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# Sales Strategy Primer

**Fridays @ the Corridor**

**January 16, 2009**

# First things first...

- To develop a sales and marketing plan you must first:
  - Know what you are selling
  - Understand who you are selling it to
  - Develop how you are going to sell it
  
- In other words...
  - Product / Solution Management
  - Market Analysis
  - Sales Strategies and Practices

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# Product / Solution Management

# Understanding the basics...

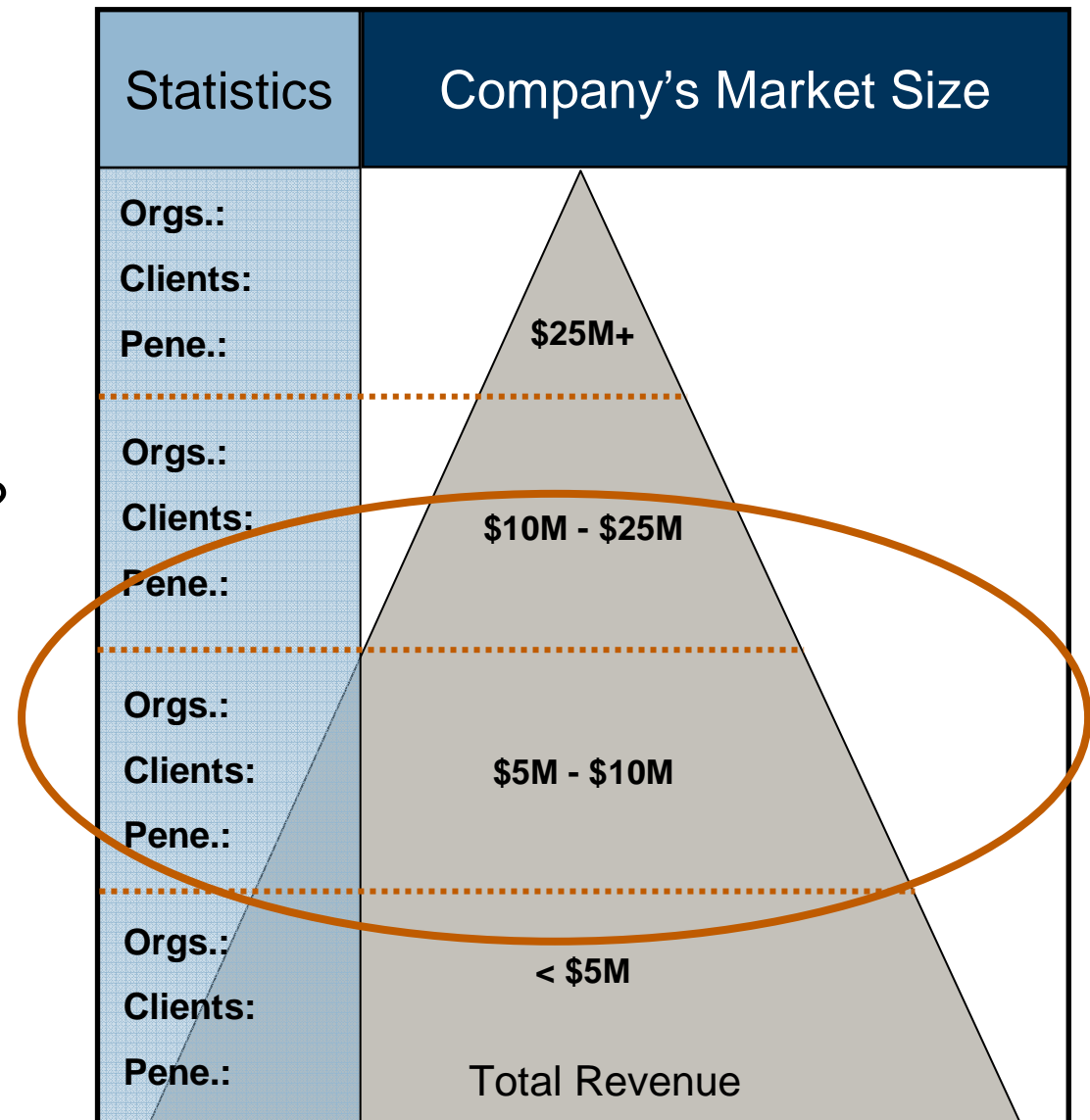
- Is your “offering” a product, service, or a solution?
- Are you selling B2B or B2C?
- Where are you in the offering life cycle?
  - Just entering the market...
  - Trying to move up market...
  - Migrating your solution downstream...
- What is your ideal customer profile? Lets define....
- What organizational discipline are your ideal customers focusing on?
  - Organizational Excellence
  - Customer Intimacy
  - Product Leadership
- Who within your prospects’ organization are you selling to?
  - CFO, CIO, CEO, SVP...

