

# Marketing & Sales

Strategies to Keep & Grow Business

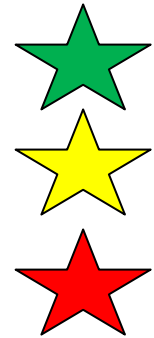
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# Agenda

- Market Strategy
- Sales Strategy
- Q & A

# Timelines

- We will categorize each activity under three timelines:
  - Short term – could do almost immediately
  - Mid term – 90 days to 12 months
  - Long term – 1 year or longer timeline



# Market Strategy

- New markets/existing products
- New products/existing markets
- Market segmentation
- Account penetration
- Acquisition of competitors or market share
- Account retention

# New Markets/Existing Products



- To some, it seems the easiest:
  - You already know your products
  - Little changes required at production level
- Regulatory considerations, legal differences
- Foreign exchange
- Knowledge of local nuances
  - Products, business customs, loyalties
- Environmental – packaging, reporting, etc.

# New Markets/Existing Products - continued

- Who will represent you?
  - Investigate references carefully
  - North American references are ideal
  - A bad decision could have permanent impact on your brand & strategy in that market
- Message: It takes considerable expertise to enter new country markets. Ensure you get quality assistance upfront

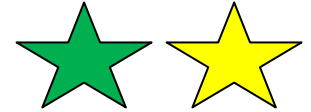
# New Products/Existing Markets

- Advantage that you know the market dynamics
- Is the product an extension of an existing product line?
- How much time and money to get product to market?
- Will the market see you as a viable source to get this product?

# New Products/Existing Markets - continued

- Can your business commit to a long term strategy to become entrenched in a new market?
- Will your legacy sales team be comfortable promoting entirely new products?

# Market Segmentation



- Focus sales team around market segmentation
  - Technology, Automotive, Healthcare, Government
  - Retail, Wholesale, VAR, Direct
  - Tier 1, Tier 2, Tier 3
- Have a marketing approach by segment
- Consider creating segment experts

# Account Penetration: Existing Products & Customers

- Compare average product category penetration to customer-specific product penetration. Example
  - Normal product mix is 60% product A, 40% product B
  - Customer X buys 30% product A, 70% product B
  - Compare overall spend compared to other similar customers
  - Is product B particularly successful, or is product A under –penetrated?

# Acquisition of Competitors or Market Share

- If you have the credit, cash or other means:
  - Is there a competitor in trouble?
  - Can you buy the business, or part of the business?
- Alternatively:
  - Will a targeted focus on that competitor allow you to gain market share more economically
  - Are your pockets deeper than theirs?

# Account Retention

- Proactively re-negotiate contracts
- If you know you are vulnerable due to market volatility
  - Prices out of market due to legacy agreement or complacent representation
  - Your competitors are actively looking for business
  - Don't get caught over-charging – something is better than nothing

# Sales Strategy

- Increasing sales coverage
- Decreasing sales coverage
- Activity management
- Compensation & incentives

# Increasing Sales Coverage



- What is the ramp up time for a new rep in your industry/company?
- Will a compensation bridge be required?
- Can you afford to carry a rep until they are producing?
- Consider raiding competitors for top talent
- How many variables? New rep/new market/new product? – Recipe for trouble

# Increasing Sales Coverage - continued

- What role is required?
  - Business development (hunter)
  - Account management (farmer)
- If you are looking for a combined role:
  - New account development will likely be delayed while rep is ramping up
  - If you are trying to build market share while market is compressed, a combined role may not be a short term strategy

# Decreasing Sales Coverage



- This isn't typically a good idea, but:
  - Is it an opportunity to eliminate an under-performing, but well liked legacy rep with less backlash from customers?
  - Will you make long term product or coverage decisions that make sense, and you can implement now?
- Transferring the remaining book of business will slow down new business development in both markets!!!

# Activity Management



- If you don't have a Customer Relationship Management (CRM) tool, track with a spreadsheet, but measure the key activities!
- Beware:
  - Not the time to burden sales teams with myriad initiatives – focus on focus!
  - Legacy reps may not have the skills or desire to adapt to an activity based measurement system

# Sweating the Small Stuff

The Power of Little Things

Activity	Phone Calls	Cont.	Appts	Prosp.	Ask to Buys	Sales	Aver. \$ Per Sale	Month Income	Month Change	% Change
Normal	60	30	10	5	4	2	\$1,000	\$8,660	\$0	0.0%
2 Extra Phone Calls/Day	70	35	11.7	5.8	4.7	2.3	\$1,000	\$10,103	\$1,443	16.7%

**2 Extra Phone Calls/Day**

# Sweating the Small Stuff

The Power of Little Things

Weekly Ave.	Phone Calls	Cont.	Appts	Prosp.	Ask to Buys	Sales	Aver. \$ Per Sale	Monthly Change	% Change
Normal	60	30	10	5	4	2	\$1,000	\$0	0.0%
Improve Phone Appt. Ratio 2/week	60	30	12	6	4.8	2.4	\$1,000	\$1,732	20%

**Improve Contact to Appointment Ratio 2/week  
By Getting More Skilled at Making Calls or Getting More Referrals.**

# Sweating the Small Stuff

The Power of Little Things

Weekly Ave.	Phone Calls	Cont.	Appts	Prosp.	Ask to Buys	Sales	Aver. \$ Per Sale	Month Income	Month Change	% Change
Normal	60	30	10	5	4	2	\$1,000	\$8,660	\$0	0.0%
Increase Potential Sales 2/week	60	30	10	7	5.6	2.8	\$1,000	\$12,124	\$3,464	40%

## Increase Potential Sales 2/week

Through Better Qualified Prospecting or Getting Referrals.

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Normal	60	30	10	5	4	2	\$1,000	\$8,660	\$0	0.0%
Increase Average Commission \$500	60	30	10	5	4.0	2.0	\$1500	\$12,990	\$4,330	50%

**Increase Average Commission by \$500 by Prospecting at a Higher Level of Opportunity.**

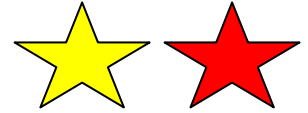
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The Power of Little Things

Weekly Ave.	Phone Calls	Cont.	Appts	Prosp.	Ask to Buys	Sale	Aver. \$ Per Sale	Month Income	Month Change	% Change
Normal	60	30	10	5	4	2	\$1,000	\$8,660	\$0	0.0%
Increase Everything by 5%	63	33.1	11.6	6.1	5.1	2.7	\$1050	\$12,190	\$3,530	41

**Increase Everything by 5% by Working a Little Harder and a Little Smarter.**

# Compensation & Incentives



- Ensure compensation systems are aligned with company objectives. Example:
  - New business paid at a higher rate than existing business
  - If increased profitability is a goal, paying reps on top line only is incongruent
  - Focus on profitable client strategies: clients that pay, order size, frequency, customization, partnership approach, etc.

# Compensation & Incentives

- Be willing to create short term incentive programs to drive right behaviours, but must be realistic
- Caution: you can create additional upside opportunity, but wholesale changes can be viewed as constructive dismissal if there is risk of income loss

# Summary of 'Immediate' Actions

- Account penetration: existing products & customers
- Acquisition of market share – focus on weaker competitors
- Account retention strategies
- Activity management
- Compensation – incentives to drive the right behaviour