economic buyers?
  - Who actually makes the decision?
- What is their specific requirement / need?
- Have they a budget?
- What exactly is your business proposition?
- What's the value of your business proposition?
- Is this within their budget?
- Why do they want to talk to you?
- Is ours a realistic product / service offering, or are you wasting your time?
  - Or do you want to 'loss lead' in order to gain sales, exposure and credibility?
- Is this product or service of genuine interest to them?
  - If yes, then why?
  - If not, why not?
- Are they aware of the benefits and cost savings that could be realized by introducing this product or service?
  - Have you detailed and presented these?
- What's their decision criteria?
- What's their decision process?
- Who else are they talking to?
- What are their timescales?
- Have you explained the 'Value Add and the ROI'?
- What is the real likelihood of you winning this business?
  - Put a % success factor on this
- And in what timeframe?

## Sales Account Planning

In conjunction with all sales activities, you will need to establish a formal sales account planning process and reporting strategy, which will allow you to better understand exactly what is happening in every sales situation, but more importantly, tell you what is NOT happening and what NEEDS to happen in order to move the account forward to a successful conclusion.

Equally, it will give you the information you need in the worst case scenario, which is that it will allow you to call a halt to a particular sales campaign rather than waste any more time, effort and money on something that is unwinnable!

Much of the information you need to manage will be carried forward from the pre-qualification plan, thus allowing you to collate information such as:

- Key contacts
  - their role, their buying influences, how well are you 'covering' them
- Projected sales value
- Sales Prospect % Success factor
- Budget
- Timescales
- Competition
- Sales Forecast
- Summary of 'My Position' today
- Possible actions
- Best action plan
- Business requirements
- Business Pain
- Decision Criteria
- Decision Process
- Future Action Plan
- Savings / Results
- Business Options

Details of the Sales Account Planning (SAP) process and documentation can be provided after further consultation.

## Sales Forecasting

A detailed sales forecasting methodology will need to be introduced as this is essential to be able to establish exactly where you are in any particular sales situation, at any given time. This provides everyone in the business, but particularly management, with a clear understanding of what new business is in the pipeline and what level of success is not just anticipated but expected, and over what timeline.

A formal sales forecasting process would accumulate information on:

- the history of each prospect and what activities have been undertaken to date
- what stage each prospective customer is at within the sales cycle
- all the key contacts within each prospect
- who the competition is
- what their decision criteria and decision process is
- what their 'real' timescales are
- what their 'budget' is
- what your proposition actually is
- what you should be doing next (our best action plan) and
- what you have to do to close the sale

Effective sales forecasting runs hand in hand with basic lead generation because you are then able to quantify how your marketing efforts are finding suspects and turning these into realistic sales prospects.

If this isn't happening, then you know you have to change how and where you are finding and generating your sales leads – and therefore what you have to change in your marketing strategy to make this happen.

An efficient and effective sales forecasting process will not only identify where you should be involved (because a particular prospect is a realistic sales opportunity), but also identify where you shouldn't be involved, because your qualification procedures have identified certain issues with that particular 'suspect'.

A formal Sales Forecasting process will help to clarify exactly where every lead, opportunity, suspect or prospect sits in the sales process, and will identify what activities have occurred or need to happen now in order to move this prospect through the sales process to a successful conclusion.

Sales forecasting is no guarantee of success, but it will provide the business with a much clearer picture of what is really happening and in conjunction with the Sales Account Plan, provide senior management with the information they're looking for with regard to each individual situation and therefore how that impacts the business as a whole.



### **Sales Reporting - Campaign Activity Notes**

A detailed sales reporting methodology should also be implemented so that anyone reading the notes can assess exactly where everyone is in any active sales campaign that is up and running.

Being able to provide notes that detail the activity undertaken on each campaign is essential, not only to record and document an accurate and timely assessment of the current situation, but also to provide a system whereby anyone (senior management for example) can pick up a particular report and see exactly what stage each campaign is, at any given time.

It will also document who said what and when, and also what activity happened when and with whom. This is essential, particularly if you have sales campaigns that run for many months, and often it will be essential to be able to look back and double check what happened, or who said what – rather than having to just take something at face value.

Believe me – such reporting and dedication has saved many red faces in the past!

Sales Reporting forms part of the overall Sales Account Plan, so that all the information is retained in one place and is easily accessible.

*To find out more, please just call or email us. If you have a particular requirement, we will always be happy to provide you with an informal, no-cost, no-commitment consultation.*