# Understanding the basics continued...

- What specific problem(s) will your offering solve?
- What is the ROI (perceived or real) for providing this solution?
- Is your offering's price in line with the ROI? Or, is it viewed as a barrier to entry?
- What reason(s) would someone have for not purchasing your offering?

# Defining your market

- How large is the market for your offering?
- Is there a specific market segment which you are best suited to serve?
- What is the buying cycle for this specific market segment?
- What does the competitive landscape look like?
- How are you viewed?
- What are you doing to differentiate yourself?
- Others???



# A few marketing concepts

- Leverage the competitive intelligence you have to help craft your message.
  - Do you need to focus on brand awareness, your low TCO, or FAB – **F**eatures, **A**dvantages and **B**enefits?
- When promoting value, remember:
  - The customer's perception of the value of your offering is what really matters.
  - Value is always a combination of tangibles and intangibles. *Any examples...*
- Know how your customers shop and buy:
  - Do they use RFPs or buying associations?
  - Will they respond to telesales or internet blasts...or just face-to-face?
  - Who influences their decisions....market to them as well

# Marketing concepts continued...

- Knowledge is power...always solicit feedback...internally as well as externally?
  - Do you have a person accountable to drive this communication?
- And remember – it is always easier to sell to those who *fit* your ideal client profile...and they are easier to manage post-sale as well.

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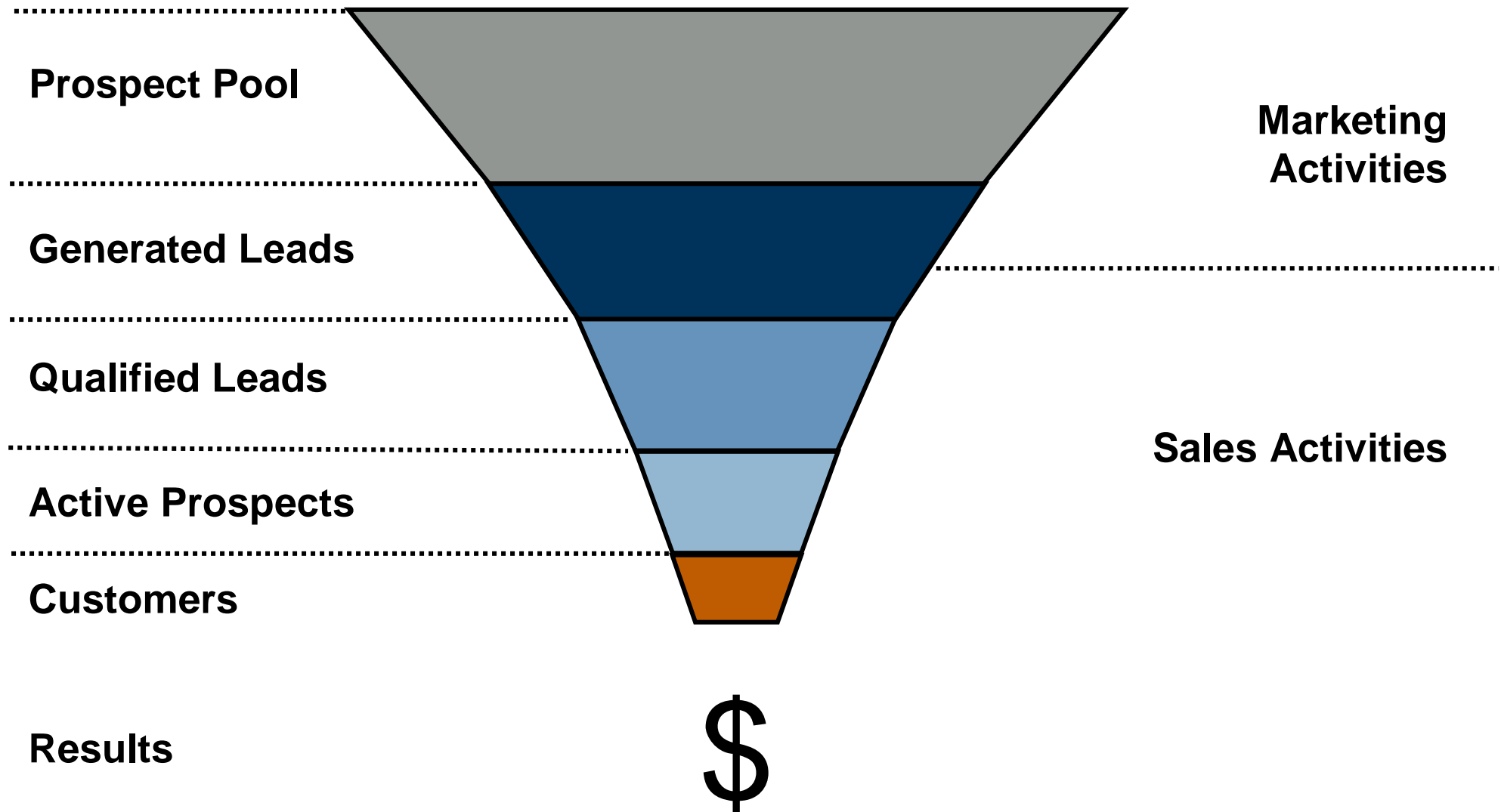
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# Sales Strategies and Management Best Practices

