



10 SALES STRATEGIES FOR TODAY'S MARKETS!



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In today's ever changing and challenging markets, everyone wants to know ... Are you going to make your number?

Downturns, economic concerns, global competition,clearly, today's realities affirm that we are in a stage of perpetual change, and it is the agile organization that will fare the best during today's dynamic times. Today's successful organization is having to focus and become more efficient and *very aggressive* in multiple areas in order to survive and grow their business.

To gain insight on how sales leaders are responding to today's challenges, we tracked down sales executives from a variety of national and regional companies to see what they are doing to bring about change and rev up their company's performance. These companies included manufacturers, distributors, and wholesalers. Our objective was to learn, and through this article, share insights that might be helpful to executives in all industries.

In nearly all cases we spoke with the organization's Senior Sales Officer, veterans who manage multi-million dollar lines of businesses. They agreed to be interviewed provided we maintained confidentiality. Therefore, while we quote those interviewed, the quotes are provided anonymously.

Clearly, these executives have much at stake to keep their companies moving forward.

WARNING: Some of the strategies being used by these executives are refreshingly counterintuitive.

First, the big question: How have the markets and economic conditions impacted these firms? The answers are quite varied. Generally, there *has* been impact, sometimes significant, with volume dropping as much as 25% in some organizations. For many, unit volume is down, although some level of revenue is being made up due to price increases. For most, single-digit declines or increases are being seen.

Positively, some have seen their sales increase appreciably by focusing on new markets, and introducing new products and services.

From a global perspective, companies who are well positioned internationally are able to find growth in other markets.

The following represent a synthesis of the key strategies these senior executives communicated. While no one in the group is doing all of them, they do reflect where effort is being applied. We suggest you study them, reflect on them, but more importantly, **act** on those that are most relevant to your business, as they are key to weathering the many dynamics that are surfacing now and in the future.



1. BE AGGRESSIVE

- The most pervasive strategy shared is **that this is the time to be aggressive**. This is the time to be well positioned no matter what economic winds may be blowing.
- Taking share and stimulating a spirit of “attack” is the strategy many of these sales leaders are taking during these times. The entire organization, they say, needs to be focused even more passionately on growth. **“Do not accept mediocrity”** is a resounding message.

Other Messages:

“Our whole strategy as a company is to ensure we are well positioned no matter what the economic environment brings us.”

“Business has been very good. Accelerating focus on international business has more than made up for softness in the US markets.”

2. PROTECT YOUR TURF

- The second most important strategy is protecting your position with those customers where you are really entrenched. Many are providing customers with additional enhancements – better terms, special programs, value offerings, etc.
- Some are conducting detailed business reviews to align their own strategies more closely with the customer’s growth efforts, and in turn, create an even stronger level of loyalty and interdependence.
- Others are providing value by presenting their customers with a menu of available tactics to achieve the growth the customer is seeking. Menus are being customized to the channel being served so they are deemed appropriate. And the more a program is customized to the customer, the better it is received.

“We are doing our best to provide an excellent line of opening price-point products among all categories and making sure inventories are in place to satisfy demand. Making sure all products are priced correctly is a key strategy for us.”

3. ENGAGE AND LEVERAGE THE SALES FORCE

- Many believe that these times represent an ideal occasion to connect with the sales force. While some are using the time to reexamine the caliber of their talent, most are more provocative in their approaches.
- Many are giving the sales force a raise by introducing higher and more lucrative incentives for new account acquisitions; others are adding many more salespeople in the effort to penetrate and gain share.
- Most companies are placing pressure on poor performers. Dead weight cannot be tolerated.
- Some are aggressively expanding the inside sales channel. Many believe there is significant business to mine where the direct sales organization is not able to focus.



“We are transferring ship-to locations ordering \$12,000 dollars or less to the inside sales organization. We are beefing up the inside sales force and have created 7 different customer stratifications.”

“Nothing beats good salespeople on the ground hustling their butts off.”

4. LAUNCH NEW PRODUCTS AND CHANNELS

- New innovative product introductions is a common strategy being applied to open up opportunities in new or adjacent channels and to build excitement.
- A commitment to stringent competitive analysis is evident in some companies in order to prevent market share erosion.
- Some are expanding or building aggressive internet strategies to reach segments not traditionally covered by the sales force.
- All are trying their best to focus on value and not on price.

“We are introducing multiple new lines each year, with each expected to generate an additional \$1 million each.”

“We are launching a new line of environmentally friendly products.”

5. SUSTAIN PROMOTIONAL ACTIVITY

- Many firms are promoting more heavily and more aggressively; some are not doing anything special, and in fact are even cutting back on promotions to protect margins. Many are changing their customer incentives and rebates so that they are tied to incremental growth.
- Requesting comprehensive product line reviews with customers is a proactive strategy by some to ensure the best product mix exists.