# Sales Structure

- Are you going to sell direct, through a channel, or a mix?
- How do you segment your sales force?
  - Industry
  - Geographic
  - Customer size....or prospect (outside) vs. client (inside)...or both
- How will you connect with prospects – telephone, internet, face to face?
- Are your sales reps product or industry experts? Or, are they purely relationship managers?
- Who will the sales rep need to help win deals?
  - Sales engineers / product experts
  - Service delivery / project managers
  - Satisfied clients / references
- Do they manage the whole sales process or just a component?

# Sales Process



# Managing the sales funnel

- Ensure your elevator pitch is in line with your marketing and that it:
  - Provides answers and motivates your prospects to act quickly.
  - Is clear and concise.
  - Differentiates you from the competition.
  - Appeals on an emotional level rather than just an intellectual level.
- Develop tools and techniques to quickly ascertain the difference between generated and qualified leads.

# Value Prompter™

*Function*

## BUSINESS ISSUE

*Anxiety Question*

### PROBLEM

*“tell me about it”*

*“is it because?”*

•

*“Confirm?”*

### SOLUTION

*“what would it take to solve?”*

*“what if you were able to...?”*

•

*“If we can provide you with these capabilities will that enable you to solve...?”*

VM

### VALUE

*“what is it worth for you to...?”*

*“what will having this do for you?”*

•

*“enough value to want to become a client?”*

V

### POWER

*“who else besides yourself is involved in this decision...?”*

*“Access to power?”*

P

### PLAN

*“what activities would you like to see completed.?”*

*“Urgency to act?”*

P

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- **Decide what data is important...and ensure you have processes and systems to track that data**
  - We'll talk about using data as a management tool later....

# Management Principles / Thoughts

- Hiring is the first step in building a world class sales force.
  - The number one characteristic for sales success is **optimism**.
  - Hire managers that can help you and your sales reps.
- Your sales force is your #1 asset – invest in their professional growth
- Ensure your job specs are specific and outline what you expect and how they will be evaluated
  - Remember, the top reasons why prospects do *not* buy are:
    - Sales representative did not listen to or did not understand needs.
    - Sales representative did not follow up
- Compensation plans – Be sure they drive the behavior you really want.
- Establish clear lines of reporting and decision making:
  - Use consistent language and don't waffle or change mid-stream
  - Bi-directional communication is key.

# Management principles / thoughts continued...

- Remember, your management ability is defined by your worst performer, not your best.
- Don't forget about your prospects, they need managed too
  - Economic buyer
  - User influencer
  - Technical buyer
  - Internal coach
- And, don't let eternal optimism inflate your pipeline or your forecasts

# Metrics

- Pipeline size and value
- Leads and Qualified Leads
- Cost per lead
- Conversion ratio(s)
- Activity – demos, calls, etc.
- Days per stage / to close
- Pipeline ratio – 11:8:5:3:1
- Avg. # touches until close
- Percent won/lost
- Competitive loss tracking
- Average deal size / ASP
- Actual to budget
- Forecast to actual / budget
- Actual expense to budget
- Cost of sale
- Others???

# Reading List

## Sales

- Spin Selling – Neil Rackham
- Make Winning a Habit – Rick Page
- Swim with the Sharks Without Being Eaten Alive – Harvey Mackay
- Hug your Customers – The Proven Way to Personalize Sales and Achieve Astounding Results – Jack Mitchell

## Marketing

- Crossing the Chasm – Geoffrey A Moore
- Inside the Tornado – Geoffrey A Moore

## Business Management

- Good to Great – Jim Collins
- Built to Last – Jim Collins
- Blink: The Power of Thinking Without Thinking – Malcolm Gladwell
- The Tipping Point: How Little Things Can Make a Big Difference – Malcolm Gladwell
- Outliers – Malcolm Gladwell

# Sales Primer Cheat Sheet

## Product Development

### Completeness

- Features and Functions
- Interface
- Ease of Installation

### Correctness

- Value to customer
- Reliability
- Ease of servicing

### Fit

- Ease of Use
- Suitability

## Marketing

### Positioning

- Competitive Analysis
- Market Segmentation
- Marketing Messages
- ROI
- Packaging

### Promotion

- Collateral Materials
- Advertising, Shows and PR
- Customer Testimonials

### Pricing

- Across Market Segments
- Across Channels

## Sales

### Distribution Channels

- Number and Type
- Channel Support and Training

### Sales Force

- Sales Model
- Sales Pitch
- Training & Development
- Lead Generation
- Technical Support

### Sales Stage

- Learning
- Development
- Expansion

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