“We are paying a bounty for new customers. Commissions are 15% on new orders with new customers versus 5% on existing business.”

“We are launching more aggressive promotional calendars that integrate everyone involved in distribution”

6. CHALLENGE SALES MANAGEMENT

- Few appear to be tapping into improving the productivity of the sales manager directly.
- One organization is truly serious about improving the effectiveness of their sales teams nationally by appointing seven Directors of Sales Force Effectiveness.
- Other organizations who are demonstrating leadership in Sales Management followed a variety of tactics to improve performance. They are:
 - ✓ Helping their sales leaders coach more effectively.
 - ✓ Keeping senior executives on the road - in front of the company's top customers.
 - ✓ Elevating the tracking of activity metrics and introducing scorecards to focus effort and build accountability.
 - ✓ Paying bonuses based on achievement of special promotions and objectives.



"We need to do a better job of sitting down with the reps on a formal basis and making sure they execute on what they say they would do."

"Sales Managers have a variety of Key Performance Metrics. They are bonused on meeting and exceeding those metrics. The performance measures are very specific and dynamic around meeting specific goals."

"We have a once-a-month sanctioned office day so that managers can turn off email and access and analyze the sales data. This provides more meaningful interaction between the managers and the salespeople."

7. DEVELOP ACCOUNTABILITY VIA BETTER PLANNING AND EXECUTION

- Only a few companies appear to be even more focused on better execution at the field level.
- The ones who are serious about execution at the field level indicate this is one of their strongest strategies to drive growth. They challenge each salesperson to focus, to seek new opportunities, to understand their competitors, etc.
- Some are making the planning process more intense. The best establish accountability for developing the plan and working the plan, particularly in those situations where the promotional calendar is set far in advance.

"The strategy with the existing and new customers is to increase sales coverage and frequency of visits, making our company a top-of-mind supplier with all customers."

"We are now performing four blitzes a year to acquire new customers. During this time, the sales people can only call on smaller customers to build the customer base."

8. ACCELERATE COMMUNICATIONS

- Most leaders are staying in front of their salespeople and customers more actively than before.
- Monthly call-ins and web-based communications, frequent conference calls, and active contact with the entire customer base through product bulletins and frequency of newsletters seems to be the rule.
- In all cases, the spirit is to maintain a positive disposition.

“We are providing data that supplies clarity around accomplishments of key performance measurements. Data enables sales and management to be able to monitor individual and customer performance in a dynamic way.”

9. FOCUS ON EDUCATION

- While many organizations that participated were not investing heavily in training now, a few see this slow down as the best time to make education a priority investment in helping the salesperson differentiate himself / herself with customers.
- Others see education now as a basis for building long-term employee loyalty and reaffirming their company’s commitment to the front line by establishing or investing in their training departments.

“We see investing in our people as one of the best strategies. It is their ability to succeed, to deliver on their promises, and to solidify their presence with our top customers that will make the difference in challenging times.”

10. FOCUS ON COST MANAGEMENT (WHEN APPROPRIATE)

- Everyone is conscious about spending and cutting costs where needed. Many are being careful as too much adjustment will impact momentum for the long-run.
- Substituting other means of communications – less meetings and travel for more on-line conferences – appears to be a common strategy.

“We are being careful everywhere. While we are cutting back, it is primarily in those areas where there is room for other alternatives.”

We trust you have found these insights helpful. Paying attention to all details in the sales and marketing process will make a big difference. Sharing and celebrating successes with your sales organization is essential.

When all is said and done, being proactive, responsive and flexible makes a huge difference. Dust off everything you once did to become successful and focus on it again. Those that do will reap rewards; those that don’t will be challenged to sustain their presence in the market.

It's time for leadership to set the example.



ABOUT SALES EFFECTIVENESS, INC.

Sales Effectiveness, Inc. focuses solely on helping Senior Executives drive excellence and accelerate growth for their sales forces. Since 1997, Sales Effectiveness, Inc. has become famous for helping our customers build high performance sales teams.

We believe that in order to improve sales performance, leaders must:

- ✓ *Hire* correctly to build a superior team.
- ✓ *Plan* effectively in order to drive execution.
- ✓ *Develop skills mastery* in order to grow capability.
- ✓ *Build Sales Manager excellence* in order to make raising-the-bar a way of life.
- ✓ *Reward* and recognize continuously in order to drive results.

Our team is dedicated to raising the bar for sales professionals worldwide. All the associates of Sales Effectiveness are students of sales and believe that sales excellence is within the reach of all sales teams – with the right leadership, focused education, and a sustained commitment to continuous improvement.

For more information, contact:

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